



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.: General Services
For Agenda Of: 057 & 063
Placement: November 7, 2023
Estimated Time: Administrative
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department George Chapjian, Community Services Director, (805) 568-2467
Director(s) Kirk Lagerquist, General Services Director, (805) 560-1011

Contact Info: Joe Dzvonic, Deputy Director Housing and Community Development (805) 568-3523
Skip Grey, General Services Assistant Director, (805) 451-9949

SUBJECT: **Approval of Subrecipient Agreements with Good Samaritan Shelter to Operate Hope Village, a Subrecipient Agreement with DignityMoves, La Posada LLC, and Amendments to the Ground Lease and Development Management Agreement with DignityMoves for the La Posada Project**

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 of the Board of Supervisors to execute a Subrecipient Agreement for the distribution of American Rescue Plan Act (“ARPA”) funding for COVID-19 Recovery in Housing and Homelessness with Good Samaritan Shelter (“GSS”), subject to annual appropriations and budget approval, for an amount not to exceed \$1,000,000 for Operations and Services of Hope Village DignityMoves Interim Supportive Temporary Emergency Housing Santa Maria Project; and

- B. Approve and authorize the Chair of the Board of Supervisors to execute a Subrecipient Agreement for the distribution of Homeless Housing Assistance and Prevention Program (“HHAP”) with GSS, subject to annual appropriations and budget approval, for an amount not to exceed \$1,829,317 for Operations and Services of Hope Village DignityMoves Interim Supportive Temporary Emergency Housing Santa Maria Project; and
- C. Approve and authorize the Chair of the Board of Supervisors to execute a Subrecipient agreement with Good Samaritan Shelter, using California Encampment Resolution Funding (“CERF -2”) funds for a total contract maximum amount not to exceed \$474,500 to provide 10 dedicated beds for interim housing at the Hope Village DignityMoves Interim Supportive Temporary Emergency Housing Santa Maria Project for persons living in encampments near waterways, subject to annual appropriations and budget approval;
- D. Authorize the Chair of the Board of Supervisors to execute an amendment to each of the Ground Lease Agreement (Ground Lease Amendment), and Development Management Agreement (DMA Amendment) with Dignity Moves, La Posada LLC, for the use of County-owned property located at 4500 Hollister Ave., Santa Barbara, CA, APNs 061-040-012 and 061-040-024 for the La Posada DignityMoves Interim Supportive Temporary Emergency Housing project;
- E. Authorize the Chair of the Board of Supervisors to execute a Subrecipient agreement with Dignity Moves, La Posada LLC, in the total maximum amount not to exceed \$800,000 in CERF-2 funds, to purchase modular units and make site improvements for the La Posada DignityMoves Interim Supportive Temporary Emergency Housing project;
- F. Determine that the above-recommended actions are exempt from the California Environmental Quality Act (CEQA) pursuant to: CEQA Guidelines Section 15269(c); and 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; and direct staff to file a Notice of Exemption on these bases.

Summary Text:

The Board of Supervisors previously approved two temporary interim supportive housing communities under development by DignityMoves: Hope Village, located at 2131 Southside Parkway, Santa Maria, CA, APN #128-085-044, and La Posada, located at 4500 Hollister Ave., Santa Barbara, CA, APNs 061-040-012 and 061-040-024.

Staff is recommending the execution of three subrecipient agreements to fund operations and services at the Hope Village project for the first 25 months, December 1, 2023 to December 31, 2025:

1. \$1,000,000 in (American Rescue Plan Act (ARPA), State and Local Fiscal Recovery Funds (Recommended Action A and Attachment A)
2. \$1,833,113 in Homeless Housing, Assistance and Prevention (HHAP) Program funds (Recommended Action B and Attachment B)

3. \$474,500 in California Encampment Resolution Funds (CERF) (Round 2) to provide 10 dedicated cabins for persons to be relocated from encampments near waterways (Recommended Action C and Attachment C).

In addition, staff is recommending a Subrecipient agreement with DignityMoves, La Posada LLC for up to \$800,000 in CERF-2 funds (Recommended Action E and Attachment D) for the purchase of modular units and site improvements. Staff is recommending amendments to each of the Ground Lease Agreement (Lease - Attachment E) and the Development Management Agreement (Development Agreement – Attachment F), with DignityMoves, La Posada LLC to reflect the additional funding dedicated to the project as well as 5-year lease term to support operations for that period.

Background:

Hope Village - 2131 Southside Parkway, Santa Maria

Hope Village will be a temporary interim supportive housing community specifically for people experiencing homelessness in the Santa Maria Valley. It is an innovative public-private collaboration between Good Samaritan Shelter, Fighting Back Santa Maria Valley, Dignity Health’s Marian Regional Medical Center, DignityMoves, community philanthropy, and the County of Santa Barbara. It will provide 94 dignified rooms for adult individuals, couples and TAY (transitional age youth ages 18-24). Of the 94 rooms, 10 rooms will be dedicated to TAY experiencing homelessness, 30 rooms will provide recuperative care, 10 rooms will be for encampment resolution near the Santa Maria riverbed and 44 rooms will serve others also experiencing homelessness. These 44 rooms will focus on ensuring that unsheltered homelessness will be addressed in the residential, retail and commercial areas near the Hope Village project. 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 Shelter will provide robust support services for project participants.

