



DISCUSSION

City of San Bernardino Request for Council Action

Date: December 7, 2022
To: Honorable Mayor and City Council Members
From: Robert D. Field, City Manager;
Barbara Whitehorn, Agency Director of Administrative Services
Department: Finance
Subject: **Fiscal Year 2022/23 1st Quarter Report (All Wards)**

Recommendation:

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

1. Accept the Fiscal Year 2022/23 1st Quarter Report;
2. Authorize the Agency Director of Administrative Services to Amend the Fiscal Year (FY) 2022/23 Budget as outlined in the FY 2022/23 1st Quarter Report;
3. Adopt Resolution No. 2022-268 of the Mayor and City Council of the City of San Bernardino, California, approving the 1st Quarter General Fund Budget Amendments totaling \$2,088,110; allocating \$1,000,000 of Measure S funds for further development of the Investment Playbook; and allocating \$20,150,000 of American Rescue Plan Act Funds for the Housing Initiative and Navigation Center; and Temporary Housing Funds for American Sports University Tenants.
4. Approve the following:
 - a. Deputy Director of Operations (U) job classification;
 - b. Salary range increases to the following positions: Equipment Mechanic I (Flex), Equipment Mechanic II, Programming/Traffic Assistant, IT Analyst I (Flex), Senior IT Technician, Community Service Officer, Forensics Specialists II, Lead Forensics Specialist, and Forensics Supervisor;
 - c. Amendment of the city-wide salary schedule for full-time, part-time, temporary, and seasonal positions.

Background

This Staff Report is divided into three main sections:

- 1) *Financial Performance*, which will discuss the financial performance of the City in FY2021/22 and through Quarter 1 of FY 2022/23;
- 2) *Meeting the Needs of the Community, Customers and Departments*, in which individual department goals and needs are discussed and addressed; and
- 3) *Strategic Initiatives*, in which key City initiatives including the Investment Playbook and the Homeless Navigation Center are discussed.

Because these areas and initiatives require discussion at the City Council level, and decisions regarding funding they have been brought forward as a single staff report.

The City continues to make great strides in the last few months in providing services for the community while remaining fiscally prudent. The City of San Bernardino officially exited bankruptcy on September 8th, 2022 when U.S. Bankruptcy Judge Scott C. Clarkson issued an order discharging the City of San Bernardino's bankruptcy case, bringing an end to a process that began over ten years ago. The City has been actively allocating resources to make San Bernardino's progress obvious: repaving streets, trimming trees, renovating parks and senior centers, redeveloping underutilized parcels, cleaning graffiti and sidewalks, adding large murals and painting utility boxes with bright colors and neighborhood themes, and hosting events to boost engagement and pride in the community.

The City also marked local history with the official launch of first-ever scheduled passenger flights out of San Bernardino International Airport and the Parks, Recreation and Community Services Department put on the first annual San Bernardino Festival on October 9 at Seccombe Lake Park.

Discussion

Financial Performance

The City of San Bernardino is in a period of growth and opportunity. Strong revenue performance and operational savings in departments during FY 2021/22 led to an increase in total fund balance (spendable and non-spendable) of almost \$7.5 million leaving total fund balance at \$104.3 million, with fully funded reserves of \$32.7 million and over \$22.3 million in unassigned fund balance. Year-end entries for FY 2021/22 are still occurring and being finalized within the Accounting Division; therefore, these numbers are preliminary, unaudited estimates and may change with audit adjustments before the Annual Comprehensive Financial Report (ACFR) is issued for Fiscal Year 2021/22.

The City entered into a biennial budget for Fiscal Years 2022/23 and 2023/24 with a budget including anticipated increases in sales tax collections and modest increases in other revenue streams. The City is primarily a sales-tax dependent city, with Sales and Use Tax, and the Measure S Transaction and Use Tax representing nearly 50% of all FY 2022/23

General Fund revenue in the adopted budget. Sales tax receipts are reported and remitted to the State on a monthly basis and the City receives its remittance two months after the taxes are collected. Final sales tax receipts for FY 2021/22 exceeded expectations. Specifically, Measure S was expected to bring in approximately \$42 million for the fiscal year. Measure S receipts totaled \$49,424,028 in Fiscal Year 2021/22; 18% higher than expected. The higher than anticipated revenue was accompanied by additional costs, including the sales tax revenue sharing agreements, which increase with increased sales tax receipts. The City also added forty-four (44) positions, increased investment in capital projects, and dedicated more funding to maintenance contracts. Thus, while revenues were markedly higher than expectations, expenditures were deliberately increased to take advantage of the additional funds so that the City can begin to address its significant service needs and deferred maintenance.

Overall, unaudited General Fund revenues came in at approximately \$155.5 million and expenditures at \$148 million, for an approximate \$7.5 million increase in fund balance, as stated above. Again, it should be noted that the City's financial audit is not complete, and these numbers remain subject to change.

As discussed above, sales tax receipts are received two months in arrears, therefore, first quarter financial results, July through September 2022, show only one month of sales tax receipts. To date, the receipts for Fiscal Year 2022/23 are relatively on budget. Revenue results are detailed below with notes.

| City of San Bernardino FY 2022/23 Revenues | | | | |
|--------------------------------------------|-----------------------|-----------------------|-----------------------------|-------|
| Account Classification | Adopted Budget | Amended Budget | Year-to-Date Sept. 30, 2022 | Notes |
| Sales and Use Tax | \$ 50,000,000 | \$ 50,000,000 | \$ 4,531,123 | a |
| Measure S Sales Tax | \$ 46,000,000 | \$ 46,000,000 | \$ 3,949,777 | a |
| Property Taxes | \$ 22,500,000 | \$ 22,500,000 | \$ - | b |
| Utility Users Tax | \$ 21,430,500 | \$ 21,430,500 | \$ 4,196,946 | c |
| Licenses & permits | \$ 12,430,000 | \$ 12,430,000 | \$ 3,659,135 | d |
| Franchise Tax | \$ 11,781,000 | \$ 11,781,000 | \$ 439,960 | c |
| Other Taxes | \$ 11,656,000 | \$ 11,656,000 | \$ 1,507,316 | a |
| Charges for services | \$ 8,232,400 | \$ 8,232,400 | \$ 2,209,195 | d |
| Intergovernmental | \$ 2,367,000 | \$ 2,367,000 | \$ 315,105 | e |
| Fines and forfeitures | \$ 1,365,500 | \$ 1,365,500 | \$ 225,623 | f |
| Miscellaneous | \$ 1,181,556 | \$ 1,181,556 | \$ 94,181 | e |
| Use of Money and Property | \$ 529,000 | \$ 529,000 | \$ 168,202 | e |
| Investment income | \$ 525,000 | \$ 525,000 | \$ 218,065 | g |
| Total Revenues | \$ 189,997,956 | \$ 189,997,956 | \$ 21,514,629 | |

Sales and Use Taxes and Measure S Transaction and Use Tax (a) represent only one month of collections. Measure S receipts are almost exactly on budget with July receipts equaling 8.6% of the expected revenue for the year. Sales and Use Taxes came in just slightly higher at 9.1% of total revenue for the year. Other taxes, which include Transient

Occupancy Tax (hotel and motel tax), Cannabis Tax, Tow Franchise and others are anticipated to meet budget over the course of the year. No Cannabis Tax revenue was received during the first quarter of Fiscal Year 2022/23; however, subsequently \$605,692 has been collected.

The majority of the Franchise Taxes (b) are not remitted until later in the year, and Property Taxes in Lieu of Vehicle License Fees (VLF) are submitted to the City in two payments, one in January and one in June. Utility Users Tax (UUT) (c) is on track to meet budget projections though this revenue stream has been in decline over the past few years. This tax is dependent on utility usage and therefore weather conditions and consumer choices impact this revenue source.

