



## CONSENT CALENDAR

### 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;  
Cory Hodges, Senior Management Analyst

**Department:** City Manager's Office

**Subject:** **Emergency Rental Assistance Program Update and  
Obligating ERA 1 Reallocated Funds (All Wards)**

**Recommendation:**

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

1. Receive and file an update on the City's Emergency Rental Assistance Program ("ERAP"), including direct service funds administered by Inland SoCal United Way 211+ ("Inland SoCal 211+").
2. Adopt Resolution 2022-255, accepting (2) two disbursements of Emergency Rental Assistance 1 (ERA 1) Reallocated Funds received from the U.S. Department of Treasury ("Treasury") in the amount totaling \$352,383.14, and authorizing the City Manager to execute an amendment to the ERA 1 Professional Services Agreement with Inland SoCal 211+ for the full administration of ERA 1 Reallocated funds (\$341,811.65), increasing the total not to exceed amount by \$24,666.82, for a new not to exceed amount of \$713,814.99 for program administrative expenses by Inland SoCal 211+. All other ERA 1 Reallocated Funds will be spent on direct payment assistance as required by law.
3. Authorize the Agency Director for Administrative Services to process a budget amendment for revenues and expenditures in the amount of \$352,383.14, and increase the ERA 1 program purchase order accordingly, subject to any future ERA 1 Reallocated Funds received from the Treasury.
4. Adopt the Emergency Rental Assistance Sub-Committee recommendations to prioritize 1) Utility Debt, and 2) Eviction Prevention Services with any remaining or future disbursements of emergency rental assistance reallocated funds.

## **Background**

**ERA 1:** The Consolidated Appropriations Act of 2021 (“CAA”) Pub. L. No. 117-2, authorized \$25 billion in emergency rental assistance nationwide to assist households that are unable to pay rent or utilities, due to the impacts of the COVID-19 pandemic (“ERA 1”). The City of San Bernardino received an allocation directly from the U.S. Treasury in the amount of approximately \$6.4 million for ERA 1. As of October 18, 2021, the City, and the contracted program administrator, Inland SoCal 211+, fully obligated the ERA 1 funds, and assisted 574 households (an average of approximately \$10,000 per household) in the City with that allocation. On November 30, 2021, the City submitted a reallocation of funds request in the amount of \$7,300,000 to the U.S. Department of Treasury in order to receive a potential second allocation of ERA 1 funds. On January 7, 2022, the Treasury released a list of jurisdictions that were eligible to receive reallocated ERA 1 funds, but the City of San Bernardino was not on the list.

**ERA 2:** The American Rescue Plan Act of 2021 (“ARPA”) Pub. L. No. 117-2, authorized a second Emergency Rental Assistance Program (“ERA 2”). The Treasury allocated \$8,273,045.10 in ERA 2 funds to the City. Forty percent (40%) of those funds (i.e., \$3,309,218) were disbursed to the City on September 7, 2021. Two additional tranches were finally disbursed to the City in June and September of 2022 (totaling \$2,481,913.53 and \$2,481,913.57 respectively). ERA 2 funds must be fully expended by September 30, 2025.

In January of 2022, City staff developed a second ERAP Request for Proposals (“RFP”) specific to the funding received under ERA 2 from the U.S Treasury. RFP F-22-38 for ERA 2 was opened on January 26, 2022, and was closed on February 22, 2022. The City received a total of four (4) proposals from organizations across the country, CVR Associates from Tampa, FL; Inland SoCal United Way 211+ from Rancho Cucamonga, CA; LiveStories from Seattle, WA; and Yardi from Santa Barbara, CA. City staff evaluated the proposals submitted from prospective bidders and concluded that Inland SoCal 211+ was the most responsive bidder with the ability to fulfill the programmatic requirements of the City’s Emergency Rental Assistance Program. On March 16, 2022, the Mayor and City Council authorized the City Manager to execute an agreement with Inland SoCal 211+ for the administration of the City’s allocation of ERA 2 funds from the U.S Treasury. As of late October 2022, the City has disbursed all eligible direct assistance and administrative expense funds to Inland SoCal 211+. The City does not anticipate any additional sizable disbursements from the U.S Treasury, however, similar to ERA 1, the City will pursue reallocated ERA 2 funds (funds voluntarily returned or involuntarily returned to the U.S Treasury by other jurisdictions) to continue to assist residents of the City.

