



BOARD OF SUPERVISORS  
AGENDA LETTER

**Agenda Number:**

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Community Services  
**Department No.:** 057  
**For Agenda Of:** March 15, 2022  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department George Chapjian, Community Services Director (805) 568-2485 DS  
GL  
Director(s)  
Contact Info: Dinah Lockhart, Deputy Director (805) 568-3523  
Terri Maus-Nisich, Assistant County Executive Officer, (805) 568-3412

**SUBJECT: Approval of an amendment to Service Agreement for the DignityMoves Santa Barbara Project at County-owned property at 1016 Santa Barbara Street, Santa Barbara, CA, APN #029-212-019, Supervisorial District 1.**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- A. Approve and authorize the Chair to execute a First Amendment to the sub-recipient agreement with Good Samaritan Shelter for the distribution of State of California Homeless Housing, Assistance and Prevention (HHAP) funds for a new total contract maximum amount not to exceed \$1,484,904 for Operations, Services, and Installation of DignityMoves Interim Supportive Temporary Emergency Housing Project Units (Attachment A);
- B. Determine that the above-recommended actions are exempt from the California Environmental Quality Act (CEQA) pursuant to: CEQA Guidelines Section 15269(c), finding that the actions consist of specific actions necessary to prevent or mitigate an emergency; Government Code Section 8698.4, finding that the County has declared a shelter crisis and the action includes leasing of County-owned land for a homeless shelter and financial assistance therefor; and CEQA Guidelines Section 15304, finding that the actions consist of minor public alterations in the condition of land; and direct staff to file a Notice of Exemption on these bases.

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### **Summary Text:**

DignityMoves' temporary modular interim emergency housing project will provide 33 private, dignified rooms for individuals experiencing homelessness. Each room will have a bed, a desk and chair, heating and air conditioning, a window, and most importantly a door that locks. Good Samaritan will provide robust support services for the Project participants. Good Samaritan has an exceptional reputation for providing care and tailored services to help address the root causes of homelessness and will connect clients to a wide array of other services.

Staff is recommending an amendment to the sub-recipient agreement with Good Samaritan Shelter approved by the Board of Supervisors on February 8, 2022. The amendment will increase the amount of the agreement by \$344,292 from \$1,140,612 to \$1,484,904 in State Homeless Housing, Assistance and Prevention (HHAP) funds and will revise the scope of work to include installation and construction of the modular units for this project on the County-owned property (Property) at 1016 Santa Barbara Street in the City of Santa Barbara. This amendment adds a \$690,000 line item for installation/construction costs utilizing State HHAP and reduces the amount for operations and services. Staff will return to the Board with a sub-recipient agreement before this agreement ends to fund 2nd and 3rd years of operations with American Rescue Plan Act (ARPA) funding.

### **Background:**

On February 8, 2022, the Board approved a sub-recipient agreement with Good Samaritan Shelter for operations and services for the DignityMoves Interim Supportive Temporary Emergency Housing Project/Units. This project will add 33 new temporary housing units as part of the continuum of care.

The State of California has provided significant investments in housing and homelessness. HHAP Round I was \$650 million, and Round II was a \$300 million one-time investment allocated to the 44 Continuums of Care, 13 large cities, and 58 counties, based on the 2019 Point-in-Time Count of persons experiencing homelessness. The Santa Maria/Santa Barbara County Continuum of Care and County staff worked collaboratively to address critical gaps in the system of care, including interim housing, to meet State funding requirements. Community Services administers the HHAP funding.

DignityMoves was founded in 2020 at the beginning of the Covid-19 pandemic by a group of chief executives and business leaders affiliated with the Young Presidents Organization (YPO). DignityMoves engages private capital investors to invest in solving social issues, such as homelessness. The DignityMoves Fund provides up-front funding to manufacture modular housing units and partner with local government on siting and necessary infrastructure. The housing units are purposely portable, so that the use of land is temporary, and the modular units can be repurposed at another site. The prefabricated modular buildings are developed at a fraction of the cost of traditional construction, under \$50,000 per unit compared to \$500,000 per unit for traditional new construction. Originally based in Northern California, DignityMoves, under the auspices of LiveMoves, built LiveMoves Mountain View, a state Homekey-awarded project, in 2020 and is developing another DignityMoves project in downtown San Francisco.