Licenses and Permits (d) and Charges for Services are ahead of expected budget for Quarter 1 at 29.4% and 26.8% respectively. Miscellaneous Revenue (e) includes the transfer from the Water Department, which is received annually, and Intergovernmental (e) and Use of Money and Property revenues, which are not received on a regular schedule.

Fines and Forfeitures Revenue (f) is at about 16.5% of the expected budget with Library Fines exceeding the expected budget for the year. Parking citations are behind budget at 13.7% of budgeted revenues collected. Staff will continuously monitor this revenue to determine if the anticipated budget should be adjusted downward at mid-year. Investment Income (g) is at 41.5% of the expected budget due to the City's higher fund balance, the American Rescue Plan funds, and higher interest rate environment.

With the limited financial information available at the end of the first quarter, it is difficult to estimate the future revenue performance; however, revenue performance currently remains stable. The City should be cautious due to the unknowns with the economy. Most importantly, as seen in the performance of the two largest sources of revenue for the City, Sales and Use Tax and Measure S, both came in slightly lower than expected for the first quarter but within expectations; however, in October (August sales), Measure S came in at \$4 million and Sales and Use Tax at \$4.7 million, both below budget, demonstrating some volatility. Staff will continue to monitor economic indicators and revenue trends to ensure that the City is able to plan for any major changes and pivot if necessary.

General Fund Expenditures

Departments are continuing to work to fill positions to maintain and improve service levels and implement new programs and initiatives city-wide. The 1st quarter report provides a snapshot of where department expenditures currently stand. General Fund expenditures are summarized by department below.

| City of San Bernardino FY 2022/23 Expenditures | | | | |
|------------------------------------------------|--------------------|--------------------|--------------------------------|-------|
| GENERAL FUND | | | | |
| Department | Adopted Budget | Amended Budget | Year-to-Date Sept. 30, 2022 | Notes |
| Mayor's Office | 377,224 | 377,135 | 123,704 | b |
| City Council | 931,882 | 931,484 | 380,886 | b |
| City Clerk's Office | 1,486,807 | 1,486,542 | 382,350 | |
| Legal Services | 3,176,084 | 3,176,040 | 421,219 | c |
| General Government | 15,685,165 | 15,780,223 | 3,731,497 | |
| City Manager's Office | 2,331,558 | 2,343,071 | 661,974 | b |
| Human Resources | 2,508,177 | 2,503,810 | 587,120 | c |
| Finance | 6,000,647 | 5,911,137 | 1,886,925 | b |
| Community & Economic Development | 9,647,543 | 10,088,952 | 2,615,604 | |
| Police | 106,395,588 | 106,390,232 | 47,481,131 | a |
| Parks Recreation & Community Services | 4,596,710 | 4,595,809 | 1,308,505 | b |
| Public Works, Operations & Maintenance | 26,567,943 | 26,361,753 | 6,049,281 | c |
| Library | 2,633,501 | 2,632,877 | 764,140 | b |
| Special Assessment District | 150,000 | 150,000 | - | |
| Capital Improvement Projects | 5,050,000 | 6,230,061 | 18,201 | d |
| <i>Budgeted Expenditure Savings</i> | <i>(1,300,000)</i> | <i>(1,300,000)</i> | - | |
| Total General Fund Expenditures | 186,238,828 | 187,659,126 | 66,412,535 | |

| INTERNAL SERVICE AND OTHER FUNDS | | | | |
|------------------------------------------------|-------------------|-------------------|--------------------------------|-------|
| Fund | Adopted Budget | Amended Budget | Year-to-Date Sept. 30, 2022 | Notes |
| Information Technology | 7,432,494 | 7,431,830 | 2,165,164 | |
| Fleet Services | 4,849,884 | 4,849,295 | 1,242,958 | |
| Animal Services | 3,719,863 | 3,718,756 | 1,174,610 | |
| Total, Internal Service and Other Funds | 16,002,241 | 15,999,881 | 4,582,732 | |

| | | | | |
|-------------------------------------------------|--------------------|--------------------|-------------------|--|
| Total, General Fund, ISF and Other Funds | 202,241,068 | 203,659,007 | 70,995,267 | |
|-------------------------------------------------|--------------------|--------------------|-------------------|--|

It is important to note that in the table above the amended expenditure budgets includes carryovers of encumbered funds for contracts entered in FY 2021/22 and prior years. Annually, the City must carryover open purchase orders and the related encumbrances to fulfill these contracts. These encumbrances are recorded as part of the fund balance at the end of the fiscal year and then added to the next year's operating budget.

Also important to note is that the Police Department (a) appears to have spent nearly 44.6% of their annual budget because the City pays its CalPERS Unfunded Actuarial Liability (UAL) payment annually in July. For the Miscellaneous (non-safety) plan, this expense is spread throughout all the non-safety departments, and therefore does not have a major budget impact on any one department. However, the entire Safety Plan UAL payment is paid from the Police Department budget, which significantly skews the department's first quarter results. The City makes the UAL payments in July rather than monthly to avoid paying interest and fees throughout the year to CalPERS. The payment for the Miscellaneous Plan for FY 2022/23 was \$10,176,430 and the Safety Plan payment was \$23,994,586. Paying upfront saved the City \$1,364,300 for FY 2022/23.

Departments that are on track with budget or are tracking just slightly over due to the UAL payment include (b) City Council, the Mayor's Office, Finance, Library, Parks, Recreation & Community Services, and the City Manager's Office. Community, Housing and Economic Development and the City Clerk's Office are on track with expected budget expenditure levels. Departments that are below expected expenditure levels are (c) Human Resources, and Public Works, Operations and Maintenance due to salary savings. Legal Services is also below 1st quarter expectations due to the billing schedule. Capital projects payments (d) do not go out until projects reach benchmarks or are completed; funds are encumbered as soon as contracts are signed. In general, the first quarter expenditures show some savings due to vacancies, personnel turnover rates, and difficulty recruiting. Staff continues to work on staffing levels and are actively working to find solutions to maintain service levels in the interim. Other than salaries and benefits related to vacancies, most expenditures are on track with budget.

Meeting the Needs of the Community, Customers, and Departments

As San Bernardino is seeing more development, an uptick in permitting activity, the attraction of new businesses, and ramping up capital investments throughout the City, staffing continues to be a challenge. Departments are working diligently to respond to increasing developer interest in the City. The City continues to see record numbers of building permits, higher planning activities, and is working to bring on additional staff to address community concerns. Responding to the community, addressing customer needs, and delivering on Council initiatives while trying to recruit and fill the key positions in multiple areas creates bottlenecks and delays deliverables. Several operational improvements and initiatives are in various stages of planning and execution, while departments continue to recruit to fill critical positions for community initiatives.

Animal Services

During the first quarter of FY 2022/23 the Animal Shelter was responsible for impounding and caring for over 1,400 animals, facilitating adoption events that resulted in 638 adoptions, reunited 148 lost pets with their owners, and sent 448 pets to rescue partners. The Animal Control Officers continue to work hard throughout the City and have responded to over 3,200 calls for service. After the separation from the Police Department to create its own department, the Police Department continued to provide all dispatch services for Animal Control Officers in the field. Due to staffing shortages in dispatch at the Police Department, Animal Services has now taken over dispatching duties for Animal Services. Currently the department utilizes borrowed County equipment to dispatch incoming calls for service to the Animal Control Officers. There is a dire need to purchase equipment, as well as new radios, for staff in the field. The cost for each radio and required programming is approximately \$6,000. An amendment of \$100,000 is needed in FY 2022/23 to purchase dispatch consoles and nine new radios for the field.

Summary of Requests

One-Time: \$100,000

City Clerk

During the first quarter of FY 2022/23 the City Clerk's department processed 370 California Public Records Act Requests and began a city-wide records management project by meeting with individual departments to assess needs and draft new retention schedules. In FY 2021, the Clerk's Office reopened the Passport Acceptance Facility to provide much-needed passport service to the community. These services are available on a part-time basis only and part-time staff was requested to assist with operations. After operating for over a year, and considering the demand for services, the Department believes it is necessary to have a full-time staff person to operate the passport office. There are sufficient savings within the department to reclassify the part-time position into a full-time Customer Service Representative position. This will result in an ongoing cost of \$75,884 inclusive of benefits and taxes.

