



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 and 063
For Agenda Of: June 15, 2021
Placement: Administrative
Estimated Time: N/A
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) Janette Pell, General Services Director (805) 560-1011
Contact Info: Dinah Lockhart, Deputy Director (805)568-3523
SUBJECT: Approval of Lease, License Agreement, and Sub-Recipient Agreement for the property located at 6549 El Colegio for the Provision of Housing Navigation Services and Operation of an Emergency Shelter

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Risk Concurrence:

As to form: Yes

Recommended Actions: That the Board of Supervisors:

- a) Approve and authorize the Chair of the Board of Supervisors, or designee, to execute a lease for up to one year with El Colegio 6549, LLC to facilitate establishment of an emergency shelter (Parcel Number 075-034-005) located at 6549 El Colegio Rd, Goleta CA 93117, commencing June 15, 2021 through May 31, 2022 with a monthly rent of \$31,500 (the "Lease");
- b) Authorize the Community Services Director, or designee, until otherwise ordered by the Board, to exercise the option described in Section 4 of the Lease to extend the term of the Lease for one additional year from June 2022 through May 2023 at an increased monthly rent amount of \$33,750, subject to the concurrence of County Counsel, Risk Management, and Auditor-Controller and the availability of funds;
- c) Approve and authorize the Chair of the Board of Supervisors, or designee, to execute the Option Agreement, included as Attachment B to the Lease, which provides for the County an option to purchase 6549 El Colegio Rd, Goleta CA 93117 from El Colegio 6549, LLC for a purchase price of \$6,300,000 conditioned upon closing on or before December 30, 2021. Future Board approval will be required in order to exercise the option to purchase;
- d) Pursuant to Public Contract Code Section 20128.5, authorize the Director of General Services, or their designee, to award job orders not to exceed \$100,000 under existing job order contracts to prepare the 6549 El Colegio Rd, Goleta CA 93117 property for ADA compliance and interior

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work, subject to: the authorized contract limits, the availability of Homeless Housing, Assistance and Prevention (HHAP) program navigation center funds, and the provision of adequate bonds and other security for completing the project;

- e) Approve and authorize the Chair of the Board of Supervisors, or designee, to execute a license agreement with Good Samaritan Shelter setting forth the responsibilities of each party for operating the shelter on the property through May 31, 2023;
- f) Authorize the Chair of the Board of Supervisors, or designee, to execute a subrecipient agreement with Good Samaritan Shelter for \$1,229,400, using \$672,800 in Emergency Solutions Grant (ESG) CARES (ESG-CV) funds and \$556,600 in Homeless Housing, Assistance and Prevention program (HHAP) funds allocated through the State of California to provide essential services and operation of an Emergency Shelter at 6549 El Colegio Rd, Goleta CA 93117, beginning July 1, 2021 through May 31, 2022 with an option to renew an additional year; and
- g) Determine that the 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; and pursuant to CEQA Guidelines Section 15301, finding that the actions consist of the leasing, licensing and minor alteration of existing public or private structures or facilities involving negligible or no expansion of existing or former use and direct staff to file a Notice of Exemption (Attachment D) on that basis.

Summary Text:

Emergency shelter is a high priority in the Isla Vista unincorporated area of the County, with approximately 80 persons unhoused persons in need of shelter. Unsafe conditions for persons remaining unsheltered include risk of fire, impacts on public recreation areas and the environment, safety of the greater Isla Vista community and visitors, and concern for the health and safety of those experiencing homelessness. These concerns have been identified through an increase in calls for law enforcement service, the need for sanitation services and removal of biohazard, and the deterioration of parks due to work delays or cancellations caused by encampment activity. There is a need for a contracted service provider to coordinate and operate emergency shelter/temporary housing in or near the Isla Vista Community.

Under recommendation a), Staff recommends the Board of Supervisors execute a lease with 6549 El Colegio, LLC in the amount of \$31,500 per month for up to one year, for the lease period of June 15, 2021 through May 31, 2022, plus a security deposit of \$30,000 for a total first-month lease cost of \$45,750; the total lease cost for a full year, inclusive of the security deposit and monthly rent, is \$392,250; the total lease cost through December 31, 2021, inclusive of the security deposit and monthly rent, is \$234,750. Recommendation b) requests a delegation of authority to exercise an option to extend the term of the Lease by one year, which will involve an increase of monthly rent to \$33,750. The total cost for this option year will be \$405,000. Recommendation c) requests authority to execute an Option Agreement, which describes an option to purchase the property at the fixed price of Six Million Three Hundred Thousand dollars (\$6,300,000) contingent on closing on or before December 30, 2021. The Option Agreement is an agreement that is separate from the Lease. However, the Lease is contingent on execution of the Option Agreement: if the Option Agreement is also not approved, the Lease would have no effect. Executing the Option Agreement will not commit the County to exercising the option to purchase and purchasing the property. Staff will return to the Board at a future date to consider whether to exercise the option and grant any other necessary approvals – including completing CEQA – that may be necessary in order to

