

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

June 18, 2025

**FROM**

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

**SUBJECT**

Budget Adjustment for Capitalized Operating Subsidy Reserve Support with Homeless Housing, Assistance and Prevention Program Round 1 and Round 2 Funds

**RECOMMENDATION(S)**

Authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments, as detailed in the Financial Impact section, to the Office of Homeless Services 2024-25 budget, to fund a capitalized operating subsidy reserve with Homeless Housing, Assistance and Prevention Program Round 1 and Round 2 funds, in the total amount of \$3,473,191 (Four votes required).

(Presenter: Marcus Dillard, Chief of Homeless Services, 501-0610)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**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 Discretionary General Funding (Net County Cost). The total cost not to exceed \$3,473,191 will be funded by Housing and Homeless Assistance Program (HHAP) funds administered by the California Department of Health Care Services (DHCS). Funding has been allocated to San Bernardino County's (County) Office of Homeless Services (OHS).

OHS and the Community Development and Housing Department (CDH) request the following adjustments to their respective 2024-25 budgets:

<b>Fund Center</b>	<b>Commitment Item/GL Account</b>	<b>Description</b>	<b>Action</b>	<b>Amount</b>
6210002473	53003205	Public Assistance	Decrease	\$1,105,531
6210002473	55305030	Operating Transfer Out	Increase	\$1,105,531
6210002504	53003205	Public Assistance	Decrease	\$2,367,660
6210002504	55305030	Operating Transfer Out	Increase	\$2,367,660
6210002506	40909975	Operating Transfer In	Increase	\$3,473,191
6210002506	53003205	Public Assistance	Increase	\$3,473,191

**BACKGROUND INFORMATION**

CDH and OHS have entered into a Memorandum of Understanding that formalizes the roles and responsibilities of each department in the administration of HHAP funds for the Capitalized

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Operating Subsidy Reserve (COSR). A COSR is intended to support the ongoing operational needs of the County's permanent housing efforts to address homelessness. A COSR assists in funding the structural financing gap between restricted tenant rental contributions and actual operating costs. OHS is responsible for the expenditure of Round 1 funds by June 30, 2025, and Round 2 funds by June 30, 2026, and will submit monthly progress reports, detailing services provided, clients served, and expenditures incurred to the California Department of Housing and Community Development.

San Bernardino County has allocated its HHAP Round 1 and Round 2 funding to support the Homekey program, which provides interim and/or permanent housing for individuals and families who are at-risk of or experiencing homelessness. Approval of the recommendation will transfer \$3,473,191 of HHAP Round 1 and Round 2 funds, from OHS to CDH budget, which then will fund a COSR used exclusively for expenses related to affordable permanent housing units, emergency shelters, or interim shelters serving an extremely low-income population.

On May 19, 2020 (Item No. 36), the Board of Supervisors (Board) accepted the HHAP Round 1 grant award in the amount of \$2,845,118 for the County and \$3,071,060 for the San Bernardino City and County Continuum of Care (SBC CoC) from the State.

On June 8, 2021 (Item No. 44), the Board accepted the HHAP Round 2 grant award in the amount of \$1,300,625 for the County and \$1,453,114 for the SBC CoC from the State.

This budget adjustment will support the continued collaboration between OHS and CDH in alignment with countywide efforts to provide long-term housing solutions and improve outcomes for individuals experiencing homelessness or at risk of homelessness.

**PROCUREMENT**

N/A

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on May 29, 2025; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 909-382-7022) on May 29, 2025; Community Development and Housing Agency (Carrie Harmon, Director, 382-3983) on May 19, 2025; Finance (Paul Garcia, Administrative Analyst, 386-8392) on June 04, 2025; and County Finance and Administration (Cheryl Adams, Deputy Executive Officer, 388-0238) on June 04, 2025.

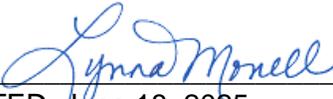
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Record of Action of the Board of Supervisors  
San Bernardino County

**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: June 18, 2025



cc: File - Office of Homeless Services  
MBA 07/2/2025