



**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

Submitted on:
(COB Stamp)

Department Name: Community Services
Department No.: 057
Agenda Date: December 9, 2025
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(s): Jesús Armas, Director, Community Services Department
Contact: Jesús Armas, Community Services Department
SUBJECT: Second Amended Restricted Use Covenant Imposed On Real Property For The
Operation Of A Homeless Shelter And Related Services, First Supervisorial District

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file this report regarding the status of the PATH Shelter located at 816 Cacique, Santa Barbara;
- b) Approve and authorize the Chair of the Board of Supervisors to execute a Second Amendment to the Covenant to enable the City of Santa Barbara to purchase the property; and
- c) Determine that the proposed action does not constitute a "Project" within the meaning of the California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(5) of the CEQA Guidelines, because it consists of an organizational or administrative activity of government which will not result in direct or indirect physical changes in the environment.

Summary Text:

The recommended action seeks Board approval of an amended covenant to facilitate the City of Santa Barbara's purchase of the property at 861 Cacique to continue use of the property as a homeless shelter. Under an existing covenant, ownership of the property is limited to a not-for profit entity, organized as a 501(c)(3).

Discussion:

The PATH organization has operated an interim shelter facility at 816 Cacique Street, Santa Barbara since 2015. Recently, PATH notified the County and City of its intention to cease operations and discontinue providing services in Santa Barbara at the end of 2025. (PATH is headquartered in Los Angeles, although it also operates in other cities.) Multiple County departments and external organizations have contracts with PATH for beds and services.

To preserve shelter operations, the City is in the process of purchasing the property and will present a purchase agreement to the City Council in December.

The original covenant for this property was approved in 1999, for a period of 60 years. As approved, the covenant restricted property ownership to a not-for profit entity, organized as a 501(c)(3), and limited use of the property to a homeless shelter and related services. The amended covenant, as proposed, continues to restrict use of the property to a homeless shelter but modifies the ownership provision to enable the City to purchase the property.

In material terms, the amended covenant:

- Continues the restriction on use of the property until 2059,
- Modifies the ownership provision to enable the City to purchase the property,
- Adds a definition for homeless shelter, and
- Maintains the condition requiring the consent of both the County and the City as to the new operator.

Background:

The subject property has operated as a homeless shelter facility since 1999. For many years, the shelter was commonly known as Casa Esperanza. The County facilitated Casa's purchase of the property when the Board awarded it \$500,000 for this purpose. (The City provided a similar amount.) The County allocation was structured as a zero-interest loan, forgivable after 15 years. The loan is no longer in effect.

In 2015, Casa experienced some difficulties and ultimately merged with PATH to enable the facility to continue in operation. Subsequently, PATH purchased the property and became the new service provider. The covenant approved in 1999 was revised and updated to reflect change in ownership. The material terms of the original covenant remained in place, however, including the condition requiring the consent of both the County and the City as to the new operator, which consent was granted by both entities.

In light of PATH's decision to discontinue services, and in order to avoid disruption in services, the City initiated a process to identify and select an interim provider. Through this process, the City has selected Mercy House Living Centers to serve as interim provider, for the period of December 1, 2025, to June 30, 2026. In the Spring, the City intends to issue a Request for Proposals to select a permanent provider. County staff collaborated with the City in the selection process of an interim provider and anticipate participating in the selection process of a permanent provider as well.

Fiscal Analysis:

There are no fiscal impacts associated with the recommended action.

Staffing Impacts:

There are no staff impacts associated with the recommended action.

Special Instructions:

After Board Action, the Chair executed Covenant must be notarized. Please contact Andrew Kish at akish@countyofsb.org to coordinate notary prior to recording.

Attachments:

Attachment A – Second Amended Restricted Use Covenant Imposed On Real Property For The Operation Of A Homeless Shelter And Related Services—Clean Copy

Attachment B – Second Amended Restricted Use Covenant Imposed On Real Property For The Operation Of A Homeless Shelter And Related Services—Redlined Copy

Contact Information:

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