

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

December 17, 2024

FROM

MARCUS DILLARD, Chief of Homeless Services, Office of Homeless Services

SUBJECT

Accrued Interest on the California Emergency Solutions and Housing and Homeless Housing, Assistance and Prevention Funds

RECOMMENDATION(S)

1. Approve and authorize \$1,004,697 in accrued interest from Round 1 and Round 2 of the California Emergency Solutions and Housing and Rounds 1 through 3 Homeless Housing, Assistance and Prevention programs to fund various programs aimed at providing critical services to individuals experiencing homelessness.
 2. Authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments as detailed in the Financial Impact section (Four votes required).
- (Presenter: Marcus Dillard, Chief of Homeless Services, 501-0644)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote the Countywide Vision.

Operate in a Fiscally-Responsible and Business-Like Manner.

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

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The California Emergency Solutions and Housing (CESH) and Homeless Housing, Assistance and Prevention (HHAP) funds have accrued interest in the combined amount of \$1,004,697. The Office of Homeless Services (OHS) requests the following adjustments to its 2024-25 budget:

Fund Center	Commitment Item	Description	Action	Interest
6210002473	53003205	Public Assistance	Increase	\$75,716
6210002473	40308500	Interest	Increase	\$75,716
6210002475	53003205	Public Assistance	Increase	\$67,805
6210002475	40308500	Interest	Increase	\$67,805
6210002477	53003205	Public Assistance	Increase	\$139,959
6210002477	40308500	Interest	Increase	\$139,959
6210002479	53003205	Public Assistance	Increase	\$247,115
6210002479	40308500	Interest	Increase	\$247,115
6210002502	53003205	Public Assistance	Increase	\$125,232
6210002502	40308500	Interest	Increase	\$125,232
6210002504	53003205	Public Assistance	Increase	\$207,936

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Fund Center	Commitment Item	Description	Action	Interest
6210002504	40308500	Interest	Increase	\$207,936
6210002505	53003205	Public Assistance	Increase	\$140,934
6210002505	40308500	Interest	Increase	\$140,934

BACKGROUND INFORMATION

Approval of this item will allow accrued interest from HHAP and CESH grant funds to be used to fund various programs aimed at providing critical services to individuals experiencing homelessness as outlined below.

HHAP is a California state block grant initiative launched in 2019 under Assembly Bill 101, initially providing \$650 million to local jurisdictions for homelessness mitigation efforts. HHAP provides essential funding to San Bernardino County to reduce homelessness. It supports vulnerable populations, including those at risk of homelessness, veterans, and seniors, through rental assistance, rapid rehousing, and case management. The program works with local agencies to provide housing navigation, utility assistance, and links to benefits, ensuring long-term stability for clients.

On February 11, 2020, the Board of Supervisors (Board) approved the submission of the Initial Disbursement of HHAP Round 1 funds in the amount of \$2,845,118 for the County and \$3,071,060 for the San Bernardino City and County Continuum of Care (SB CoC) and the Remainder Disbursement Contract (Item No. 26), and subsequently, on May 19, 2020, approved acceptance of HHAP Round 1 funds for the County and Continuum of Care (Item No. 36).

A second round of funding totaling \$300 million (HHAP Round 2) was authorized by Assembly Bill 83 in 2020. On January 5, 2021 (Item No. 22), the Board approved the submission of an application for HHAP Round 2; the Board accepted a HHAP Round 2 grant award in the amount of \$1,300,625 for the County and \$1,453,114 for the SB CoC on June 8, 2021 (Item No. 44).

HHAP Round 3, based on the state's 2019 homeless population, was released in 2021, with the Board approving the submission of HHAP Round 3 Initial Disbursement for Funds in the amount of \$728,349.96 for the County and \$780,374.96 for the SB CoC on March 1, 2022 (Item No. 22). On June 28, 2022 (Item No. 43), the Board approved and authorized the submission of a grant application for unallocated HHAP Round 3 funds. The Remainder Disbursement Contract for Funds in the amount of \$2,913,399.86 for the County and \$3,121,499.84 for the SB CoC was executed by the Chief Executive Officer on December 29, 2022.

Under the provisions of the HHAP Standard Agreements, all interest earned from funds deposited in any interest-bearing accounts by the Grantee must be used solely for HHAP-eligible activities.

The accrued interest earned from the administrative portion of the County's HHAP Rounds 1 through 3 allocations totals \$879,465. These funds will be allocated to support eligible HHAP program activities as stipulated by the respective agreements.

