

**THIRD AMENDMENT TO THE
PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF SAN
BERNARDINO AND INLAND SOUTHERN CALIFORNIA 211+**

This Third Amendment to the Professional Services Agreement ("Third Amendment") is made and entered into by and between the City of San Bernardino ("City") and Inland Southern California 211+, a subsidiary of Inland Southern California United Way ("Consultant") as of the last date set forth below. City and Consultant are collectively referred to herein as the "Parties."

RECITALS

On December 27, 2020, the Consolidated Appropriations Act of 2021 ("CAA") was signed into law. The legislation includes \$25 billion in emergency rental assistance to assist households that are unable to pay rent or utilities, due to impacts of the COVID-19 pandemic. Tribal communities, U.S. territories, states and local governments with populations over 200,000 are eligible to receive funding.

The City, a public agency of the State of California ("State"), received an initial federal allocation of Six Million Four Hundred and Fifteen Thousand Six Hundred and Thirty Three Dollars (\$6,415,633.00) from the United States Treasurer ("U.S. Treasury") ("Federal Allocation"), of which Five Million Seven Hundred Seventy Four Thousand and Seventy Dollars (\$5,774,070.00) was made available in direct assistance. Pursuant to federal regulations, the total administrative cost for the program at that time was Six Hundred and Forty One Thousand Five Hundred and Sixty Three Dollars (\$641,563.00). The Federal Allocation shall be used for the sole purpose of implementing an Emergency Rental Assistance Program ("ERAP 1").

On March 9, 2021, a Request for Proposal (RFP# F-21-21)("RFP") for the administration of the Federal Allocation was issued. City selected Consultant to enter this Agreement for the Administration of the City's Federal Allocation (or alternatively referred to herein as the "ERAP 1 Program").

On April 21, 2021, City Council of the City of San Bernardino adopted Resolution No. 2021-92 authorizing the City Manager to execute an Agreement with Consultant to administer the City's ERAP 1 Program.

The City and Consultant entered into that certain Professional Services Agreement on May 26, 2021 for the administration of the City's ERAP 1 ("Agreement") in a Not-Too-Exceed Amount of \$448,410.00.

On March 11, 2021, the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (March 11, 2021) ("ARPA") was signed into law and herein incorporated into the Second Amendment to the Professional Services Agreement, executed by the parties on December 15, 2021, incorporated by reference ("Second Amendment"). Section 3201 of Subtitle B of Title III of ARPA established the federal Emergency Rental Assistance Program ("ERAP 2"), and authorized the direct allocation of emergency rental assistance

funds to states, units of local government, tribal communities, and territories. The ERAP 2 funds are intended to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic.

The State enacted California Senate Bill No. 91 (2021-2022 Reg. Sess.) (“SB 91”) and Assembly Bill No. 832 (2021-22 Reg. Sess.) (“AB 832”) that established the State of California’s program for administering its share of ERAP funds (the “State Rental Assistance Program”). SB 91 added Chapter 17 (commencing with Section 50897) to Part 2 of Division 31 of the Health and Safety Code. Health and Safety Code section 50897.1, subdivision (a)(1), as amended by AB 832, authorizes the Department of Housing and Community Development (the “Department”) to administer the State Rental Assistance Funds in accordance with state and federal law.

On August 25, 2021, the Parties entered into an amendment to modify the ERAP 1 Program requirements to be consistent with AB 832 and to add measures to ensure compliance with federal allocation deadlines for the administration of the ERAP 1 program (“First Amendment”).

On September 15, 2021, the City Council adopted a Resolution to receive an allocation of State Rental Assistance Program Funds for ERAP 2 pursuant to Health and Safety Code section 50897.2.1, subdivision (2) (such allocation, a “Block Grant Award”) in the initial amount of \$6,018,454.42 (“Initial Match”), and potentially two to three times that amount.

The City’s Block Grant Award is subject to the requirements of SB 91, AB 832, State Housing Department guidelines, and to the relevant requirements of the ARPA and U.S. Treasury interpretive guidance, including guidance and program parameters required pursuant to the CAA, and to any and all such requirements as may be subsequently amended (collectively, the “Block Grant Award Requirements”).