### **Discussion:**

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The DignityMoves Santa Barbara project will be used for the provision of supportive services and case management services for persons experiencing homelessness. Placement and use of the Interim Temporary Supportive Emergency Housing on the project site is subject to the Ground Lease Agreement the Board already approved on February 8, 2022.

Each modular unit is 64 sq. ft., and includes a bed, desk, and electrical service connections; however, plumbing, water and sewer facility connections are not included in each unit. Individual units can accommodate occupancy of one (1) person, and all are ADA-accessible. Access to plumbing, water, and sewer services will be part of the communal area. The modular units will be placed on the parking lot site. The maximum occupancy load for persons being housed in the inventory is 33. DignityMoves Santa Barbara occupants may be expected to reside in the project for 6 months. Occupants will be transitioned to permanent housing opportunities as quickly as possible. In addition to interim housing, on-site services will include case management, housing navigation and supportive services, public health nurse and behavioral health clinical visits, meals, 24/7 security, as well as access to bathroom and shower facilities. The project will be operated around-the-clock on a daily basis. The Board of Supervisors is being asked to execute an amendment to the subrecipient agreement with Good Samaritan Shelter for the DignityMoves Interim Housing Project/Units (Attachment A). The amendment will cover costs associated with a component of the construction, installation, and assembly services on-site as this scope of this work was recently finalized.

The project construction/installation and unit assembly, facilitated by Good Samaritan Shelter as the fiscal agent for DignityMoves, is utilizing existing County Job Order Contractors(s) to provide utilities point-of-connections and other appurtenant on-site improvements on the Property. The County dedicated \$400,000 in ARPA funding to the Project to address site improvements and also contemplated the use of other monies to be directed to the project to address costs related to on-site construction/installation/assembly services as needed. General Services facilitated and is nearing completion of off-site improvements to the Project inclusive of water, sewer and electrical services. These off-site improvements benefit the interim temporary supportive emergency housing project as well as any potential future permanent supportive housing project suitable at the site. Revised estimated costs for on-site improvements to complete construction and installation were recently received by Good Samaritan/DignityMoves and are higher than the estimated budget and are reflected in the amendment. Specifically, use of volunteer labor, initially contemplated during project budget development for components of the project, was determined to not be feasible, increasing estimated costs. In total, a distribution of \$690,000 in HHAP funding is requested for the on-site improvements and assembly of the units. The \$690,000 is funded through an additional \$344,292 HHAP funds and a temporary reallocation of operations and services funding of \$345,708. Good Samaritan, in coordination with DignityMoves, has provided to date \$950,000 in philanthropic community-based funding towards purchase of the modular units as well as specific on-site improvements to ready the area for unit installation. Additional on-site improvements addressed with the philanthropic community-based funding includes removal of planters and curbing and installation of lighting, security items, fencing, decking, and the front entry gate feature, as well as outfitting each of the units and indoor and outdoor gathering areas for use.

**Performance Measure:**

The use of federal and state funds for the DignityMoves Santa Barbara project is an eligible use. It is anticipated that 33 individuals experiencing homelessness will initially be assisted by this project. This is

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a three-year project, and staff will monitor performance measures and will return to the Board with a new subrecipient agreement for years 2 and 3 that will include updated performance measures based on project progress as well as an assessment of actual costs. Overall, the goal is to create 33 beds for three years. The project is anticipated to serve 66 individuals per year, or a three-year projected total of 198 individuals. The performance measures below are based on funding source guidance. These will be amended, as necessary, if required by the funding source.