The Department is also requesting additional funding for staff professional development. An amendment of \$1,950 in FY 2022/23 will allow staff to obtain training through the City Clerk's Association of California throughout the year and attend the City Clerks Association Annual Conference.

Summary of Requests

One-Time: \$1,950

Ongoing, future years: \$75,884

Community Housing & Economic Development (CED)

Code Enforcement Division. With the hiring of more Code Enforcement Officers, the Division requires more handheld radios, as well as additional funding for overtime to address the increased demand for after-hours call outs for emergency situations. The equipment costs are approximately \$80,000 and the overtime funding needed is approximately \$20,000. The equipment is a one-time cost (with a useful life of more than 10 years). The need for overtime will be assessed quarterly.

Planning Division. The Planning Division is currently experiencing an ever-increasing workload due to the influx of development applications, building permit and plan check review submittals, phone and public counter traffic, and several other large City-initiated efforts. There is a need to bring in short-term contract staff to assist with processing the backlog of building permit plan checks and administrative planning cases. Contract staff will also provide backup assistance at the front counter, field phone inquiries as needed, and perform planning research to allow existing staff to focus on other time-sensitive projects. The cost of adding short-term contractors is approximately \$250,000 for the remainder of FY 2022/23, of which \$95,000 is being requested. The remainder will be covered through internal salary savings within the department.

With the increasing workload, adding short-term contract staff will help bridge the gap; however, additional permanent staff is needed to keep up the momentum the planning team has built over the past eight months, and to jumpstart the vision for a long-term

solution in Planning. The Planning Division is requesting one (1) Senior Planner and one (1) Assistant Planner to help Division keep up with the increasing developer interest in the City. When the Division is fully staffed and these positions are filled, it should eliminate the need for the short-term contracted services. These positions require an amendment of \$125,455 for the remainder of FY 2022/23 and will have an ongoing fiscal impact of \$257,195.

Multiple Divisions – Software. Community and Economic Development has also identified a critical need for enhanced software that will enable the Housing Division, Real Property and Economic Development to have a project management tool to perform the following: manage the entitlement processes with developers, analyze visual data, track projects and properties long-term through the life of the covenants, manage leases, allocate financing from locations for cost association, etc. This will create a centralized database accessible to users which will enable management reports, centralize documents, and standardize procedures for the handling of City owned assets and leases going forward. The cost of this enhanced software is approximately \$18,000 of which \$9,000 will be funded through the General Fund and \$9,000 will be covered through Community Development Block Grant (CDBG) funds. This is a one-time cost; however, there will be ongoing software maintenance costs associated with the software that the Department will include in future budgets.

Housing Division. The City has a critical need to develop a strategy to reduce homelessness. As a first step, the Housing Division must establish a Navigation Center to help unhoused residents and those at risk of homelessness. As previously discussed with City Council (and discussed in detail below under “Strategic Initiatives”), the City has the opportunity to transform a 2.48-acre former school campus into a community space that can provide a variety of onsite support services, recuperative care, counseling, job training and housing navigation. In order to fulfill this project, the Housing Division needs an architect to design the campus with buildings that are safe, functional, sustainable, and aesthetically pleasing. This one-time cost is approximately \$50,000 and will be covered through CDBG funds.

Real Property Division. The Real Property Division moved to Community and Economic Development from Public Works at the beginning of FY 2022/23. With this shift, and with personnel requiring sufficient education and training to excel in the Division, a budget increase of \$2,620 is needed to obtain International Rights of Way Association memberships and credentialing for staff’s professional development.

Economic Development Division. The Economic Development Division has actively been engaged with the business community to inform them of current opportunities within the City. The Division has also deployed the American Rescue Plan Act Grant program for small businesses and non-profits and continues to develop stronger methods for performing business outreach with the intention to further improve and expand connections with the local business community. To continue the momentum they have built, the Division needs the help of a professional firm to more effectively communicate

city-wide projects, community events, milestones, and accolades through various media. This is an ongoing cost of approximately \$45,000. In addition, the Division is requesting one (1) Economic Development Specialist to manage the business attraction and retention program and support working with the Chamber of Commerce and the County Economic Development Office. The cost for the additional staff for the remainder of this fiscal year is \$56,704, with an ongoing fiscal impact of \$115,925 annually inclusive of taxes and benefits.

Summary of Requests

One-Time: \$186,620 (General Fund)

One-Time: \$59,000 (CDBG)

On-going, FY 2022/23: \$247,159 (General Fund)

On-going, future years: \$418,120 (General Fund)

Finance

Thanks to the hard work of the Accounting and Budget Divisions, the City received both the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award from GFOA again. The Treasury Division successfully implemented the updated Cash Handling Procedures in April 2022 and has trained Departments city-wide on proper cash-handling procedures. They have now fully trained all personnel that deal with cash including supervisors and Directors, and conduct ongoing training for new personnel. All staff that handle cash must complete the training annually. Cash handlers receive a certificate upon completion of the training, and the date of completion. Treasury staff tracks the training dates and will send reminders to cash handlers when they are due to complete their annual training.

The Purchasing Division recently hired a Disadvantaged Business Enterprise Specialist, who will be developing a program for outreach, training and education, and tracking minority owned, and other disadvantaged business enterprises for the City.

Grants Division. The Grants Division continues to establish itself within the City and partner with Departments to help manage existing grants and seek new funding opportunities. During the first quarter, the Division began building a city-wide grant document repository and is currently in the data collection phase. A grant opportunity tracker and methods for pursuing them has been built with the help of the City's grant consultant, Renne Public Policy Group (RPPG) and a Grants Administration Manual is nearing completion. Staff believes it would be beneficial to extend the grants consulting contract with RPPG past the original term date of December 2022 and request an amendment of \$46,000 to the Division's budget. This amount is to allow for the contract extension and to appropriately reflect the full contract amount for RPPG within the Grants Division.

Summary of Requests

One-Time: \$46,000

Information Technology (IT)

IT is a critical department within the City as it ensures that the City stays current in technology advances, connected, and keeps things running in the background of day-to-day operations. During the first quarter, the Department did a city-wide application of DocuSign to improve internal efficiencies, facilitated the implementation and use of PrimeGov software city-wide in conjunction with the City Clerk's team, and assisted the Police Department in the transition from 1 GB to 10 GB internet speed capacity, which required them to replace the two core firewalls with more capacity and newer hardware. IT has been working to improve the City's security and upgrade servers and software, as well as conducting training for City employees. The trainings have been in the form of "phishing" emails with links that if clicked on, send the recipient to a training about cyber security and how to identify phishing attempts. This training campaign is part of a free program sponsored by the Department of Homeland Security, which is also doing a full security assessment for the City.

Client Services Division. Staff recommends that all Windows Operating Systems be replaced with the current version of Windows 11 including hardware. To replace the older versions with Windows 11 an amendment of \$250,000 is needed within the Department's budget to capture all costs associated with this upgrade.

Public Safety Division. The Public Safety Division within IT is responsible for maintaining the crime analytics tool, CrimeView. This mapping tool displays specific crime data on a map and is used by the Police Department Crime Analysis staff and the Command staff. The current CrimeView System is nearing end-of-life and will no longer be supported by the vendor. Staff recommends purchasing the cloud-based version of CrimeView to replace the current version because the software is a crucial tool for the Police Department and assists in transparency for the public. The one-time cost for this upgrade is approximately \$30,000. There will be ongoing software maintenance costs; however, while the amount may vary somewhat from the existing budgeted cost, software maintenance is already included in the Department's budget and will be adjusted as necessary.