The City and Department entered into a Standard Agreement (“Master Agreement”), to allocate the Block Grant Award for the administration of the City’s ERAP 2 State Block Grant, attached to the Second Amendment as Exhibit “E” by reference. The Initial Match was increased by the Department pursuant to the Master Agreement, and the City’s total Block Grant Award allocation was listed in the Master Agreement as \$8,273,045.10. However, at that time, the maximum amount that the Department was obligated to disburse to the City was listed as \$2,407,381.77 in the Master Agreement. At that time the Second Amendment was executed, City was able to make \$2,323,123.17 available to United Way, which includes the not-too-exceed amount contained within Exhibit B-1, the Schedule of Charges of the Second Amendment, which was amended subject to subsequent disbursements from the Department to City for Consultant to administer.

The Master Agreement requires the City to contractually obligate at least 75 percent of the first tranche of its ERAP 2 Block Grant Award by October 31, 2021. The final Master Agreement was provided by the Department to the City via email on November 17, 2021, and fully executed on November 19, 2021, following the October 31, 2021 deadline. The Department may waive the requirement for the first tranche of funds. However, the City may be required, pursuant to the Master Agreement, to repay the Department the amount

of ERAP 2 State Block Award that has not been contractually obligated or expended by any AB 832 or federal deadlines.

The Second Amendment authorized the Consultant to administer the City's ERAP 2 State Block Grant, in addition to the administration of ERAP 1 under the CAA and increased the Consultant's total compensation amount by \$240,738.17, from the previous amount of \$448,410.00, for a new not to exceed amount of \$689,148.17. The increased compensation for the administration of City's ERAP 2 State Block Grant was ten percent (10%) of the initial disbursement and maximum amount of the Master Agreement with the Department, and will be further increased upon the distribution of additional funds from the Department pursuant to an amended Master Agreement.

The Parties now wish to amend the Agreement via this Third Amendment, for Consultant to obligate two additional disbursements of ERAP 1 reallocated funds received from the U.S. Department of Treasury ("Treasury") for an amount totaling \$352,383.14 at this time, with the possibility of future ERAP 1 reallocated funds in the future, and revise Section 10 of the Agreement to specify City's preference for remaining ERAP 1 funds.

NOW, THEREFORE, the Parties agree as follows:

The recitals above are true and correct and are hereby incorporated herein by this reference.

1. Section 4(a) of the Agreement is hereby amended to include Exhibit "B-2" Schedule of Charges (Supplemental), attached to this Third Amendment as Exhibit "B"-2 (Supplemental) and incorporated into the Agreement by this reference.
2. Section 4(b) of the Agreement is hereby revised to read, in its entirety, as follows:

In no event shall the total amount paid for services rendered by Consultant under this Agreement and its Supplemental Amendments exceed the sum of Seven Hundred Thirteen Thousand Eight Hundred Fourteen Dollars and Ninety Nine Cents (\$713,814.99) ("Not-to-Exceed Amount"). This Not to Exceed Amount is to cover all related costs, and the City will not pay any additional fees for administrative expenses. Consultant may be required to submit administrative invoices to City for approval based on Exhibit "B," the Schedule of Charges for the ERAP 1 Program, and Exhibits "B-1" and "B-2" (Supplementals), including the Schedule of Charges for the ERAP 2 State Block Grant (collectively, the "Draw Down Schedule"). The City reserves the right to modify the Schedule of Charges in its sole discretion, including to add additional funds for either the ERAP 2 State Block Grant or Exhibit "B-2," based on any reallocated ERAP 1 funds issued by the U.S. Treasury. Invoices shall be based on the total of all Consultant's services which have been completed to date, to City's sole satisfaction. Consultant is required to separately account for allocations for the ERAP 1 Program, the ERAP 2 State Block Grant and any reallocated ERAP 1 funds issued to City by the Treasury. The invoice shall describe in detail the services performed and the associated time for completion. Any additional services

approved and performed pursuant to this Agreement shall be designated as “Additional Services” and shall identify the number of the authorized change order, where applicable, on all invoices.