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approve an acquisition. Recommendation d) requests Board approval to award job orders under existing job order contracts to prepare the 6549 El Colegio Rd, Goleta CA 93117 property for ADA compliance and interior work using Homeless Housing, Assistance and Prevention program (HHAP) funds up to \$100,000. Recommendation e) requests Board approval to execute a license agreement with Good Samaritan Shelter granting control of or access to the shelter site beginning June 15, 2021, and recommendation f) requests Board approval to execute a subrecipient agreement with Good Samaritan for the operation of the El Colegio property as an emergency shelter site following completion of job order contracts, using \$672,800 in Emergency Solutions Grant (ESG) CARES (ESG-CV) funds and \$556,600 in Homeless Housing, Assistance and Prevention program (HHAP) funds allocated through the State of California, for a total of \$1,229,400, which will include the provision of housing navigation and essential services from July 1, 2021 through May 31, 2022.

Background:

The impacts of COVID-19 have included an increase in unsheltered homelessness footprint and activity. There has been widespread concern for the health and safety of those experiencing homelessness, as well as concern for the environment and safety of greater community members. Based on the identified need for a contracted service provider to coordinate and operate emergency shelter/temporary housing in or near the Isla Vista Community, General Services pursued a site to meet the need for shelter beds, and Community Services pursued agencies to operate an emergency shelter. On May 4, 2021, real property negotiations for a site in Isla Vista were approved during closed session. On May 13, 2021, a Request for Letters of Interest and Statement of Qualifications (LOI/SOQ) was released to affordable housing and shelter service providers in order to identify a qualified respondent to provide emergency shelter/temporary housing for unsheltered homeless households in Isla Vista. The purpose of the Emergency Shelter at the site in Isla Vista is to address concerns for the health and safety of those experiencing homelessness, as well as concern for the environment and safety of community members and visitors.

Discussion:

Property Acquisition and Lease

On May 4, 2021, during closed session, the Board of Supervisors approved General Services to enter into real property negotiations for a site in Isla Vista. A review of the property located at 6549 El Colegio (APN 075-034-005) in regards to using the existing structure for a homeless shelter was completed by County Planning & Development. The review found that the structure was permitted as a sorority house in 1959 through a Land Use Rider (Permit No. 6966; see attached). Subsequently, an addition to the sorority house was approved through another Land Use Rider (Permit No. 32807; see attached) in 1965. A review of these permits indicates that the structure was authorized for 60 bed spaces, multiple bathrooms, one kitchen, and one dining room.

The proposal to use the structure for a homeless shelter would be consistent with the entitlements or permits issued for the site authorizing a residential type (sorority house) use to occur on the property. The proposal would not result in a change in land use, add new structures, or change the intensity or density of the already permitted use. The proposal would also not change the occupancy of the permitted use, but would change occupants or tenants of the permitted use.

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Based on this information, the structure could be used for a homeless shelter and operate within the parameters of the previous permits; no further permits (i.e., Coastal Development Permit) would be needed at this time. However, if additions to the structure, new structures, or new uses, are proposed for the site a permit may be required depending on the level and type of development that is proposed that is in addition to what already exists or is permitted on currently on the site.

A lease for the 20-room building is to begin on June 15, 2021 through May 31, 2022, with the option to extend lease for another year. The agreements include an initial term that expires May 31, 2022. A separate option agreement, upon which the lease is contingent as described above, grants the County an option to purchase the property for \$6.3 M if purchased by December 30, 2021.

Upon execution of this Lease Agreement, Lessee shall pay the security deposit of \$30,000 and the pro-rated rent for June 2021 in the total amount of \$45,750, to Lessor (\$30,000 deposit, \$15,750 rent). County will owe seller \$45,750 upon execution of this Lease Agreement. A \$30,000 deposit will be applied to reduce the purchase price in the event County exercises its option to purchase.

