



BOARD OF SUPERVISORS
AGENDA LETTER

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

Agenda Number:

Submitted on:
(COB Stamp)

Department Name: Behavioral Wellness
Department No.: 043
Agenda Date: June 9, 2026
Placement: Administrative Agenda
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director: Antonette Navarro, LMFT, Director, Behavioral Wellness
Contact: Laura Zeitz, RN, Assistant Director Inpatient, Crisis, Long Term Care,
Justice and Housing, Behavioral Wellness
SUBJECT: **First Amended and Restated Memorandums of Understanding and Mental Health Supportive Services Agreements with Housing Authority of the County of Santa Barbara in support of Housing for a Healthy California Article I program permanent supportive housing projects at Heritage Ridge Senior and Heritage Ridge Special Needs Family (Supervisory District 3)**

DS
AN

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Director of the Department of Behavioral Wellness or designee to execute, on behalf of the County, the First Amended and Restated Memorandum of Understanding with the Housing Authority of the County of Santa Barbara (HASBARCO) regarding the Housing for a Healthy California Heritage Ridge Senior Project, located at 6488 Camino Vista, Goleta, California 93117 (APN 073-060-071), (Senior Project) to reflect a change in Senior Project ownership from Heritage Ridge Senior, L.P. to HASBARCO and redefine the roles and responsibilities of HASBARCO and the County accordingly (Attachment A);
- b) Approve, ratify, and authorize the Director of the Department of Behavioral Wellness or designee to execute, on behalf of the County, the First Amended and Restated Memorandum of Understanding with the Housing Authority of the County of Santa Barbara (HASBARCO) regarding the Housing for a Healthy California Heritage Ridge Special Needs Family Project, located at 6482, 6484, and 6486 Camino Vista, Goleta, California 93117 (APNs 073-060-072), (Special Needs Family Project) to reflect a change in Special Needs Family Project ownership

- from Heritage Ridge Special Needs Family, L.P. to HASBARCO and redefine the roles and responsibilities of HASBARCO and the County accordingly (Attachment B);
- c) Approve and authorize the Chair to execute the First Amended and Restated Mental Health Supportive Services Agreement with Housing Authority of the County of Santa Barbara (HASBARCO) to reflect a change in Project ownership and restate County's provision of mental health supportive services to eligible Housing for Healthy California tenants residing at the Heritage Ridge Senior Project with no change to the term of 55 years or anticipated revenue to the County of \$92,400 in the first year subject to a 3% annual increase thereafter (Attachment C);
 - d) Approve and authorize the Chair to execute the First Amended and Restated Mental Health Supportive Services Agreement with HASBARCO to reflect a change in Project ownership and restate the County's provision of mental health supportive services to eligible Housing for Healthy California tenants residing at the Heritage Ridge Special Needs Family Project with no change to the term of 55 years and no change in the estimated revenue to the County of \$170,625 in the first year and subject to a 3% annual increase thereafter (Attachment D);
 - e) Delegate the Director of the Department of Behavioral Wellness, or designee, the authority to execute any immaterial changes to the terms of the above MOUs per Sections I.G, III. E, VI.B, and Mental Health Supportive Services Agreement per sections 20, 21, and 27, without requiring the Board of Supervisor's approval of an amendment of the MOUs or Supportive Services Agreements, subject to the Board's ability to rescind this delegated authority at any time; and
 - f) Determine that the above-recommended actions are not a project that is subject to environmental review under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines section 15378(b)(4) and (b)(5), finding that the actions are governmental funding mechanisms and/or administrative or fiscal activities that will not result in direct or indirect physical changes in the environment.

Summary Text:

The Housing Authority of the County of Santa Barbara (HASBARCO) Heritage Ridge Project has received additional grant funding which allowed for HASBARCO to restructure as the sole owner of the Heritage Ridge Projects. To address this change in ownership, Behavioral Wellness is returning to the Board of Supervisors to approve the amended and restated two Memorandums of Understanding and two Supportive Services Agreements. These amended agreements define the roles and responsibilities of the County as the supportive service provider and HASBARCO as the owner and property manager for Housing for a Healthy California tenants, with no change to the original terms.

The Heritage Ridge Project original funding by California State Housing and Community Development Housing for a Healthy California (HHC) will provide permanent low-income supportive rental housing for Medi-Cal beneficiaries with serious mental illness who are chronically homeless, homeless, or at-risk of being chronically homeless. There will be 19 units designated for special needs families and 12 units for seniors. The new funding will be presented to the Board of Supervisors in a separate board letter.