Summary of Requests

One-Time: \$280,000

Library

During the first quarter, the Library continued to offer exceptional resources to the community and saw an increase in foot traffic within all libraries. In the 1st quarter, the Library had 1,132 participants in the Summer Reading Program, set a new record of nearly 1,300 Overdrive eBook and eAudiobook checkouts in September, and had an estimated total of 26,657 patrons who visited the City's libraries. Unfortunately, the Department only has ten of the fifteen total authorized positions filled that provide direct public services. Seven are spread among the three public service counters at Feldheim Library leaving only one for each of the three branch libraries. Due to staff turnover, the Department often

operates with less staff than what is necessary to provide high-level customer service to the community. Staff recommends adding an additional full-time Library Technician I to help bridge this gap. The additional position would cost \$35,000 for the remainder of FY 2022/23 with an ongoing fiscal impact of approximately \$61,525, inclusive of benefits and taxes.

Summary of Requests

Ongoing, FY 2022/23: \$35,000

On-going, future years: \$61,525

Parks, Recreation & Community Services

The Parks, Recreation & Community Services Department has been hosting events throughout the City to engage the community and increase youth sports registration numbers. They have also hosted several events for the senior community within the Senior Nutrition Program. The Department also took over the Military Banner Program and with the purchase of a special printer, the Department is able to take requests and create the banner in house so that the City is now able to honor more of our local heroes than ever before. The Department is requesting additional funding for banner materials, ink, thread, and other miscellaneous supplies to keep up with the demand for the banner requests. The cost of these additional supplies is approximately \$7,000, which is anticipated to be an ongoing cost.

The Parks, Recreation and Community Services Department will be bringing additional requests at mid-year, including a Park Ranger program and other additions to staffing that will enhance service delivery and community engagement.

Summary of Requests

Ongoing, FY 2022/23: \$7,000

Ongoing, future fiscal years: \$10,000 (estimate)

Police Department (PD)

The Police Department has continued to seek grant opportunities within the first quarter and has already accepted and been awarded over \$1,000,000 in grant and contract awards. The Department has also successfully hired ten (10) Police Officers, and seven (7) professional staff employees, as well as seven (7) Law Enforcement Trainees. While the Department continues to work on increasing staffing levels to allow for more uniformed officer presence in the community; improvements to assist professional staff with day-to-day productivity are needed. For instance, with the way Police evidence is stored, all evidence must be maintained until a case is adjudicated or released by the court. Currently, the Department's system is manual and extremely time-consuming to manage. Obtaining an automated evidence inventory database for barcoding and cataloging all police evidence will allow the Police staff to improve and streamline daily evidence management duties, reduce repetitive and error-prone manual tasks, and increase the

overall efficiency of the unit. The estimated cost for this software is \$130,000. Ongoing software maintenance costs will be included in future budgets.

Staff also recommends the addition of eleven (11) professional support staff within the department, which will not only improve customer service, but will also allow sworn, uniformed officers who have been covering these roles to spend more time on more critical duties. The additional professional staff recommended are: (4) Community Service Officers, one (1) Accounting Technician I (Flex), three (3) Police Records Technicians I (Flex), one (1) Senior Office Assistant, one (1) Crime Analyst, and one (1) Police Dispatcher I (Flex). These additions in personnel will help alleviate the administrative tasks that sworn Police Officers are currently tasked with due to professional non-sworn staffing shortages within the department. Staff continues to work collaboratively with the Chief of Police to address the non-sworn staffing levels needed to support the nearly 16.5% increase in sworn personnel since FY 2019/20. The addition of these eleven personnel will cost approximately \$394,496 for the remainder of the current fiscal year and will have an ongoing fiscal impact of approximately \$901,549, inclusive of benefits and taxes.

The Police Department continues to have a shortage of non-sworn support positions that will be brought forward as funding is available and economic conditions appear favorable to add staff across the organization.

Summary of Requests

One-Time: \$130,000

Ongoing, FY 2022/23: \$394,496

Ongoing, future fiscal years: \$901,549

Public Works (PW)

The Public Works Department has a visible and tangible effect on the community, and they continue to do great work to improve the City, filling potholes, rebuilding and repaving streets, doing concrete work, removing graffiti, cleaning sidewalks and much more. Within the first quarter, the Department has conducted emergency removals of 1,666 cubic yards of debris, responded and completed more than 180 storm-related requests for service, processed approximately 300 land development projects, and resolved more than 5,804 customer service requests ranging from potholes repair, tree trimming, illegal dumping, street markings, park repairs, weed abatement, graffiti abatement, and others. While the Department strives to continue to provide exceptional customer service to all customers within the City, the Department is also responsible for the support of all the Department's operations.

Administration. With 126 full-time positions budgeted in FY 2022/23, Public Works is one of the City's largest departments. There is currently one Deputy Director, the City Engineer; however, the Facilities and Fleet Division and the Operations and Maintenance Division, neither of which fall under the City Engineer, represent 72% of the Department's overall workforce. This leaves a considerable burden of work on two mid-level managers

and the Agency Director. To better balance the workload and enable the Department to achieve the City's goals more effectively, staff recommends the addition of a Deputy Director of Operations.

Deputy Director of Operations (U)

The Deputy Director of Operations, under the direction of the Agency Director of Public Works, Operations and Maintenance, will provide oversight and leadership to the Facilities and Fleet Division, and Operations and Maintenance Division. This position will work closely with the Division Managers, providing strategic direction, communicating executive team and Council vision and goals, as well as providing administrative and technical support by planning, directing, supervising, and coordinating departmental functions and operational activities. This position is proposed at salary range 629, \$10,786.71/month - \$13,111.34/month. As a new position, assuming recruitment would begin immediately and a new employee would begin February 1, the cost in FY 2022/23 would be \$89,046, and the ongoing cost would be approximately \$208,806 inclusive of benefits and taxes.

Engineering Division. The Agency Director has identified challenges with internal processes and procedures, service efficiency, and staff turnover. The Department needs a high-level audit of the internal processes, procedures, and controls to assist the Department in becoming efficient in both service delivery and project management, especially as the City takes on more numerous and larger capital projects. The goal is to gain an understanding of the current internal workflow and the functions at each respective level, identify control issues, duplications, and develop workflows for service delivery and project management. The outcome will be a higher level of service delivery, increased efficiency, higher customer service delivery and accountability, and greater productivity. Staff recommends bringing an expert consultant to conduct this audit and the services are estimated to cost approximately \$250,000.

Miracle on Court Street. Last year for the holidays, the City of San Bernardino held a tree lighting ceremony at Court Street Square. The City wants to continue the tradition during this holiday season to offer community members the opportunity to gather and celebrate the holidays safely. Staff is seeking an allocation of \$14,000 for rental, installation, and pre-lighting of the holiday tree for FY 2022/23.

Operations and Maintenance Division. The Operations and Maintenance Division with Public Works is responsible for maintaining City streets, sidewalks, curbs and gutters, storm drains, street signs, traffic signals, streetlights, trees, Landscape Maintenance Districts (LMDs), medians and parkways in addition to administration of LMD service contracts and the Franchise Agreement with Burrtec Waste Industries. The Division is also providing services in conjunction with the Housing and Homeless Services Team to effect encampment cleanups, which takes a significant amount of time and staff to accomplish both effectively and with compassion. Staffing shortages do not allow the Department to conduct adequate preventative maintenance or fully address the challenges that arise from storms and other emergencies. Staff recommends the addition of four (4) full-time Maintenance Worker I (Flex), one (1) Lead Maintenance Worker, and one (1) Maintenance

Supervisor that would be dedicated to encampment cleanup, allowing other staff to focus on regular maintenance and any emergencies that arise. The cost for these personnel additions will be approximately \$306,839 for the remainder of the fiscal year, with an ongoing fiscal impact of approximately \$538,079 inclusive of benefits and taxes.

