

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

December 16, 2025

FROM

CARRIE HARMON, Director, Community Development and Housing Department

SUBJECT

Homekey Program, Round 3, Standard Agreement for the Transitional Age Youth Tiny Home Village

RECOMMENDATION(S)

1. Approve Homekey Program, Round 3, Standard **Agreement No. 25-1085**(State Agreement No. 24-HK-18612) between the California Department of Housing and Community Development, San Bernardino County, and Family Assistance Program, including non-standard terms, in an amount not to exceed \$5,826,222 for the construction and operating costs for the Transitional Age Youth Tiny Home Village, located at 16857 C Street in Victorville, to provide interim housing and supportive services for homeless youth, or youth at risk of homelessness, upon full execution and continuing for 15 years.
2. Approve Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement (**Agreement No. 25-1086**) for the Transitional Age Youth Tiny Home Village, including non-standard terms.
3. Authorize the Chief Executive Officer to execute the Homekey Program, Round 3, Standard Agreement, and the Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement.
4. Authorize the Chief Executive Officer, Assistant Executive Officer, or the Director of the Community Development and Housing Department to execute any subsequent non-substantive amendments to the Homekey Program, Round 3, Standard Agreement, escrow instructions, Request for Funds, and documents necessary for the administration of the Standard Agreement, subject to review by County Counsel.
5. Direct the Director of the Community Development and Housing Department to transmit the Homekey Program, Round 3, Standard Agreement, the Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement, and any subsequent non-substantive amendments to the Homekey Program, Round 3, Standard Agreement to the Clerk of the Board of Supervisors within 30 days of execution.
6. Authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments, as detailed in the Financial Impact section (Four votes required).

(Presenter: Carrie Harmon, Director, 382-3983)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote the Countywide Vision.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Provide for the Safety, Health and Social Service Needs of County Residents.

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders

Homekey Program, Round 3, Standard Agreement for the Transitional Age Youth Tiny Home Village
December 16, 2025

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The cost of the Transitional Age Youth (TAY) Tiny Home Village project, not to exceed \$5,826,222, will be funded by Homekey (HK) Program Round 3 funds from the California Department of Housing and Community Development (HCD). The HK Program requires a local match of \$867,423, which the Family Assistance Program (FAP) will meet through a grant from the Yuhaaviatam of San Manuel Nation.

Of the \$5,826,222 total HK award, \$2,000,000 will be used to repay the County's Bridge Loan Agreement No. 25-635, approved by the Board of Supervisors (Board) on August 19, 2025 (Item No. 24), which provided interim financing to support the project's cash flow until State funds were released.

The Community Development and Housing Department (CDH) requests the following adjustments to the 2025-26 budget:

| Cost Center | Commitment Item/GL | Description | Action | Amount |
|--------------------|---------------------------|--|---------------|---------------|
| 1000 | 37008587 | Fund Balance Committed Supporting Vulnerable Populations Reserve | Increase | \$2,000,000 |
| 1161161000 | 40909975 | Operating Transfers In | Increase | \$2,000,000 |
| 6210002496 | 55305030 | Operating Transfers Out | Increase | \$2,000,000 |
| 6210002496 | 40909975 | Operating Transfers In | Increase | \$2,000,000 |
| 6210002902 | 55305030 | Operating Transfers Out | Increase | \$2,000,000 |
| 6210002902 | 53003205 | Public Assistance | Increase | \$3,826,222 |
| 6210002902 | 40408955 | State – Grants | Increase | \$5,826,222 |

BACKGROUND INFORMATION

CDH administers a range of state and federal programs that fund affordable housing development, shelters, supportive services, infrastructure improvements, and community-based initiatives that enhance residents' quality of life.

The TAY Tiny Home Village is a HK Round 3 funded project that will create 22 interim housing units by constructing seven duplex-style tiny homes and rehabilitating an existing residential structure. The facility will provide a safe, supportive environment for youth ages 18–24 years, combining stable housing with comprehensive services that promote education, employment readiness, life skills, and long-term self-sufficiency. Operating twenty-four hours a day, seven days a week, the facility will include a commercial kitchen and dining hall, classrooms, computer lab, restrooms and showers, outdoor recreation areas, and on-site case management offices. Supportive services will follow a Positive Youth Development model focused on helping participants transition successfully into independent living.

The HK Program, administered by HCD, provides funding to local governments and nonprofit partners to create housing for individuals and families experiencing or at risk of homelessness. The Round 3 Notice of Funding Availability was issued on March 29, 2023.

The County, in partnership with FAP, applied for HK Round 3 funds to develop the TAY Tiny Home Village at 16857 C Street in Victorville. This project represents the County's first youth-

Homekey Program, Round 3, Standard Agreement for the Transitional Age Youth Tiny Home Village
December 16, 2025

dedicated HK project, addressing a gap in housing and services for at-risk and homeless young adults in the High Desert. FAP brings over 40 years of experience as the County's only licensed youth shelter provider and has secured supplemental contributions from the Yuhaaviatam of San Manuel Nation and Southwest Gas.

On July 11, 2023 (Item No. 19), the Board approved submission of the joint application in the amount of \$5,330,664 and adopted Resolution No. 2023-127. On May 6, 2025, HCD issued a Conditional Award Commitment for \$5,826,222, reflecting updated construction and operating costs.

On August 19, 2025 (Item No. 24), the Board ratified the execution of the Conditional Award Commitment, adopted Resolution No. 2025-183 to authorize the increase of the grant award from \$5,330,664 to \$5,826,222, granted the Chief Executive Officer, Assistance Executive Officer of Community Revitalization, or the Director of Community Development and Housing the authority to execute HK documents and approved Indemnification Agreement No. 25-634 and Bridge Loan Agreement No. 25-635 with FAP, providing a \$2,000,000 bridge loan from the County's Supporting Vulnerable Populations Reserve to be repaid from HK funds.