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Use of the HHAP interest will enable the County to expand and sustain critical housing and homelessness and housing services in alignment with the HHAP's objectives. The following programs are proposed to be created and funded with the interest earnings:

Housing Stability and Landlord Partnership Program – allocate \$779,465 for this program aimed at encouraging landlords to rent to individuals and families experiencing or at risk of homelessness by offering financial incentives and support. Incentives include a signing bonus, eviction prevention funds, security deposit assistance, a rent guarantee fund, damage mitigation funds, and vacancy loss payments. The program will also provide expedited tenant placement and ongoing case management to ensure successful tenancies. Eligibility requirements will include accepting housing subsidies, ensuring that units comply with safety standards and providing renters insurance for the first year of tenancy. This will help increase housing availability while reducing financial risks for participating landlords. Resources will also be used for homelessness prevention assistance for individuals and families at risk of losing their housing. This assistance may include emergency rental assistance, mediation services to resolve landlord-tenant disputes, utility support, and short-term case management to stabilize households in their current residences. Eligible participants must meet specific criteria demonstrating immediate risk of homelessness. Through these combined efforts, this initiative seeks to increase housing availability, reduce financial risks for landlords, and provide essential support to prevent housing loss among vulnerable populations.

Transportation Initiative – allocate \$50,000 for this initiative. The program aims to connect homeless individuals with essential resources, including housing agencies, shelter locations, medical services, Social Security offices, job placement centers, and assistance with transportation to return to their home communities if necessary. By providing access to these critical services and reducing transportation-related barriers, the program will help expedite the housing placement process, enhance stability, and improve overall outcomes for individuals experiencing homelessness.

Reentry and Restitution Program – allocate \$25,000 for this program that will help reduce housing barriers for the homeless and focus on addressing outstanding court fines and debts that prevent individuals from securing stable housing. Key components include debt forgiveness or reduction, income-based payment plans, financial counseling, and integrating a housing-first model. Legal support and collaboration with courts would help individuals navigate and resolve their legal obligations. By alleviating financial burdens, this program would empower homeless individuals to meet housing eligibility criteria, secure employment, and achieve long-term housing stability.

Pet Foster and Sheltering Program – allocate \$25,000 for this program to provide temporary, safe housing for pets while their owners transition from homelessness into stable housing. The program would work in collaboration with animal shelters, foster homes, and local animal advocacy organizations to ensure that pets are cared for during this critical period. By offering peace of mind regarding the well-being of their pets, individuals experiencing homelessness can more readily pursue housing options that might otherwise be inaccessible.

The above programs are designed to increase the availability of housing and supportive services throughout the County, ensuring continued progress in addressing homelessness in alignment with the County's strategic goals.

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In 2018, the California Department of Housing and Community Development (HCD) issued a Notice of Funding Availability (NOFA) for the California Emergency Solutions and Housing (CESH) Program, allocating approximately \$53 million in funding for key activities to address homelessness. These included housing relocation and stabilization services, operating subsidies for permanent housing, flexible housing subsidy funds, support for emergency housing operations, and systems support for homelessness services, such as improvements to the Coordinated Entry System (CES), Homeless Management Information System (HMIS), and Homelessness Plans.

On September 19, 2018, the SB CoC designated Community Development and Housing Agency (CDHA) as the Administrative Entity for CESH Round One. The Board approved CDHA's grant application on October 2, 2018 (Item No. 9) for up to \$3,000,000. CDHA submitted the application on October 4, 2018, and received an award of \$1,459,234 on January 11, 2019. The Board accepted grant award for funding on August 6, 2019 (Item No. 13).

For CESH Round Two, the Interagency Council on Homelessness (ICH) approved CDHA as the Administrative Entity on April 24, 2019. The Board approved the submission of a grant application on May 21, 2019 (Item No. 50) for up to \$1,000,000. CDHA submitted the application on June 14, 2019, and received an award of \$835,737 on October 7, 2019. The Board accepted this funding on March 10, 2020 (Item No. 25).

Pursuant to the CESH Standard Agreements (18-CESH-12478 and 19-CESH-12968), the accrued interest of \$125,232 from the CESH administrative funds must be used to support eligible Program activities and reported in the annual expenditure report. As such, it is proposed to allocate these funds to expand and sustain essential Coordinated Entry System (CES) activities in line with program objectives. The enhancement of the San Bernardino City and County Continuum of Care's Regional Access Points ensures consistent access to housing resources across the region for individuals experiencing or at risk of homelessness. CES follows a regional approach with subregional components, including outreach, intake, assessment, Homeless Management Information System (HMIS) entry, and referral to the By Name List. It integrates phone access and a "No-Wrong Door" policy, partnering with outreach teams, law enforcement, Emergency Solutions Grant (ESG) providers, and domestic violence services. Special provisions are in place for unaccompanied youth and victims of violence, with assessments tailored to meet demand and mobile/virtual options expanding coverage.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on November 20, 2024; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on December 3, 2024; Finance (Paul Garcia, Administrative Analyst, 386-8392) on December 3, 2024; and County Finance and Administration (Cheryl Adams, Deputy Executive Officer, 388-0238) on December 3, 2024.

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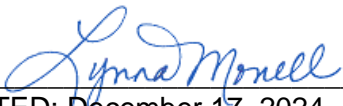
Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.

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

Lynna Monell, CLERK OF THE BOARD

BY _____
DATED: December 17, 2024



cc: File - Office of Homeless Services

MBA 12/26/2024