Summary of Requests

One-Time: \$264,000

Ongoing, FY 2022/23: \$395,885

Ongoing, future years: \$746,895

Summary of First Quarter Department Budget Amendment Requests
(General Fund)

| Equipment and Services | | |
|---------------------------------------|-----------------|----------------------|
| Item Requested | Department | Cost (FY 2022/23) |
| Handheld Transceiver Radios | CED | \$ 80,000 |
| Overtime for Code Enforcement | CED | 20,000 |
| Planning Consulting Services | CED | 95,000 |
| Property & Leasing Mgmt. Software | CED | 9,000 |
| Intl. ROW Membership & Credentialing | CED | 2,620 |
| Economic Development Marketing Firm | CED | 45,000 |
| Dispatch Console & Field Radios | Animal Services | 100,000 |
| Staff Training & Conferences | City Clerk | 1,950 |
| RPPG Grant Contract Extension | Finance | 46,000 |
| Windows 11 Upgrade City-wide | IT | 250,000 |
| CrimeView System Upgrade | IT | 30,000 |
| Military Banner Program Supplies | Parks | 7,000 |
| Automated Evidence Inventory Database | Police | 130,000 |
| Contracted Internal Process Auditors | Public Works | 250,000 |
| Holiday Tree for Lighting Ceremony | Public Works | 14,000 |
| Total for Equipment & Services | | \$ 1,080,570 |

| Personnel | | |
|-------------------------------------------------------|--------------|--------------|
| Position Requested | Department | Cost |
| Customer Services Representative | City Clerk | -0- |
| Senior Planner | CED | 70,998 |
| Assistant Planner | CED | 54,457 |
| Economic Development Specialist | CED | 56,704 |
| Library Technician I | Library | 35,000 |
| Community Service Officers (4) | Police | 162,159 |
| Accounting Technician I (Flex) | Police | 32,437 |
| Police Records Technician I (Flex) (3) | Police | 87,402 |
| Senior Office Assistant | Police | 29,751 |
| Crime Analyst | Police | 46,687 |
| Police Dispatcher I (Flex) | Police | 36,060 |
| Deputy Director of Operations | Public Works | 89,046 |
| Maintenance Workers (4) | Public Works | 177,724 |
| Lead Maintenance Worker | Public Works | 55,509 |
| Maintenance Supervisor | Public Works | 73,606 |
| Total for Personnel | | 1,007,540 |
| Total FY 2022/23 Q1 General Fund Requested Amendments | | \$ 2,088,110 |

Summary of First Quarter Department Budget Amendment Requests
(CDBG)

| Equipment and Services | | |
|-----------------------------------|------------|----------------------|
| Item Requested | Department | Cost (FY 2022/23) |
| Property & Leasing Mgmt. Software | CED | \$ 9,000 |

| | | |
|-----------------------------------------------|-----|-----------|
| Architectural Services | CED | 50,000 |
| Total for Equipment and Services | | 59,000 |
| Total FY 2022/23 Q1 CDBG Requested Amendments | | \$ 59,000 |

Promotion of Talent Retention and Competitive Rates

As the City continues its efforts to meet its goal of restoring organizational structure, improving service delivery, and stabilizing financial capacity, staff is recommending the addition of one job classification and five salary range increases to meeting the growing business needs of the City. Staff is proposing an increase of salary ranges in order to remain competitive with the current market landscape and to attract high-level qualified candidates. While these changes have a fiscal impact in the current fiscal year, it can be covered by existing vacancy savings in the departments in which the positions reside. The ongoing fiscal impact to the General Fund of all the adjustments for future fiscal years is approximately \$298,000 inclusive of benefits and taxes and assuming no vacancies.

Equipment Mechanic I & II

These positions continue to be a major challenge for the City to recruit or retain the individuals within these positions. This year alone, there have been four failed recruitment cycles for both positions as the pay rate is not within competitive market range. These positions are key to ensuring that the Fleet Services Division is fully functional and provides the appropriate level of service city-wide. Staff is recommending increasing the Equipment Mechanic I (Flex) salary range from 420, \$3,880/month - \$4,716/month to 431, \$4,099/month - \$4,982/month. Staff is recommending increasing the Equipment Mechanic II salary range from 445, \$4,396/month - \$5,343/month to 450, \$4,507/month - \$5,478/month.

Programming/Traffic Assistant

This classification exists within the part-time salary schedule but has proven to be difficult to recruit due to the salary rate not being within competitive market range. If the City wants to continue recruiting talented individuals, or retain the current employees the City currently has, staff is recommending increasing this salary range of 355, \$2,608/month - \$3,170/month to 400, \$3,264/month - \$3,967/month.

Senior IT Technician

The classification and compensation study adopted by the Mayor and City Council on November 3, 2021 retitled the position of Senior IT Technician to IT Technician II. The change in name inadvertently downgraded the classification title appearing as a demotion in rank as did the salary range. Staff is recommending increasing the salary range for this classification from 460, \$4,643/month - \$5,643.85/month to 488, \$5,339/month - \$6,490/month. This will assist in retaining the talent we currently have within the Information Technology department.

IT Analyst (Flex)

This classification's salary range is not within competitive market range and an increase to this salary range will align the position with similar positions in the region and position the City to be more competitive in recruiting and retaining talent. Staff is recommending increasing the salary range from 490, \$5,393/month - \$6,555/month to 498, \$5,612/month - \$6,822/month.

Community Service Officer

This classification salary range is not within competitive market range and turnover is an ongoing challenge. An increase to this salary range will align the salary range for Community Service Officers to similar positions in Police Departments in the region, allowing the City to be more competitive in recruiting and retaining talent. Staff is recommending increasing the salary range from 410, \$3,691.98/month - \$4,487.20 to 427, \$4,018.03/month - \$4,889.40/month.

Forensics Specialist II

This classification salary range is not within competitive market range and an increase to this salary range will align the salary range for Forensic Specialist II to similar positions in Police Departments in the region, allowing the City to be more competitive in recruiting and retaining talent. Staff is recommending increasing the salary range from 460, \$4,736.84/month - \$5,758.03/month to 478, \$4,736.84/month - \$5,758.03/month.

Lead Forensics Specialist

This classification salary range is not within competitive market range and an increase to this salary range will align the salary range for Lead Forensic Specialist to similar positions in Police Departments in the region, allowing the City to be more competitive in recruiting and retaining talent. Staff is recommending increasing the salary range from 503, \$5,864.91/month - \$7,129.29/month to 516, \$6,258.42/month - \$7,606.65/month.

Forensics Supervisor

This classification salary range is not within competitive market range and an increase to this salary range will align the salary range for Forensic Supervisor to similar positions in Police Departments in the region, allowing the City to be more competitive in recruiting and retaining talent. Staff is recommending increasing the salary range from 525, \$6,545.48/month - \$7,956.07/month to 543, \$7,160.46/month - \$8,703.30/month.

Strategic Initiatives

Investment Playbook and Nerve Center. Over the last year, the City has been working with New Localism Associates on an Investment Playbook (Attachment 4) for the City, a tool designed to help the City prioritize transformational investments and match them to local, federal, state, private, and philanthropic funding opportunities. The recent influx of federal and state funds has created an opportunity for cities to make transformational investments that can secure long-term, sustainable, and equitable growth. Much of this funding will be delivered through a number of different programs (e.g., block grants, tax incentives,

formula grants, competitive grants) from different agencies, all of which have different applications and reporting requirements.

The development of the Playbook has been led by City staff, Bruce Katz, and his team at New Localism Associates. Similar playbooks have been developed in Buffalo, New York and Erie, Pennsylvania. Local knowledge and expertise form the backbone of the San Bernardino Investment Playbook. Unlike traditional economic development approaches that rely on outside knowledge and one-size-fits-all replication of investments made elsewhere, investment playbooks begin and end with community input.

More than fifty in-depth individual and group interviews with community stakeholders surfaced invaluable information about the concerns and aspirations of San Bernardino residents and provided context and inspiration for the Playbook as a whole. These conversations identified six priority areas—Capacity, Infrastructure, Housing, Innovation, Entrepreneurship, and Community—as well as the individual projects within each category. Specific projects were developed in close collaboration with key community partners, including El Sol Neighborhood Educational Center, Just San Bernardino and its member organizations, and Uplift San Bernardino.