HCD requires the use of its Standard Agreement and Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement (Certification), which contain non-standard terms differing from the County's standard language:

1. The Standard Agreement has a term of 15 years after it is executed by the State.
 - (c) The County standard contract term is 5 years.
 - (d) Potential Impact: The contract will remain in place 10 years longer than the County standard 5-year term.
2. The Standard Agreement prohibits an assignment, transfer, or conveyance of the project or any interest therein for the duration of the Standard Agreement without the express prior written approval of HCD.
 - (c) The County standard contract term is that the County must approve any assignment.
 - (d) Potential Impact: The County would remain liable for performance and compliance with all Program Requirements even if HCD approves an assignment or transfer.
3. The Standard Agreement requires that the County to defend, indemnify, and hold harmless HCD from various claims and expenses, expressly including attorneys' fees and costs incurred by HCD in enforcing, construing, or defending any provision of that indemnification paragraph, whether or not legal action is filed.
 - (c) The County standard contract indemnity provision requires the contractor to indemnify, defend, and hold County harmless from third-party claims arising out of the acts, errors or omissions of any person.
 - (d) Potential Impact: The County is required to pay all attorneys' fees and costs immediately upon demand. This indemnification obligation is broad, covering losses that may arise in connection with the grantees' use of grant funds and performance under the Standard Agreement, and explicitly triggers responsibility for fees and costs when an attorney is engaged by HCD.
4. The Standard Agreement requires the payment of attorneys' fees and costs.
 - (c) The County standard contract requires each party to bear its own costs and attorney fees, regardless of who is the prevailing party.
 - (d) Potential Impact: The County will have to pay attorneys' fees, including the California Attorney General, to enforce, construe, or defend any actions

Homekey Program, Round 3, Standard Agreement for the Transitional Age Youth Tiny Home Village
December 16, 2025

which may arise in connection with the use of the HK funds and performance under the Standard Agreement.

5. The Standard Agreement does not require the State to meet the County's insurance standards as required pursuant to County Policies No. 11-05, 11-07 and 11-07SP.
 - (c) The County standard contract indemnity provision requires the contractor to indemnify, defend, and hold County harmless from third-party claims arising out of the acts, errors or omissions of any person.
 - (d) Potential Impact: The Standard Agreement imposes insurance requirements on the County but can be covered by being self-insured.
6. The Standard Agreement imposes joint and several liability on the County and FAP for performance and compliance with the contract terms and the HK Program's requirements.
 - (c) Joint and several liability makes each party responsible for the liability.
 - (d) Potential Impact: A breach of the Standard Agreement by FAP could result in the County being liable for the responsibilities and damages. The County would remain liable to HCD for compliance with, and the performance of, all HK Program requirements.
7. The Standard Agreement does not allow the County to terminate for convenience.
 - (c) The County standard term is that the County can terminate contracts for convenience with 30 days' notice.
 - (d) Potential Impact: There is no ability for the County to terminate the Standard Agreement for convenience. Rather, the State can terminate the Agreement for cause at any time with at least 14 calendar days' advance written notice. In such cases, any unexpended funds must be returned within thirty (30) calendar days of the termination notice, unless another arrangement is approved in advance. "Cause" is defined to include breach or failure to satisfy any terms, including, but not limited to, failing to meet conditions precedent to disbursement, timely completion of performance milestones, or any violation of program requirements. There is also a separate right for the State to cancel the Agreement for reasons related to federal funding availability, statutory restrictions, or Congressional enactments, which require 30 calendar days' advance written notice.
8. The Certification requires that the County hold HCD harmless in connection with all legal costs and liabilities in conjunction with accepting certification that relocation was not necessary and includes defense and indemnity.
 - (c) The County standard contract indemnity requires the contractor to indemnify, defend, and hold County harmless from third-party claims arising out of the acts, errors or omissions of any person.
 - (d) Potential Impact: The County will have to defend, indemnify and hold HCD harmless in connection with all legal costs and liabilities in conjunction with accepting the certification that no relocation plan was necessary.

CDH recommends approval of the Homekey Program, Round 3, Standard Agreement (State Agreement No. 24-HK-18612), including non-standard terms. The award will provide critical housing and supportive services for the TAY population, delivering substantial community benefits that outweighs potential impacts of the non-standard terms.

Homekey Program, Round 3, Standard Agreement for the Transitional Age Youth Tiny Home Village
December 16, 2025

Delegated authority for the Chief Executive Officer to execute the HK Program, Round 3, Standard Agreement and the Certification is necessary to ensure timely execution of project documents. The Certification confirms that the Project is not expected to require any tenants or owners to relocate and that a relocation plan is not necessary, helping to minimize risks associated with displacement or project interruptions. This approach aligns with the Board's prior action on August 19, 2025 (Item No. 24), which authorized Chief Executive Officer, Assistance Executive Officer of Community Revitalization, or the Director of Community Development and Housing to execute HK documents.

The project is currently underway and is scheduled for completion in spring 2026.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on November 24, 2025; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on November 24, 2025; Risk Management (Stephanie Mead, Staff Analyst II Trainee, 386-9044) on October 27, 2025; and County Finance and Administration (Paul Garcia, Administrative Analyst, 386-8392) on November 26, 2025.

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Age Youth Tiny Home Village
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Jesse Armendarez
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Curt Hagman, Joe Baca, Jr.
Absent: Dawn Rowe

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: December 16, 2025



cc: CDH - Harmon w/agree for sign
Contractor - c/o CDH w/agree
File - w/agree
MBA 12/26/2025