On February 28, 2023, the Board of Supervisors approved execution of a Ground Lease Agreement and a Development Agreement in connection with the Hope Village project. Today’s recommended actions include subrecipient agreements to fund operations and services at Hope Village, including \$474,500 of CERF-2 funds for 10 dedicated cabins for persons moving from encampments near waterways in the Santa Maria Valley. The County has been awarded a total of \$6 million in CERF-2 funds, which has a 50% expenditure deadline by June 30, 2024.

La Posada - 4500 Hollister Ave., Santa Barbara

La Posada will be a temporary interim supportive housing community specifically for people experiencing homelessness in Southern Santa Barbara County. The La Posada project is an innovative public-private collaboration between DignityMoves, community philanthropy, the County of Santa Barbara, and Good Samaritan Shelter, the selected operator/service provider. The La Posada project will provide up to 80 dignified modular housing unit cabins for people experiencing homelessness moving from encampments and persons eligible under Behavioral Health Bridge Housing, many of whom will have been homeless for extended periods of time and have a permanent disability. Each cabin will have a bed, a desk and chair, heating and air conditioning, a window and, most importantly, a door that locks. Good Samaritan Shelter will provide a safe environment and robust support services for project participants. In addition to the 80 housing unit cabins, an additional 10 cabins will be purchased and used for clinical and staff office space.

On May 16, 2023, the Board of Supervisors approved execution of a Ground Lease Agreement, a Development Management Agreement, a Temporary Right of Entry (TROE), and a Subrecipient

Agreement with DignityMoves in connection with the La Posada project. Today’s recommended actions include execution of an additional Subrecipient Agreement with DignityMoves La Posada LLC to purchase pre-fabricated temporary modular housing units and prepare the site, funded in part (\$800,000) by CERF-2 funds allocated for interim housing serving persons moving from encampments near waterways in Southern Santa Barbara County, the Ground Lease Amendment, and the Development Management Agreement (DMA) Amendment. The Ground Lease Amendment clarifies that the lease term terminates on a date that is five years after the date of substantial completion of the La Posada project.

Performance Measure:

Hope Village

The Hope Village project is an eligible use of federal ARPA funds. It is anticipated that up to 200 individuals experiencing homelessness will initially be assisted by the Hope Village project each year. It is expected that approximately 20% of the Hope Village cabins will be occupied by couples or double occupancy, such that the total number of guests occupying the 94 Hope Village cabins at any given time will be approximately 112. Most guests will stay six to twelve months, while the guests in medical respite/recuperative care will stay 90 days if enrolled in CalAIM Medi-Cal, or their stay will be based on medical necessity. This is a five-year project, and staff will monitor performance measures and will return to the Board to report on the project progress. The Hope Village project is anticipated to serve 200 individuals per year, with a five-year projected total of 1,000 individuals served. Goals and performance measures for the funding period (December 1, 2023 – December 31, 2025) are described in Table 1, below.

Table 1. Goals and Performance Measures for Hope Village DignityMoves Project (funding period: December 1, 2023 – December 31, 2025)

Goals

Interim Housing

	Goal
Unduplicated number of homeless persons or persons at imminent risk of homelessness to be sheltered	200
Total number of beds	112
Total number of bed-nights made available	40,880

Performance Measures

Interim Housing

	Goal
% of participants will move into permanent housing at project exit	33%
% of adult participants gaining new or increasing existing income at project exit	15%
% of adult participants will obtain non-cash benefits at project exit	70%
% of participants who move into permanent housing who will remain housed for 1 year	85%
% of participants linked to a Cal-AIM Community Supports or Enhanced Care Management program	50%

La Posada

Over the course of the five years in operation, it is anticipated that approximately 800 individuals experiencing homelessness will be temporarily housed at the La Posada project site. Most guests will stay six to twelve months. Performance measures will be detailed in a sub-recipient agreement, in accordance

with eligible uses funded by CERF funds, Homeless Housing, Assistance and Prevention Grant Program, and Behavioral Health Bridge Housing. Additional funding sources will also be identified. Staff will return to the Board with a Subrecipient Agreement with the selected operator, Good Samaritan Shelter, in February 2024 that will include performance measures similar to those listed above for Hope Village.

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			\$ 2,307,613.00
Federal			\$ 1,000,000.00
Fees			
Other:			
Total		\$ -	\$ 3,307,613.00

Narrative:

Hope Village

On April 14, 2022, \$2,000,000 in ARPA funds was set aside by the Board as part of the County’s Health and Human Services Recovery and Resilience Plan for a North County interim housing project. The Development Agreement included a \$1,000,000 ARPA contribution from the County to DignityMoves Hope Village LLC for the Hope Village projects’ development and construction, including site improvements. The remaining \$1,000,000 of ARPA funds are to be used to fund operations and support services expenses.