The time, wisdom, and creativity that these community partners and other local organizations and individuals have contributed over the past eight months resulted in an Investment Playbook that is authentic to the needs and ambitions of the San Bernardino community. After a final round of feedback staff intends to return to the Mayor and City Council in early 2023 for formal adoption of the Investment Playbook.

A key part of Playbook implementation is establishing the Nerve Center. Nerve Center staff will work to secure funding for Investment Playbook projects, work with stakeholders and staff to ensure that all activities are well coordinated and aligned with the City's identified priorities. As project specifics and costs are identified in the Investment Playbook, the Nerve Center will present the Playbook to potential funders, including state and federal policymakers, philanthropies, and corporations. While the Nerve Center does not replace the entities completing the work, it is a critical component ensuring consistent communication, driving collaboration, and reducing duplicative efforts. Costs associated with the Nerve Center are estimated to be approximately \$300,000 for the next three years for additional consulting from the Aspen Institute and New Localism Associates (authors of the Investment Playbook) and an estimated \$700,000 to start-up the Nerve Center and for operations. The Nerve Center is intended to be self-sustaining; however, some on-going funding may be necessary. To fund both the one-time costs in the current fiscal year and the ongoing needs, staff recommends committing Measure S funds which will be used for on-going costs only if necessary and will be funding a project that is providing transformative growth that is sustainable, and inclusive.

Should Council approve of the appropriation of these funds, the next steps will be the identification of a fiscal agent for the funds dedicated to the Investment Playbook and the

identification of partners to lead the Nerve Center through the proper contracting procedures.

It is important to note that the Playbook is meant to be a living document that will continually be refined based on feedback from the Mayor and City Council, the public, staff and key stakeholders. A website has been developed so that members of the community can view the Playbook in an easy to follow and interactive format:

www.sbinvestmentplaybook.com (Attachment 4)

Summary of Requests

Ongoing, FY 2022/23: \$1,000,000 (Measure S)

Ongoing, future years: up to \$1,000,000 (Measure S)

Summary of First Quarter Budget Amendment Requests **(Measure S)**

| Services | | |
|----------------------------------------------------|--------------|----------------------|
| Item Requested | Department | Cost (FY 2022/23) |
| Investment Playbook/Aspen Institute | CED/Citywide | \$ 300,000 |
| Nerve Center | CED/Citywide | 700,000 |
| Total Services | | 1,000,000 |
| Total FY 2022/23 Q1 Measure S Requested Amendments | | \$ 1,000,000 |

Housing Initiative and Navigation Center. On February 24, 2022, homeless individuals and families in the City of San Bernardino were surveyed for the annual Point in Time Count (Attachment 6), which is a requirement of Housing and Urban Development (HUD). The 2022 Point in Time Count revealed that the City continues to have the highest concentration of homeless individuals in the County with a reported 1350 homeless men, women, and children of which, 992 were unsheltered.

According to the 2022 Point in Time Count Survey (Attachment 6), 40% of the County's homeless population reside in the City (County's homeless population 3,333, City's homeless population 1,350). The rate of homelessness has created significant environmental impacts on communities, parks, libraries, and other public spaces. Managing homelessness has also placed a strain on City resources and manpower. Although there are local organizations within the City that specialize in homeless related

services, all are either at or near full capacity making it very difficult to transition people off the streets.

In 2018, the 9th U.S. Circuit Court of Appeals ruled in the case of Martin vs. City of Boise, that cities could not prohibit homeless people from camping in public places unless they had adequate shelter available. While the word "adequate" is not clearly defined, it does refer to low barrier, emergency shelter with a connection to support services. This ruling hinders any city's ability to enforce anti-camping ordinances and certain public nuisance laws if adequate shelter is not available. Cities are faced with a choice of engaging in expensive and, most likely, unsuccessful litigation or providing shelter if they wish to address homelessness and its effects. While there is no binding precedent on how many shelter beds must be established to allow for the enforcement of no camping rules, there is available guidance. For example, Judge David Carter who sits in the Southern Division of the Central District of California, through a settlement agreement, allowed certain Orange County cities to resume anti-camping ordinances if they can provide shelter beds for at least 60% of their unsheltered homeless population. Under this metric, the City would need to provide a total of 595 shelter beds (60% of the 992 point in time count number), before it can resume enforcement of anti-camping ordinances and minimize the risk of a federal lawsuit. The City currently has 170 shelter beds, which means an additional 425 shelter beds are still needed.

While the City will continue to invest in affordable housing projects to assist people with various income levels, the City needs to establish a multi-pronged approach to reduce homelessness and assist those who are at risk of becoming homeless. A Homeless Initiative Plan (Attachment 5) has been drafted to provide the City with a framework to best focus efforts and resources. The City is also requesting \$20 million in ARPA funding for operational expenses and capital developments in the following areas:

- Two Project Homekey Round (3) Projects (potential increase of 232 shelter beds)
- Navigation Center/Emergency Shelter (potential increase of 200 shelter beds)
- Street Outreach; and
- Mobile Shower and Laundry Service Expansion

Potential Shelter Bed Expansion Total= 432

Project Homekey Round 3 Partnerships

Administered by the California Department of Housing and Community Development (HCD), \$750 million in grant funding will be made available to cities, counties, housing authorities or federally recognized tribal governments within California to purchase and rehabilitate housing, including, motels, vacant apartment buildings, and other buildings and to convert them into interim or permanent, long-term housing.

Homekey Project #1

The City is partnering with Lutheran Social Services of Southern California (LSSSC) on a State of California Homekey Project to develop a 172 bed, non-congregate interim housing

and 20 permanent supportive housing units for men and men with children. The project will be called the San Bernardino Community Wellness Campus (Attachment 7) and it will be constructed using prefabricated modular units approved by HCD. The need for a campus of this nature is significant as homeless men in the City outnumber homeless women by two to one. The current Central City Lutheran Mission will be transformed into a supportive campus that will provide an onsite medical clinic and comprehensive, onsite social services to address educational, social, physical, and mental health needs that will be available to campus residents and the larger community. The campus will also provide workforce development training and it will house a retail market to sell affordable pre-cooked foods and fresh grocery items. The market will be staffed by paid employees and graduates of the workforce development program. The Community Wellness Campus will assist some of the City's most vulnerable residents with housing, jobs and health services while generating revenue for the City with its retail market.

Shelter expansion in the City is necessary and LSSSC intends to use its own land for development (Attachment 7). LSSSC cannot apply for Homekey funding unless the City is the lead applicant and both partnership and financial support will be required to ensure the project's success. LSSSC intends to request \$30 million in Homekey dollars for development and operational expenses.

Homekey Project #2

The City is also partnering with San Bernardino Valley College (SBVC) to develop student housing that will consist of approximately 60 non-congregate living units for students experiencing homelessness. Students selected for housing will include individuals who aged out of the foster care system as well as individuals who suffer from a physical and/or mental disability. Currently, SBVC does not offer any student housing, and this project will create a safe, supportive environment that will be conducive to academic learning and personal success. The City intends to grant land to SBVC (Attachment 8) for this project and provide funding to offset predevelopment expenses. SBVC is in the process of conducting a "Test Fit" to create a layout and site plan. SBVC intends to request \$14 million in Homekey dollars for development and operational expenses.

The Homekey Notice of Funding Availability (NOFA) is expected to be released in Spring 2023 and awards are typically made to "shovel ready" projects on a first come, first served, rolling basis. Although Homekey funds will cover the bulk of expenses related to project development and approximately three (3) years of operating subsidies, cost associated with pre-development expenses (i.e., site plan, surveys, site work etc.) are needed. Without financial assistance from the City for predevelopment, the projects will not be able to move forward in a timely manner. The City is seeking to provide \$5,000,000 in pre-development cost to LSSSC and \$900,000 to SBVC. The amount provided to LSSSC is considerably larger than SBVC due to the projects size and scope of work and the fact that the City is granting land to SBVC.