Discussion:

In October 2025, HASBARCO received additional grant funding from the California Department of Housing and Community Development (State HCD) through the Homekey+ (HK+) program. These awards enabled the project's ownership structure to be modified so Heritage Ridge is now solely owned and operated by HASBARCO. Both Heritage Ridge Senior, Limited Partnership (L.P.), and

Heritage Ridge Special Needs Family, L.P. were each originally formed as partial owners of the Heritage Ridge Project, have filed and been approved for termination with the California Secretary of State effective October 23, 2025. As a result of this change, HABARCO has become the sole owner of the Heritage Ridge Project and State HCD has issued amended Standard Agreements with HASBARCO for each project. It is because of this change in ownership, Behavioral Wellness, on behalf of the County, is requesting to amend and restate the two Memorandums of Understanding and two Supportive Services Agreements.

Under The Housing for Healthy California (HHC) grant requirements, the Senior Project will provide 12 units of permanent low-income housing for Medi-Cal beneficiaries 62 years and older with serious mental illness who are chronically homeless, homeless, or at-risk of being chronically homeless, and the Special Needs Family Project will provide 19 units of permanent low-income housing for Medi-Cal beneficiaries with serious mental illness who are chronically homeless, homeless, or at-risk of being chronically homeless. Behavioral Wellness (BWell) will provide mental health supportive services for the eligible HHC tenants for a period of 55 years. There is no change to the HHC number of designated units or to length of the program term.

With the insertion of new State HCD HK+ grant funding awarded to the Heritage Ridge Project, the project has expanded and the timeline has been accelerated to ensure expedited completion and the earlier availability of the new permanent affordable rental housing for Santa Barbara County residents with moderate to severe behavioral health needs. BWell has been asked to amend the existing Heritage Ridge HHC agreements included in this Board Letter.

The Heritage Ridge Project will serve our community as a valuable affordable rental, permanent housing resource, offering mental health supportive services to help transition unhoused individuals and families into permanent housing and provide them with the resources needed to sustain long-term stability.

BWell is now requesting approval for the Director of BWell to execute the First Amended and Restated Memorandums of Understanding and the Chair to execute the First Amended and Restated Supportive Services Agreements for Heritage Ridge Senior Project and Heritage Ridge Special Needs Family Project. The First Amended and Restated MOUs and SSAs remove Surf Development Company and the two limited partnerships and restate the delineation of the County-provided mental health supportive services for HHC tenants at the Heritage Ridge Project as well as HASBARCO's obligations and services as owner and property manager.

Background:

This item was initially approved by the Board of Supervisors on April 8, 2025, authorizing the Director of Behavioral Wellness (BWell) to execute the two Memorandums of Understanding (MOUs) and Supportive Services Agreements (SSAs) between Housing Authority of the County of Santa Barbara (HASBARCO), Surf Development Company, Heritage Ridge Senior, L.P., Heritage Ridge Special Needs Family L.P., originally formed limited partnerships as partial owners of the Heritage Ridge Project, and the County of Santa Barbara Department of Behavioral Wellness. BWell returned to the Board of Supervisors on May 20, 2025, authorizing the Chair of the Board of Supervisors to execute the two SSAs between HASBARCO, Surf Development Company, Heritage Ridge Senior, Limited Partnership (L.P., Heritage Ridge Special Needs Family, L.P., and the County of Santa Barbara Department of Behavioral Wellness.

This affordable housing development was a joint program between the HASBARCO, Surf Development Company, Heritage Ridge Senior, L.P., and Heritage Ridge Special Needs Family L.P., with construction funding awarded through the State of California Department of Housing and Community Development (State HCD) Housing For A Healthy California (HHC) program. On July 9,

2025, HASBARCO was awarded two grants from State HCD through the Homekey + (HK+) program providing additional funding to develop this property. As a result of this increased grant funding, both Heritage Ridge Senior, L.P., and Heritage Ridge Special Needs Family, L.P., were dissolved. HASBARCO and State HCD executed new Standard Terms, 21-HHCC-00013-01 and 21-HHCC-00015-01 removing Surf Development Company and the two limited partnerships and reassigning HASBARCO as the sole property owner and administrator.