The construction cost of DignityMoves Hope Village is \$6.4 million (Table 2) with support services estimated at \$2.2 million (Table 3) per year. The County’s portion of the operations is estimated at \$1.6 million annually, while CenCal Health addresses approximately \$600,000 in currently eligible Medi-Cal services provided. Additionally, DignityMoves secured philanthropic community-based funding for the purchase of the modular units, support structures and other onsite improvements. The implementation and construction components have dedicated funding and services are fully funded for the first two years. Additional funding sources will need to be identified after December 31, 2025 for the third, fourth and fifth year.

Table 2. Hope Village Construction \$6.4 million:

<u>Agency</u>	<u>Funding</u>	<u>Amount</u>
County of Santa Barbara	ARPA	\$1,000,000
Dignity Health	Common Spirit Homeless Health Initiative Grant	\$2,000,000
DignityMoves Hope Village LLC	Philanthropic Funding (various)	\$3,400,000
		\$6,400,000

Table 3. Hope Village Services and Operations (\$1.6 million annually):

Funding	FY 23/24, FY 24/25, FY 25/26 (12/1/23– 12/31/25)	2nd Half of FY 25/26	FY 26/27	FY 27/28
American Rescue Plan Act	\$1,000,000			
Homeless Housing Assistance & Prevention	\$1,833,113			
CA Encampment Resolution Fund (Round 2)	\$474,500			
Other State/Federal sources to be identified		\$800,000	\$1,600,000	\$1,600,000
Total	\$3,307.613	\$800,000	\$1,600,000	\$1,600,000

La Posada

On February 24, 2022, the County of Santa Barbara was awarded CERF funding in the amount of \$2,520,000, including \$1,500,000 for interim housing serving persons moving from encampments along the transit corridor. A Subrecipient Agreement approved on May 16, 2023, included a \$1,000,000 CERF interim housing contribution from the County to DignityMoves La Posada LLC for the Project’s development, including cabin purchases. The cost of DignityMoves La Posada is \$5.2 million for development (Table 4), with services and operations estimated at \$2 million per year (Table 5). DignityMoves secured philanthropic community-based funding for cabin assembly and site work.

CERF-2 funds (not to exceed \$800,000) will be used to purchase modular units, to be purchased by December 31, 2023. The improvements/assembly and services/operations components of the La Posada project have dedicated funding for the first two years with partial funding currently identified for the third, fourth and fifth year. The DMA Amendment reflects the additional \$800,000 to purchase the remaining modular units.

Additional funding sources remain to be identified for operations after March 31, 2026 for the third, fourth, and fifth year. Staff will return to the Board with a subrecipient services agreement with Good Samaritan Shelter describing the state and federal funding sources for the services to be provided at La Posada. Good Samaritan Shelter will coordinate, integrate, and leverage resources to maximize impact of services for individuals who are experiencing homelessness, including enrollment in Medi-Cal.

Table 4. La Posada Improvements and Assembly (\$5.2 million):

Agency	Funding	Amount
County of Santa Barbara	CERF - Round 1	\$1,000,000
County of Santa Barbara	CERF - Round 2	\$ 800,000
DignityMoves La Posada LLC	Philanthropic Funding (various)	\$3,400,000
Total		\$5,200,000

Table 5. La Posada Services and Operations (\$2 million annually):

Funding	FY 23/24, FY 24/25, FY 25/26 (4/1/24– 3/31/26)	Q4 FY 25/26	FY 26/27	FY 27/28
Homeless Housing Assistance & Prevention	\$2,000,000			
Behavioral Health Bridge Housing	\$2,000,000	\$500,000		
Other State/Federal sources to be identified (e.g. CalAIM)		\$500,000	\$2,000,000	\$2,000,000
Total	\$4,000,000	\$1,000,000	\$2,000,000	\$2,000,000

Note that both Hope Village and La Posada projects do not have specific funding sources identified for services and operations after year two. As both are five-year projects, this equates to a funding gap of \$8.5 million -- \$4 million for Hope Village starting in 2025 and \$5 million for La Posada starting in 2026.

Key Contract Risks:

Both projects are located on County property. The County assumes responsibility for the administration of 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 funding program requirements. In this regard, the County is responsible for using funds for costs that are eligible under the identified funding sources and documented in a manner that is acceptable to the administering State and Federal departments.

Staffing Impacts:

The current requested activity falls within currently budgeted staff duties.

Special Instructions:

- 1) Please return a copy of the Minute Order and signed agreements to Kimberlee Albers (kalbers@countyofsb.org) and email when ready for pick up.

Attachments:

- A. American Rescue Plan Act Subrecipient Agreement for Hope Village
- B. Homeless Housing Assistance and Prevention Program Subrecipient Agreement for Hope Village
- C. CA Encampment Resolution Funds Subrecipient Agreement for Hope Village
- D. CA Encampment Resolution Funds Subrecipient Agreement for La Posada
- E. Ground Lease Amendment for La Posada
- F. Development Management Agreement Amendment for La Posada