

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

February 6, 2024

FROM

CARRIE HARMON, Director, Community Development and Housing Department

SUBJECT

Revocable Grant Agreement with Water of Life Community Church

RECOMMENDATION(S)

1. Approve Revocable Grant **Agreement No. 24-118** and its related exhibits, in an amount not to exceed \$5,000,000, with Water of Life Community Church to assist with funding pre-development requirements, site improvements and housing improvements on a mixed-use development on Arrow Avenue in the City of Fontana, for the purposes of expanding emergency shelter capacity within the county.
2. Authorize the Chair of the Board of Supervisors, Chief Executive Officer, or Director of Community Development and Housing Department, subject to review by County Counsel, to make any necessary non-substantial modifications to the exhibits attached to the Revocable Grant Agreement, including the Regulatory Agreement and Revocable Grant Deed of Trust, and execute all required documents and modifications, including escrow instructions related to the transaction.
3. Authorize the Auditor-Controller/Treasurer/Tax Collector to post budget adjustments as detailed in the Financial Impact section (Four votes required).
4. Direct the Director of the Community Development and Housing Department to transmit the Revocable Grant Agreement, and its related exhibits, to the Clerk of the Board of Supervisors within 30 days of execution.

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

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote the Countywide Vision.

Create, Maintain and Grow Jobs and Economic Value in the County.

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.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). This item seeks authorization for the use of up to \$5,000,000 from San Bernardino County's (County) Housing Development Grant Fund (Fund), established as part of the Homeless Initiatives Spending Plan approved by the Board of Supervisors (Board) on March 28, 2023 (Item No. 21), for pre-development requirements, site improvements and housing improvements on a mixed-use development on Arrow Avenue in the City of Fontana (City).

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Approval of this item authorizes the Auditor-Controller/Treasurer/Tax Collector to post the following budget adjustments necessary to the Community Development and Housing Department (CDH) 2023-24 budget, which totals \$5,000,000 to support the Revocable Grant Agreement (Agreement) with Water of Life Community Church (WOL):

Cost Center	Commitment Item/GL	Description	Action	Amount
6210002496	53003205	Public Assistance	Increase	\$5,000,000
6210002496	40909975	Operating Transfers In	Increase	\$5,000,000
1161161000	55305030	Operating Transfers Out	Increase	\$5,000,000
1000	37008771	Fund Balance Assigned-Supporting Vulnerable Populations Reserve	Decrease	\$5,000,000

BACKGROUND INFORMATION

On March 28, 2023 (Item No. 21), the Board approved the County Homeless Initiatives Spending Plan that advances the goals and objectives of the 2022 Homeless Strategic Action Plan. This plan included funding to establish the Fund to support cities and other locally sponsored projects which expand sheltering and housing capacity countywide. The Fund is also designed to foster collaboration and shared goals with local cities to further regional efforts to address and reduce homelessness.

CDH, who serves as the administrator of the Fund, established an online portal to solicit applications for the Fund in August of 2023. WOL submitted an application for its CityLink Campus project (WOL Project) requesting \$5,000,000 in funding to support a mixed-use development that included 20 travel trailers, which would serve as temporary emergency shelter, pending completion of a permanent facility slated to include 30 units of emergency and transitional shelter. On October 3, 2023 (Item No. 17), the Board adopted Resolution No. 2023-181 committing up to \$5,000,000 for the WOL Project, which met initial thresholds for funding.

On October 3, 2023 (Item No. 6), the Board approved the establishment of a Homelessness Ad Hoc Committee (Committee) consisting of two Board Supervisors, Supervisor Curt Hagman and Supervisor Joe Baca, Jr., to research, review, and recommend policy to the Board to address homelessness in the County. Since its establishment, the Committee has worked with County staff to investigate the root causes of homelessness specific to this County and prepare housing guidelines to assist the Board with the evaluation of homeless shelter projects and determine County contributions, if applicable. On January 23, 2024 (Item No. 29), the Board approved the Housing Guidelines for Homeless Shelter Projects (Housing Guidelines) in San Bernardino County to guide the evaluation of proposed projects brought forward to address housing shortages for the homeless.

The Housing Guidelines establish the following criteria to evaluate projects for county investment:

Criteria	Benchmarks
Project Proforma	Standard project proforma submitted that clearly identifies all capital funding sources and includes a five-year operational plan.
Operational Plan	Detailed operational plan that identifies supportive services and property costs and identification of all revenue sources

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	to support operations.
Need (based on most recent Point-in-Time Count [PITC]; city and district level)	Funding targeted to cities and districts disproportionately impacted by homelessness.
Type of Facility	Priority given to low-barrier, navigation facilities; facilities that will serve as regional hubs.
Bed Capacity	Priority given to navigation center projects providing 100 or more beds. Other projects with specialty beds will be considered on their own merit.