Navigation Center

Operating as a centralized HUB, a Navigation Center is a multi-service complex designed to provide low barrier, interim housing, and core services to homeless individuals in one location. A Navigation center will help to address the root causes of homelessness while connecting people to resources, medical respite, mental health, substance disorder counseling, individualized case management, job training and placement, and expanded access to permanent housing. It will also assist individuals at risk of becoming homeless as local agencies will be onsite to provide rental assistance and utility assistance to eligible households.

The Navigation Center will operate using a client-centered approach, meaning each client will receive services based on his or her individual need. The Navigation Center will also have a “day center” type quality, which will allow unhoused persons the ability to rest, recover, and connect to services, thereby reducing foot traffic in the community. Law enforcement will have access the center 24 hours a day, 7 days a week to connect unhoused individuals to shelter and community resources. This all-inclusive model will deliver an innovative and specialized approach to addressing a large percentage of the City’s homeless residents.

The City envisions a non-congregate, “campus style” Navigation Center that provides 200 living units that will be developed in phases. The first phase will include interim housing and core services as previously described and accommodate approximately 100 individuals and families. The second phase will include a recuperative care facility and an additional 100 units mixed between interim and transitional housing. The City has identified an ideal site location, which is the former “School of Hope”.

The School of Hope sits on 2.48 acres with neighbors absent in the front, rear, and right side of the property. The back end of the property has 1.5 acres of flat, undeveloped land that is ideal for Phase I construction using prefabricated modular units. Each living unit averages between 64-80 square feet and includes a bed, a desk and chair, windows, a door that locks, lighting, heating, air conditioning, and electrical outlets. The campus will have a family wing with larger living units so that families are not separated.

Construction Scenario

To streamline development and operation, the City is exploring a Sole Source option to secure the most qualified developer and operator. ARPA funds would be used to secure the developer, architect, general contractor, building materials, site plan, site work, environmental, surveys, and lead operator (for the first year of operation). Other funding sources such as Planned Local Housing Allocation (PLHA), Community Development Block Grant (CDBG) and Homeless Housing Assistance and Prevention (HHAP) funds could also be used to cover the lead operators’ expenses in proceeding years. At this time, it is unclear as to how much of the existing School of Hope building can remain and be incorporated into the Navigation Center. Some unknown factors that could alter the design and cost of the Navigation Center (Phase I) include renovations to the existing building (front of the property) if feasible, or building abatement should the property be

cited for a tear-down and new construction. A general contractor will help to determine the best option for the City.

The following figures are estimates based on projects similar in scope. Prices can fluctuate due to inflation, material shortages, and overall design.

Estimated Budget for Navigation Center Phase I – 100 Interim Housing Units, Communal Space, Offices and Onsite Supportive Service Buildings

| Item | Estimated Price Range |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Developer | \$400,000-700,000 |
| Lead Operator | \$1,500,000-1,700,000 (1st yr.) |
| Modular Living Units (100) | \$5,000,000-5,500,000 (includes installation, permits, site work, transport and set down) |
| Modular Office Spaces, Support Service Bldg., Restrooms, Dining/Kitchen Area | \$1,220,000-1,300,000 (includes installation, permits, site work, transport and set down) |
| Off-Site Work | \$300,000-400,000 |
| Site Improvements | \$700,000-1,000,000 |
| Building Abatement/Structure Tear-Down and Removal | \$900,000-1,000,000 |
| Contingencies | \$330,000-350,000 |
| TOTAL | \$10,350,000-12,450,000 |

Although the City is seeking ARPA funding to develop Phase I of the project, the City intends to pursue other funding sources to develop Phase II so that the Navigation Center will have a total of 200 interim and transitional housing units. Other potential funding sources include:

- Permanent Local Housing Allocation (PLHA)
- Emergency Solutions Grant (ESG)
- Community Development Block Grant (CDBG), and
- Project Homekey
- HOME American Rescue Plan Program (HOME ARP)

To ensure sustainability, the City will also continue to seek support and funding from community partners and government agencies to assist with operational expenses such as the County of San Bernardino, SAC Health System, Dignity Health, IEHP, Molina Health Care and San Manuel Band of Mission Indians. Local hospitals and HMOs are interested in supporting the Navigation Center, because of the potential to establish a recuperative care facility to assist homeless individuals discharged from hospitals with chronic and acute health conditions. Currently, there are no recuperative care facilities in the City and homeless individuals are high utilizers of hospitals and medical emergency rooms.

Homeless Outreach

The City lacks a dedicated Homeless Outreach Team to provide comprehensive services. Because the City is over 60 square miles, it is recommended that the City contract with a third party that has the capacity, tools, and experience to assist unhoused residents. Contracted Homeless Outreach Teams have proven to be very successful in other cities like Riverside, Fontana, and Santa Ana. Implementing consistent homeless outreach efforts leads to a more strategic use of resources, broader coverage, and improved identification of all people experiencing unsheltered homelessness. Each Ward in the City of San Bernardino will be a part of a comprehensive outreach plan that includes a citywide emergency crisis team, made up of Homeless Outreach Workers and various agencies that can immediately assist with multiple family/individual crisis as they arise.

The City's Homeless Outreach Team will work with the County's Coordinated Entry System (CES) to prioritize individuals for emergency shelter, housing options, motel vouchers, mental health, and other essential services. Because emergency shelter is not always readily available, homeless outreach workers can provide motel vouchers when available. A Housing Navigator is also an essential component of Homeless Outreach because the Housing Navigator cultivates housing opportunities for clients by engaging property managers, room and board operators, and other facilities such as nursing homes, sober living homes, faith-based programs, transitional housing, and permanent supportive housing agencies. Anticipated cost for street outreach is \$1.5 million annually. The City can explore a combination of other funding sources such as CDBG, HHAP and Emergency Solutions Grant (ESG) funding to help cover future expenses.

Expansion of Mobile Shower & Laundry for the Unhoused

Mobile showers help to destigmatize homelessness, address public health and safety concerns, and give unhoused individuals a sense of hope and renewed self-esteem. Community Action Partnership (CAP) is the main contributor of mobile shower services in the City and oversees several mobile shower operations. The chart below list organizations that actively participate in Community Action Partnership's Mobile Shower Program.

| Organization | Days & Hours of Operation | Location |
|-----------------------|---------------------------------|------------------------|
| Operation New Hope | Mondays 9am-2pm | 323 W 7th St SB |
| Spirit of Love | Wednesdays 9am-2pm | 2898 N E St SB |
| Sierra High School | 2nd & 4th Wednesday 9am-2 pm | 555 E Olive St SB |
| El-Bien Pastor Church | Fridays (Bi-Weekly) 9am-2pm | 829 N Mt Vernon Ave SB |

CAP is willing to expand mobile shower services in the City by operating a 28-foot-long mobile shower trailer equipped with three (3) full-service restrooms (shower, sink and

toilet) and an ADA compliant restroom. The trailer also has an adjacent laundry area that contains two (2) washers and two (2) dryers allowing unhoused residents the ability to wash their clothing. The trailer comes equipped with an onboard water tank that can easily be re-filled by a faucet or garden hose connection. A vacuum truck is needed to empty the trailer, but staff (not volunteers) will be trained on this process. The mobile shower trailer can operate with two (2) part-time staff members each working 4-hour shifts.

Shower times will typically be limited to 15 minutes. Depending on the number of showers in a 4-hour period, the unit will use 50-100 gallons of water. This estimate does not include running the laundry utilities, which could add 10-30 additional gallons. CAP estimates that the total cost to operate the mobile shower trailer with two (2) part-time staff members traveling to different areas of need throughout the City, five days a week will average \$150,000 annually. The City can explore other funding sources such as CDBG, HHAP and ESG to extend mobile shower services beyond one year if agreed by both parties. If Council approves of this funding, the City will conduct an RFP to ensure it is receiving the best value and overall service in contracting for mobile shower services.