Line Item	Projected Cost (through Dec. 31, 2021)	Maximum Cost if leased through May 31, 2022	Timeframe
Security Deposit	\$ 30,000	\$ 30,000	due June 15, 2021
Pro-rated June rent	\$ 15,750	\$ 15,750	due June 15, 2021
Rent - Year 1	\$ 189,000	\$ 346,500	\$31,500 paid monthly, beginning July 1, 2021
Total - Year 1	\$ 234,750	\$ 392,250	

The Lease Agreement with 6549 El Colegio, LLC (Attachment A) includes: Meridian Group House Rules and Regulations, a copy of the Option to Purchase Agreement, Disclosure of information on lead-based paint and/or lead-based paint hazards, Purchase Agreement and Escrow Instructions, and Maintenance and Repair Obligations.

License Agreement

A license agreement (Attachment B) will be executed between the County and Good Samaritan Shelter describing the terms of use and granting control of or access to the Shelter Center, for the purposes of operating and maintaining the emergency shelter through May 31 2023. The agreements include a 2-year term that expires May 31, 2023. However, the County will have the ability to terminate earlier if necessary. Under the terms of the proposed License Agreement with Good Samaritan Shelter, the property shall be used solely for the purpose of providing services for homeless individuals and families seven days a week, and will administer all tasks in the provisions of public services in compliance with all applicable state and local laws, regulations, rules and ordinances, guidelines, policies, directives, and standards and/or agreements.

Subrecipient Agreement

On May 13, 2021, a Request for Letters of Interest and Statement of Qualifications (LOI/SOQ) was released to affordable housing and shelter service providers in order to identify a qualified respondent to provide emergency shelter/temporary housing for unsheltered homeless households in Isla Vista. The

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purpose of the Emergency Shelter is to address concerns for the health and safety of those experiencing homelessness, as well as concern for the environment and safety of community members and visitors.

Proposals were due on May 18, 2021 and Good Samaritan Shelter Inc. (GSS) was the only qualified respondent. Good Samaritan Shelter has worked with Isla Vista Community Services District, Isla Vista Recreation and Parks District, the County, and member agencies of the Santa Maria/Santa Barbara County Continuum of Care (COC) to operate an Isla Vista Temporary Emergency Navigation and Shelter Center, providing emergency shelter for approximately 40 homeless individuals over the most recent six (6) month period. In addition to shelter operations, essential services included case management, housing navigation, public health and behavioral health services, and links to substance use disorder treatment services, with the objectives of linking individuals to a permanent or safe housing resource and preventing community spread of COVID-19. The Vista Temporary Emergency Navigation and Shelter Center continues to work with clients to gain or increase earned income, obtain cash/non-cash benefits, prepare documentation for the housing navigation process, and move into transitional housing, rapid rehousing, and permanent housing at project exit.

The agency will work with the County to consider a strategic allocation of resources while sheltering individuals with the goal of linking individuals to a permanent housing resource. Emergency sheltering includes:

- Essential Services for individuals in the emergency shelter. Component services generally consist of case management, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, Coordinated Entry System assessment, and transportation.
- Shelter Operations, including maintenance, security, fuel, equipment, insurance, utilities, and furnishings. For specific requirements and eligible costs, see 24 CFR §576.102.
- Funds cannot be used for renovation, conversion, or major rehabilitation activities pursuant to 24 CFR §576.102. Minor repairs to an ESG-funded emergency shelter that do not qualify as renovation, conversion, or major rehabilitation are an eligible use of State ESG funds.
- Services shall be provided 24 hours per day, seven days per week through May 31, 2022, unless written notice is provided from the County. The County reserves the right to close the shelter at any time by giving notice to the provider.

Good Samaritan Shelter will provide the scope of services in Exhibit A of the sub-recipient agreement (Attachment C). The Shelter Center will serve the unsheltered residents residing in and around the Isla Vista community. These residents will be identified through current mapping and outreach efforts by the Good Samaritan Shelter and other local agency outreach teams. Referrals to the shelter will be made by direct outreach; referrals from partner agencies; Credo 47 Stabilization Center; Step Down Housing; law enforcement referrals and unsheltered seeking out services. Priority will be given to long time Isla Vista residents and those referred from partner agencies. Once shelter has reached capacity a waitlist will be kept in order to continue to capture any/all unsheltered residents seeking services. All residents will need to be ambulatory and county residents.