The WOL Project was evaluated for funding using the established criteria. The WOL Project proforma met benchmarks for capital and operational funding sources. As a faith-based initiative, the WOL Project is primarily funded through private funding derived through WOL’s fundraising efforts. Operational costs will be covered through existing homeless grants awarded by the City and private funds also derived through WOL’s fundraising efforts. A strength of this project is its ability to leverage significant private funding for both capital development and operations. WOL is an experienced regional homeless service provider and as such, the long-term operational and supportive service plan includes best practices in homeless services. The WOL Project will build on WOL’s existing homeless care system, which is already well-funded and operating within the City.

The Housing Guidelines have established low-barrier navigation centers as the highest priority. The WOL Project does not employ this housing model, however, it does align with the service-enriched housing model which is a best practice model under the Housing Guidelines. As a service-enriched project, the WOL Project will include a supportive service building, which includes a food warehouse, community showers for the homeless and onsite social services for the emergency shelter residents. The food distribution program will serve both onsite residents and the community at large, increasing the reach and impact of this project.

The WOL Project is slated to deliver 20 units of emergency and transitional housing via travel trailers on or before January 1, 2025, to accelerate the delivery of sheltering units. These units will be replaced by 30 units of emergency and transitional shelter upon the completion of the permanent housing structure. The WOL Project will focus on families, couples and seniors that do not often fare well in large non-congregate shelters.

The WOL Project is located at the southwest corner of Citrus Avenue and Arrow Boulevard in the City and is comprised of three distinct campus areas that will provide ancillary services and emergency and transitional housing. The first component (Campus Area 1) will consist of a two-story building that will provide services, including case management, counseling, job training, financial literacy, and food distribution. The second component (Campus Area 2) is planned to include 20 trailers to be used for temporary or emergency shelter which will be phased out upon completion of the third component of the WOL Project (Campus Area 3). Campus Area 3 will include 30 units of housing to be used for temporary and emergency shelter. WOL will use the funds for pre-development requirements (which includes planning, design, engineering, development impact fees, utility connection fees, and land use entitlements) and for site improvements (which includes rough grading, sewer infrastructure, water infrastructure, storm drain infrastructure, paving, lighting, and dry utilities) that are necessary and required for the development of the 20 trailers and the 30 housing units.

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To secure WOL’s obligation to perform, a Regulatory Agreement and a Revocable Grant Deed of Trust will be recorded against the property for 15 years. If WOL fails to meet the housing deadlines outlined in the Agreement, the County may convert the grant into a loan subject to repayment. The proposed WOL Project budget is as follows, with funding released per the project milestones outlined in the Agreement:

Description	Total Budget	WOL Funding	Total Requested
Pre-Development Requirements	\$1,474,635	\$474,634	\$1,000,000
Site Improvements	\$2,666,666	\$666,667	\$2,000,000
Supportive Service Building	\$9,387,745	\$9,387,745	N/A
Temporary Transitional Housing	\$990,000	\$240,000	750,000
Permanent Transitional Housing	\$14,991,199	\$13,741,199	\$1,250,000
Total Project Costs	\$29,510,245	\$24,510,245	\$5,000,000

The project includes accelerated unit delivery via travel trailers. The project timeline is included below:

Campus Area	Description	Deliverable
Area 1	Ancillary Services Building	Summer 2024
Area 2	Temporary/Emergency Shelter Development 20 Trailers	January 2025
Area 3	Temporary/Emergency Shelter Development 30 Units (to replace the 20 trailers)	January 2028

Should the Board approve the Agreement, WOL will continue site work in preparation for placement and acquisition of the trailers and will begin the design phase for the 30 housing units.

PROCUREMENT

In early August 2023, CDH released a Fund Request Form (FRF) with the guidelines for the Fund for proposed projects that support housing for the homeless. The goal of the FRF is to help identify projects in cities and unincorporated areas that the County can assist with gap funding that will expand sheltering and housing capacity. Proposals are evaluated on a variety of criteria to ensure that the proposed project meets the County’s requirements and goals. WOL submitted an application to the County through the FRF.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on February 1, 2024; Auditor-Controller/Treasurer/Tax Collector (Vanessa Doyle, Deputy Chief Controller, 382-3195) on February 1, 2024; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on January 19, 2024; Finance (Christopher Lange, Administrative Analyst, 386-8393) on February 1, 2024; and County Finance and Administration (Cheryl Adams, Deputy Executive Officer, 388-0238) on February 1, 2024.

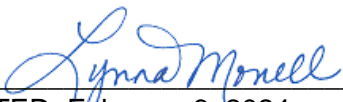
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: February 6, 2024



cc: CDH - Harmon w/ agrees for sign
Contractor c/o CDH w/ agree
File w/ agree
JLL 02/6/2024