**ERA 2 State Block Grant:** On September 15, 2021, the Mayor and City Council adopted Resolution No. 2021-224 to receive an allocation of State Rental Assistance Program funds for ERAP 2, pursuant to Health and Safety Code section 50897.2.1, subdivision (a)(2) (such allocation, a “Block Grant Award”), in the initial amount of

\$6,018,454.42 ("Initial Match"). The Mayor and City Council authorized Inland SoCal 211+ to administer and distribute that State Block Grant. The Initial Match was conveyed to the City by the California Department of Housing and Community Development ("HCD"). Additionally, at HCD's suggestion, at the time that the Mayor and City Council adopted Resolution No. 2021-224, the City approved the full Initial Match, with the potential of future awards up to two or three times that Initial Match amount, to be administered by Inland SoCal 211+. The Mayor and City Council also authorized the City Manager to execute a contract ("Master Agreement") with HCD for disbursement of the Block Grant Award. On November 19, 2021, Master Agreement Number 21-ERAP-20084 between the State and City was executed. Soon after, the State disbursed the first tranche of funds for the Block Grant Award in the amount of \$2,407,381.77. Only when the City received the Master Agreement from HCD in November, was it clear that the Initial Match would be distributed in tranches, subject to weekly reporting requirements, and with future allocations dependent on the City's performance metrics. Based on City Council direction under Resolution No. 2021-224, the City and Inland SoCal 211+ executed an amendment for Inland SoCal 211+ to administer the State Block Grant as of December 1, 2021.

After a considerable delay, on January 31, 2022, HCD allocated a second tranche of ERA 2 State Block Grant funding increasing the not-to-exceed amount from approximately \$2.4 million to the remainder of the initial Match, or \$6,018,454.42 cumulatively. In response to obtaining a second tranche of funding from HCD, the City drafted and executed an amendment to the agreement with Inland SoCal 211+ to administer a second round of ERA 2 State Block Grant funds. The second round of funding from HCD was allocated to Inland SoCal 211+ for direct service payments to participants in the program and administration costs. To date, Inland SoCal 211+ has completely expended all ERA 2 state block grant funds, and the City does not anticipate receiving additional funds under the state's emergency rental assistance program.

## **Discussion**

### **Program Summary:**

The City has been awarded approximately \$21 million dollars in emergency rental assistance funds from four (4) separate emergency rental assistance funding programs, (1) U.S Treasury ERA 1, (2) U.S Treasury ERA 1 Reallocated Funds, (3) U.S Treasury ERA 2, and (4) ERA 2 State Block Grant. Per the program guidance, approximately \$18 million dollars of those funds were budgeted for direct assistance to program applicants. The remainder was budgeted for program administration such as call center operation, case management, application portal, and fund disbursement. As of November 18, 2022, approximately \$16.6 of the \$18 million in direct assistance payments has been disbursed to program participants (this number does not include payments made to applicants on the waitlist from November 18, 2022, to the present). The remaining direct assistance funds are currently being disbursed to waitlisted program participants and are expected to be completed in early 2023.

Since the launch of the Emergency Rental Assistance Program in June 2021, Inland

SoCal 211+ has performed well administering the funds on behalf of the City. As of November 18, 2022, Inland SoCal 211+ has processed 4,442 applications, assisted 1637 households, and disbursed over \$16.6 million dollars (average assistance per household is \$10,179.30) and counting. Inland SoCal 211+ continues to disburse funds from the final tranche of ERA 2 U.S Treasury funds to the last remaining applicants in the queue. Despite the number of households assisted and dollars disbursed to residents under this program, there is still a dire need in the community for rental and utility debt assistance. The City will continue to apply for any remaining funds available from either the U.S Department of Treasury or the State of California Department of Housing and Community Development.

Considering the anticipated limited availability of ERA funds, the Emergency Rental Assistance Sub-Committee met twice in October of 2022 to discuss how best to prioritize a small amount of ERA1 Reallocated funds the City recieved while adhering to the guidelines of the federal program.

#### Emergency Rental Assistance Sub-Committee Recommendations:

On March 3, 2021, the Mayor and City Council formally established the Emergency Rental Assistance Program Committee to serve in an advisory role to the Mayor and City Council on all issues pertaining to the program. The Sub-Committee has met semi-regularly over the past year and a half to review data, discuss the programs direction and focus, and to make recommendations to the full Mayor and City Council. The committee met most recently on October 13, and October 24, 2022, to discuss program wind-down options, and how best to prioritize the limited remaining ERA funds at the City's disposal. The Sub-Committee developed two funding priorities for the small amount of reallocated funds the City received since staff do not anticipate additional large disbursements of ERA funds from HCD or the U.S Treasury. If the City does receive an additional sizeable disbursement of emergency rental assistance funds from either the U.S Department of Treasury or HCD, staff will return with additional recommendations for the use of those funds. The Sub-Committee recommends that in expending ERA 1 Reallocated funds the program prioritize 1) Utility Debt Assistance, and 2) Eviction Prevention Services for applicants on the waitlist, or previously funded.

Staff concur with the recommendations of the Sub-Committee. Prioritizing utility debt assistance and eviction prevention services is the best use of the limited ERA 1 Reallocated funds.

#### Obligate ERA 1 Reallocated Funds:

As part of the U.S Department of Treasury Emergency Rental Assistance Program, the Treasury recently made a limited amount of additional funds available for jurisdictions participating in the program. These funds are termed "Reallocated Funds" which refers to any grant funding that has been voluntarily returned from jurisdictions participating in the program or recaptured by the U.S Department of Treasury. The City made several formal requests for ERA 1 Reallocated funds and was subsequently granted two (2) small disbursements in the amounts of \$171,371.52, and \$181,011.62, for a total of \$352,383.14. Approximately \$317,144.83 will be available for direct assistance

payments. These funds must be obligated via an executed agreement by December 29, 2022, to remain eligible for the City to expend through its emergency rental assistance program.