**Table 1: Goals and Performance Measures for DignityMoves Interim Emergency Housing Year 1**

Goals

***Interim Housing***

	<b>Year 1 Goal</b>
Total number of beds	33
Total number of bed-nights made available	29,700
Total unduplicated number of persons served	66
Total unduplicated number of households served	66

Performance Measures

***Interim Housing***

% of participants will move into Rapid Rehousing at project exit	20%
% of participants will move into permanent housing (other than RRH) at project exit	25%
% of adult participants gaining new or increasing existing earned income at project exit	25%
% of adult participants will obtain cash/non-cash benefits at project exit	65%
% of participants who move into transitional housing or permanent housing (including RRH) will remain housed for 1 year	70%

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current Year 1 Cost:</u></b>	<b><u>Years 2 and 3 Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund			
State - HHAP	\$ 1,484,904.00		\$ 1,484,904
Federal - ARPA	\$ 400,000.00	\$ 2,038,760.00	\$ 2,438,760
Fees			
Other			
<b>Total</b>	<b>\$ 1,884,904.00</b>	<b>\$ 2,038,760.00</b>	<b>\$ 3,923,664</b>

Narrative: ARPA funds of \$400,000 was approved by the Board of Supervisors for the initial County contribution to the project and utilized by General Services for off-site improvements supporting the interim temporary supportive emergency housing project as well as a future permanent supportive housing project. It is anticipated that there will be remaining ARPA funding from the off-site improvements. However, it is recommended that HHAP funds in the amount of \$690,000 be utilized to fully fund the amendment. Reallocation of any unused ARPA funds will be addressed at a later date. All

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payments to contractors using these funds will be done on a cost-reimbursement basis. This allows CSD/HCD to disburse funds for identified, eligible incurred costs.

HHAP funds will be used for interim housing operations, support services expenses, and construction/installation of modular units (\$1,484,904). Operations and services for years 2 and 3 (\$2,038,760) were designated by the Board from County-American Rescue Plan Act funds on October 19, 2021. Overall, the anticipated Dignity Moves project facility and on-site construction and installation cost is \$1,640,000. DignityMoves to date has secured \$950,000 in philanthropic community-based funding for the purchase of the modular units, support structures, and other onsite improvements. Good Samaritan is serving as the fiscal agent that received donations and will facilitate on-site construction in partnership with DignityMoves.

This amendment includes an additional \$344,292 in HHAP, adds a \$690,000-line item for installation/construction costs, and temporarily reduces the amount for operations and services by \$345,708 to cover the installation costs. There will be no impact to the scope of services provided due to the timing of the service agreement. Staff will return to the Board with a sub-recipient agreement before this agreement ends to fund the 2<sup>nd</sup> and 3<sup>rd</sup> year of operations, considering actual year one needs and expenses incurred, with currently allocated American Rescue Plan Act or other eligible state and federal funding.

**Key Contract Risks:**

The County assumes responsibility for the administration of HHAP funds in accordance with all State and Federal requirements governing their use. In addition, the County would be liable as a pass-through entity for repayment to the State and Federal government if it or any provider to which it sub-grants funds is found not to comply with applicable requirements. All payments to contractors using these funds will be done on a cost-reimbursement basis. This allows CSD/HCD to disburse funds for identified, eligible incurred costs. In this regard, the County is responsible for using funds for costs that are eligible under HHAP and documented in a manner that is acceptable to HCD, State, and Federal departments. The State and Federal government will recapture unexpended grant funds if not expended on eligible costs.

**Staffing Impacts:**

The current requested activity falls within currently budgeted staff duties.

**Special Instructions:**

- 1) Please return two copies of the executed First Amendment (Attachment A) and a copy of the Minute Order to CEO's Office. Please email Lindsay Walter (liwalter@countyofsb.org) when ready for pick up.

**Attachments:**

- A. Good Samaritan Shelter HHAP Sub-Recipient Agreement First Amendment