County departments and other service and housing providers will refer and support the guests of the site. The focus of the emergency shelter will be housing and system navigation. GSS will work in a person-

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centered, trauma informed approach to link individuals to a safe housing resource. The emergency shelter shall be provided 24 hours per day, seven days per week for a one-year period following completion of job order contracts, beginning July 1, 2021.

If the County does not purchase the property, the emergency shelter program in Isla Vista is projected to operate for up to two years. Good Samaritan has estimated that approximately 35% of the anticipated 50 unduplicated persons served will be successfully navigated towards either a transitional housing opportunity, Rapid Re-Housing, or permanent supportive housing. In order to maximize the success of clients' transition to a stable housing placement, should the County not purchase the property, the Shelter Center program will implement a ramp down in the final 60 days of program operation, to incrementally reduce the number of emergency sheltered program participants through attrition, thereby ensuring program participants are assisted with services and housing. GSS's obligations to the County shall not end until all close-out requirements are completed, including, but not limited to: receipt of final payments from the County under this agreement, disposing of program assets (including the return of all unused materials, equipment, and accounts receivable to the County), and determining the custodianship of records. If the County does purchase the property, ongoing operation costs are estimated to be \$1,229,400 on an annual basis.

Performance Measure:

GSS will provide quarterly reports to the County on services provided and the outcomes, or performance measures, which have been outlined in their scope of work. Table 1 summarizes the number of households to be served and percentage entering permanent housing. Program design, funding allocations within budgeted line items, and the characteristics of individuals and households served will vary, depending on the progression of the pandemic.

Table 1: Goals – Individuals/Households Served

Goals

SUBRECIPIENT will provide the following levels of services during the term of the Agreement:

Emergency Shelter

	Goal
Total number of beds	50
Total number of bed-nights made available	18,250
Total unduplicated number of persons served	70
Total unduplicated number of households served	65

Performance Measures

SUBRECIPIENT will meet the following performance measures during the term of the Agreement:

Emergency Shelter

	Goal
% of participants will move into transitional housing at project exit	0%
% 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 3 months	80%
% of participants who move into transitional housing or permanent housing (including RRH) will remain housed for 6 months	75%
% of participants who move into transitional housing or permanent housing (including RRH) will remain housed for 1 year	70%

Fiscal and Facilities Impacts:

Budgeted: Yes

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 - ESG-CV			\$ 672,800
State - HHAP Round I			\$ 891,350
Federal - ARPA			\$ 7,000,000
Fees			
Other			
Total		\$ -	\$ 8,564,150

Narrative: ESG-CV, subject to State budget amendment approval, funds will be used to mitigate the impact of COVID-19 for people experiencing homelessness through essential services and shelter operations, covering the cost of operations as outlined in the sub-recipient agreement, up to \$672,800. HHAP Round I funds will be used to support services and operations (\$556,600) as well as job order contracts (up to \$100,000), and projected lease payment and deposit (\$234,750) as a navigation center model, totaling up to \$891,350. Federal American Rescue Plan Act (ARPA) funds may be used for property acquisition unless other funding is made available prior to November 15, 2021.

Key Contract Risks:

The County assumes responsibility for the administration of funds in accordance with all Federal and State requirements governing their use. In addition, it would be held liable if it or any provider to which it sub-grants funds is found to be non-compliant with applicable requirements. Good Samaritan Shelter has successfully operated State and/or federally-funded homeless assistance projects in the past which have had similar regulatory and administrative requirements.

The sub-recipient agreement is a cost-reimbursement contract. This allows CSD/HCD to disburse funds to the aforementioned sub-recipient for eligible incurred costs to the extent prescribed by the Agreement. The County will only reimburse sub-recipient for costs that are eligible under the Agreement and

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documented in a manner that is acceptable to the CSD/HCD. CSD/HCD staff will assess the performance of the sub-recipient to determine if the services provided are adequate and as outlined in the Agreement.

Special Instructions:

- 1) Please email an electronic copy of the Minute Order to Dinah Lockhart at dlockhart@co.santa-barbara.ca.us.

Attachments:

- A) Lease Agreement with 6549 El Colegio, LLC (including MERIDIAN GROUP House Rules and Regulations, Option to Purchase Agreement, Disclosure of information on lead-based paint and/or lead-based paint hazards, Purchase Agreement and Escrow Instructions, and Maintenance and Repair Obligations)
- B) License Agreement for Good Samaritan Shelter
- C) Sub-recipient Agreement for Good Samaritan Shelter
- D) CEQA Notice of Exemption

Authored by: Kimberlee Albers, Homeless Assistance Program Manager