With HK+ funding, the Heritage Ridge Senior Project will now include 41 total apartments, inclusive of the HHC units, with one unit reserved for the resident manager, and 40 low-income and rent-restricted units for seniors, persons age 62 years or older, experiencing behavioral health challenges as defined in the Housing for a Healthy California program.

The Heritage Ridge Special Needs Family Project will now include 57 total apartments, inclusive of the HHC units, low-income and rent-restricted units for families with a special needs family member and a family member experiencing behavioral health challenges as defined in the Housing for a Healthy California program.

As was previously shared with the Board of Supervisors in April 2025 and May 2025, BWell's role in the Heritage Ridge Project will be to provide mental health supportive services for those residents who are high-frequency medical system users, chronically homeless, or at risk of chronic homelessness households and experience mental illness, substance abuse, or both conditions. Under HHC requirements, BWell has agreed to provide mental health supportive services for a minimum of 55 years.

BWell will provide onsite services directly by BWell or through a County-contracted provider. The mental health supportive services will be provided the following staffing model: 1) Heritage Ridge Senior Project will have designated case managers equivalent to 0.88 FTE; and 2) Heritage Ridge Special Needs Family will have designated case managers equivalent to 1.625 FTE. BWell will be reimbursed for its services as defined in the SSAs. Reimbursement for services will be made by HASBARCO, to the County, on a quarterly basis.

BWell is requesting approval for the Director of BWell to execute the First Amended and Restated MOUs and the Chair to execute the First Amended and Restated SSAs for Heritage Ridge Senior Project and Heritage Ridge Special Needs Family Project as they relate to the HHC grant and guidelines. The First Amended and Restated MOUs and SSAs remove Surf Development Company and the two limited partnerships that have been dissolved, and provide the outline of the County-provided mental health supportive services for HHC tenants at the Heritage Ridge Project as well as HASBARCO's obligations and services as owner and property manager.

Performance Measure:

HASBARCO will submit to State HCD annual compliance reports and independent audits for each project, prepared by a certified public accountant and in accordance with the State's audit requirements. The County will receive and review the annual reports for each of the assisted units with clients receiving services for mental disabilities and/or experiencing substance abuse. This data may be, but is not required to be, gathered from the Santa Barbara County Homeless Management Information System. The successful completion of the projects and implementation of the MOUs and SSAs will result in increased service capacity, decreased unsheltered individuals and families, and reduced demands on emergency services and the emergency health care system.

Fiscal and Facilities Impacts:

Budgeted: No

There are no fiscal impacts from these agreements to the FY 2025-26 or 2026-27 budgets. A budget will be established once the project is near completion and preparing for occupancy, likely in late calendar year 2027.

The County-delivered supportive services that will be provided to HHC Heritage Ridge Senior Project tenants will be funded by operating revenues from the Senior Project (to cover the .88 FTE, \$92,400 first year, subject to 3% annual increases thereafter) and other available funds. The County-delivered supportive services provided to HHC Heritage Ridge Special Needs Family Project tenants will be funded by operating revenues from the Special Needs Family Project (to cover the 1.625 FTE, estimated at \$170,625 first year, subject to 3% annual increases thereafter) and other available funds. The total anticipated revenue for the first year of services will be \$263,025 for 2.5 FTE BWell staff.

Special Instructions:

Please email one complete, signed Amended and Restated Supportive Services Agreement for Heritage Ridge HHC for Senior and one complete, signed Amended and Restated Supportive Services Agreement for Heritage Ridge HHC Special Needs Family; and one Minute Order to M. Simon-Gersuk at msimongersuk@sbcbswell.org and to bwellcontractsstaff@sbcbswell.org.

Attachments:

Attachment A – Heritage Ridge HHC SR First Amended and Restated MOU

Attachment B – Heritage Ridge HHC SNF First Amended and Restated MOU

Attachment C – Heritage Ridge HHC SR First Amended and Restated SSA (Signature Needed)

Attachment D – Heritage Ridge HHC SNF First Amended and Restated SSA (Signature Needed)

Attachment E – Heritage Ridge HHC SR MOU

Attachment F – Heritage Ridge HHC SNF MOU

Attachment G – Heritage Ridge HHC SR SSA

Attachment H – Heritage Ridge HHC SNF SSA

Contact Information:

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BWell Contracts and Procurement Manager
msimongersuk@sbcbswell.org