3. Section 4(c) of the Agreement is hereby revised to read, in its entirety, as follows:

Consultant shall draw and expend Program funds to serve qualifying households in accordance with the schedules set forth in the Draw Down Schedules, beginning with the initial disbursement of the Federal Allocation following the execution of this Agreement. Disbursements as set forth in the Draw Down Schedules will be contingent on Consultant's compliance, in City's sole discretion, with all Program metrics contained in Exhibit "A" and Exhibit "A-1", Scope of Service, including weekly reports that include total dollar value of applications paid, amount of Federal Allocation or State Block Grant or reallocated ERAP 1 funding remaining, and projections of how many additional applications may be funded, among others.

4. Section 6 is hereby revised to read, in its entirety, as follows:

This Agreement shall commence on the Effective Date and continue through December 31, 2023 (“Term”). The City may, at its sole discretion extend this Agreement on a 12-month basis not to exceed one(1) additional twelve month renewal term by giving written notice thereof to the Consultant not less than (30) calendar days before the end of the Agreement Term.

5. Section 10(c) of the Agreement is hereby revised to read, in its entirety, as follows:

(c.) The Consultant certifies that the activities carried out with funds provided by the City under this Agreement will only be used to cover costs to prevent, prepare for, and respond to COVID-19 as set forth in the 2021 Consolidated Appropriations Act, the American Rescue Plan Act of 2021 (collectively the “Acts”), and U.S. Treasury guidance, as well as applicable State authorities, SB 91, AB 832, and State Housing Department guidelines. Consultant shall prioritize remaining ERA 1 Reallocated Funds for utility debt and eviction prevention services, to the extent that prioritization is consistent with Program Guidelines and State and Federal law. However, in the event of conflict, the enabling Federal allocation law, and any applicable U.S. Treasury guidance, shall control. This includes Consultant’s compliance with State Housing Department-approved program guidelines, which are incorporated by reference as a new Exhibit “F.” The Consultant acknowledges that the funds being provided by the City for the Program are distributed pursuant to Acts, and the Consultant agrees to comply with the requirements of the Acts, and any implementing regulations and programmatic requirements.

6. All other references in the Agreement to the CAA shall also include ARPA, as applicable. Otherwise, except as modified by this Third Amendment, all provisions

of the Agreement, First Amendment and Second Amendment shall remain in full force and effect for the term thereof.

7. This Third Amendment may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR THIRD AMENDMENT TO THE PROFESSIONAL SERVICES
AGREEMENT BETWEEN THE CITY OF SAN BERNARDINO
AND INLAND SOUTHERN CALIFORNIA 211+**

IN WITNESS WHEREOF, the Parties have executed this Third Amendment as of the last date listed below.

CITY OF SAN BERNARDINO

**INLAND SOUTHERN CALIFORNIA
211+**

APPROVED BY:

Robert D. Field
City Manager

Date

Lisa Wright
President

Date

ATTESTED BY:

Genoveva Rocha
City Clerk

APPROVED AS TO FORM:

Best Best & Krieger LLP
City Attorney

EXHIBIT B-2

SCHEDULE OF CHARGES (SUPPLEMENTAL)

Program Requirement	Cost
Call Center	\$2,160
Case Management	\$19,491.82
Application Portal: to include initial set-up and ongoing maintenance and operations	\$2,875
Fund Disbursement	\$140
Annual Administrative Program Cost	\$24,666.82

Draw Down Schedule*

Draw %** Payment Month/Year	Consultant Administrative Program Cost	Direct Service Payment	Total
Upon receipt of payment from the State	\$24,666.82	\$317,144.83	\$341,811.65

*All Draw Down Disbursements are based on compliance with ERAP and the terms of this Agreement, incorporated herein.

**If additional funds are allocated by the State, then the same pro-rata disbursement schedule shall apply to those additional funds.

EXHIBIT F

HCD APPROVED PROGRAM GUIDELINES FOLLOWING APPROVAL OF THIRD AMENDMENT