In order to satisfy the current needs of residents it is recommended that the Mayor and City Council formally accept these funds and obligate them via an amendment to the City's current Emergency Rental Assistance Program administrators, Inland SoCal 211+.

#### Program Wind-Down:

To date, the City has made numerous requests for additional funds to the U.S Department of Treasury and the California Department of Housing and Community Development ("HCD"), but have only received a limited amount of ERA 1 Reallocated funds from the U.S Treasury. Although the City will continue these efforts, staff believe that both the Federal and State programs are in the process of winding down. The City will still be required to submit weekly, monthly, and ad-hoc reports to both the U.S Treasury and HCD until the grant program period of performance ends for ERA 2 on September 30, 2025. The City also anticipates additional administrative tasks (and expenses) well after the period of performance ends, such as closeout reporting, internal audits, and audits by the granting agencies. Staff will continue to facilitate Emergency Rental Assistance Sub-Committee meetings, and report to Council as necessary with any significant updates on the program.

#### **2021-2025 Strategic Targets and Goals**

The acceptance and disbursement of Emergency Rental Assistance Reallocated Funds aligns with Key Target No. 3. Improved Quality of Life.

#### **Fiscal Impact**

There is no fiscal impact to the general fund associated with this action. The ERA 1 budget will increase in revenues and expenditures by \$352,383.14 with the acceptance of ERA1 reallocated funds. The City has received approximately \$21 million from four separate emergency rental assistance funding programs, ERA 1 and ERA 1 Reallocated Funds, ERA 2, and ERA 2 State Block Grant. These funding sources have allowed the City to recover administrative fees, as such the administration costs associated with all four programs have remained budget neutral.

#### **Conclusion**

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

1. Receive and file an update on the City's Emergency Rental Assistance Program ("ERAP"), including direct service funds administered by Inland SoCal United Way 211+ ("Inland SoCal 211+").
2. Adopt Resolution 2022-255, accepting (2) two disbursements of Emergency Rental Assistance 1 (ERA 1) Reallocated Funds received from the U.S.

Department of Treasury (“Treasury”) in the amount totaling \$352,383.14, and authorizing the City Manager to execute an amendment to the ERA 1 Professional Services Agreement with Inland SoCal 211+ for the full administration of ERA 1 Reallocated funds (\$341,811.65), increasing the total not to exceed amount by \$24,666.82, for a new not to exceed amount of \$713,814.99 for program administrative expenses by Inland SoCal 211+. All other ERA 1 Reallocated Funds will be spent on direct payment assistance as required by law.

3. Authorize the Agency Director for Administrative Services to process a budget amendment for revenues and expenditures in the amount of \$352,383.14, and increase the ERA 1 program purchase order accordingly, subject to any future ERA 1 Reallocated Funds received from the Treasury.
4. Adopt the Emergency Rental Assistance Sub-Committee recommendations to prioritize 1) Utility Debt, and 2) Eviction Prevention Services with any remaining or future disbursements of emergency rental assistance reallocated funds.

#### **Attachments**

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| Attachment 1 | ERA1 - Amendment 1 – Inland SoCal United Way 211+                            |
| Attachment 2 | ERA1 - Amendment 2 – Inland SoCal United Way 211+                            |
| Attachment 3 | ERA1 - Amendment 3 – Inland SoCal United Way 211+                            |
| Attachment 4 | ERA1 Original Professional Services Agreement – Inland SoCal United Way 211+ |
| Attachment 5 | Resolution 2022-255  |
| Attachment 6 | City of San Bernardino Emergency Rental Assistance Program Statistics        |

#### **Ward:**

All Wards

#### **Synopsis of Previous Council Actions:**

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|--------------------|---|
| September 16, 2020 | Mayor and City Council approved a Substantial Amendment to the FY 2020-2021 Action Plan that included \$1,060,000 in CDBG-CV funding for a local eviction prevention program.             |
| February 11, 2021  | Mayor and City Council selected Option C of the Emergency Rental Assistance Program and approved the establishment of a Council Committee to oversee the program.                         |
| April 21, 2021     | Mayor and City Council authorized the City Manager to execute the Agreement with the Inland SoCal United Way in response to its issued RFP, to assist in the administration of the City’s |

Emergency Rental Assistance Program and directed the City Manager to execute an MOU with the State related to Option 'C'.

September 15, 2021 Mayor and City Council adopted Resolution No. 2021-224 authorizing participation in the State Rental Assistance Program (Option 'B') and authorizing the City Manager to execute the Master Agreement with HCD and a Second Amendment with Inland SoCal 211+.

March 16, 2022 Mayor and City Council authorized the City Manager to execute the Agreement with the Inland SoCal United Way 211+ to assist in the administration of the City's award of ERA 2 funds from the U.S Treasury.