Temporary Housing Funds for American Sports University Tenants

Providing housing or some form of rental relief for the tenants previously housed in the unlivable conditions in the former American Sports University (ASU) dormitories is an important goal as the City works to board up the property and ensure that no further individuals or families will be living in the conditions found at that property. While the City continues to work with community partners to house the tenants as they are removed from the property, staff recommends that the equivalent of two (2) months of rent be provided to each tenant to enable them to have some ability to find housing beyond the initial two weeks of emergency housing provided.

The estimated cost of providing two months of housing to the remaining approximately 75 tenants is \$150,000, which is eligible for ARPA funding.

Summary of First Quarter Budget Amendment Requests **(ARPA)**

| Projects and Services | | |
|-----------------------------------------------|------------|----------------------|
| Item Requested | Department | Cost (FY 2022/23) |
| Proj. Homekey Rnd. 3., Proj. 1: Lutheran S.S. | CED | \$ 5,000,000 |
| Proj. Homekey Rnd. 3., Proj. 2: SBVC | CED | 900,000 |
| Homeless Outreach – first year operating cost | CED | 1,500,000 |

| | | |
|------------------------------------------------------|-----|----------------------|
| Mobile Shower & Laundry – first year operating cost | CED | 150,000 |
| Navigation Center | CED | 12,450,000 |
| Temporary Housing Funds for ASU Tenants | CED | 150,000 |
| Total for Projects and Services | | 20,150,000 |
| Total FY 2022/23 Q1 ARPA Requested Amendments | | \$ 20,150,000 |

Overall, staff is recommending significant investments in the community to improve quality of life; investments in economic development to further the sustainable and equitable growth of the City; and investments in staffing, process audits, software and other internal improvements that will improve customer service, efficiency, effective service delivery and transparency.

There are twenty-three positions recommended to be added with this report:

- Eleven (11) non-sworn professional positions to the Police Department. As discussed above, these positions will free sworn officers from covering these duties and put more patrol officers on the street.
- Seven (7) positions will be added to Public Works, the Deputy Director of Operations, and a new maintenance team working with the Housing Division on encampment and other clean-up throughout the City.
- One (1) Library Technician to aid with ongoing issues in the libraries with staffing shortages.
- Three (3) positions in Community, Housing and Economic Development to address the development and planning workload.
- One (1) position in the City Clerk's Office to expand the Passport Office hours.

Staff believes that the investments outlined in this report align with Council goals and will move the City forward sustainably and with staffing that will enable the greatest impact for the smallest amount of ongoing financial commitment.

2021-2025 Strategic Targets and Goals

The requested changes and additions align with Key Targets No. 1c: Financial Stability - Create a framework for spending decisions, and 2b: Focused, Aligned Leadership, and Unified Community - Build a culture that attracts, retains, and motivates the highest quality talent.

The development and funding of a City of San Bernardino Investment Playbook aligns with Key Target No. 4: Economic Growth & Development.

The designation of ARPA funds to address homelessness in the City will help to improve the lives of homeless residents and alleviate the negative impact homelessness has on the community, which aligns with Key Strategic Target and Goals No. 3, Improved Quality

of Life and Key Strategic Targets and Goals No. 2, Focused Aligned Leadership and Unified Community.

Fiscal Impact

There are four separate funding sources recommended in this report, General Fund, CDBG, Measure S and ARPA.

General Fund:

One-Time, equipment and services: \$ 1,080,570
Ongoing, personnel: \$ 1,007,540
TOTAL, General Fund, FY 2022/23: \$2,088,110

Community Development Block Grant (CDBG):

One-Time, equipment and services: \$ 59,000
TOTAL, CDBG, FY 2022/23: \$59,000

Measure S Fund:

Ongoing, operations and services: \$1,000,000
TOTAL, Measure S, FY 2022/23: \$1,000,000

ARPA:

One-Time, projects and services: \$20,150,000
TOTAL, ARPA, FY 2022/23: \$20,150,000

ARPA Reconciliation

| | |
|-------------------------------------|--------------------------|
| TOTAL Funding | 77,656,407 |
| <i>Previously allocated</i> | |
| Violence Intervention Program | (1,000,000) |
| Small Business/NFP Grant Prgm. | (4,000,000) |
| Aspen Institute | (1,000,000) |
| Nicholson Park Renovation | (8,850,000) |
| Seccombe Lake Park Renovation | (9,000,000) |
| Lytle Creek Park Renovation | (600,000) |
| Roosevelt Bowl Renovation | (600,000) |
| Lead Connector Abatement | (5,160,000) |
| Graffiti Abatement/Paintbrush Prgm. | (2,000,000) |
| <i>TOTAL, previously allocated</i> | <u>(32,210,000)</u> |
| <i>Remaining finding</i> | 45,446,407 |
| Current proposed allocation | <u>(20,150,000)</u> |
| Remaining ARPA funding | <u><u>25,296,407</u></u> |

Conclusion

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

1. Accept the Fiscal Year 2022/23 1st Quarter Report;
2. Authorize the Agency Director of Administrative Services to Amend the Fiscal Year (FY) 2022/23 Budget as outlined in the FY 2022/23 1st Quarter Report;
3. Adopt Resolution No. 2022-268 of the Mayor and City Council of the City of San Bernardino, California, approving the 1st Quarter General Fund Budget Amendments totaling \$2,088,110; allocating \$1,000,000 of Measure S funds for further development of the Investment Playbook; and allocating \$20,150,000 of American Rescue Plan Act Funds for the Housing Initiative and Navigation Center; and Temporary Housing Funds for American Sports University Tenants.
4. Approve the following:
 - a. Deputy Director of Operations (U) job classification;
 - b. Salary range increases to the following positions: Equipment Mechanic I (Flex), Equipment Mechanic II, Programming/Traffic Assistant, IT Analyst I (Flex), Senior IT Technician, Community Service Officer, Forensics Specialists II, Lead Forensics Specialist, and Forensics Supervisor;
 - c. Amendment of the city-wide salary schedule for full-time, part-time, temporary, and seasonal positions.

Attachments

| | |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Attachment 1 | Resolution 2022-268 authorizing an amendment to the FY 2022/23 Operating Budget in the amount of \$2,163,994; allocating \$1,000,000 in Measure S funds; and \$20,000,000 from ARPA funds |
| Attachment 2 | PowerPoint Presentation – FY 2022-23 Quarter 1 Report Presentation |
| Attachment 3 | Exhibit A – City-wide Salary Schedule |
| Attachment 4 | Investment Playbook |
| Attachment 5 | Homeless Initiative Plan |
| Attachment 6 | 2022 Point in Time Count Survey |
| Attachment 7 | LSSSC Full Project Proposal |
| Attachment 8 | SBVC Homekey Location |

Ward:

All

Synopsis of Previous Council Actions:

| | |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| June 1, 2022 | Mayor and City Council Adopted the Annual Operating Budgets for Fiscal Year 2022/23 and Fiscal Year 2023/24 and the CIP 2023-27. |
| August 18, 2021 | Mayor and City Council received and filed a report of the City's participation in the Aspen Institute's City Learning and Action Lab. |
| November 16, 2022 | Mayor and City Council received an update on the City's participation in the Aspen Institute's City Learning and Action Lab and the development of the City of San Bernardino Investment Playbook. |
| August 4, 2021 | Mayor and City Council received a report and discussed the allocation of ARPA funds. |
| October 20, 2021 | Mayor and City Council authorized the use of \$8,160,000 in ARPA funds for the Violence Intervention Program, Graffiti Abatement, Clean-Up and Paintbrush Program, and lead service connector abatement program (in partnership with the Water Department). |
| February 2, 2022 | Mayor and City Council authorized the use of \$24,050,000 in ARPA funds for Seccombe Lake, Nicholson, and Lytle Creek Park renovations, the Roosevelt Bowl renovation and the small business and non-profit grant program |