



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:** General Services  
**Department No.:** 063  
**For Agenda Of:** February 28, 2023  
**Placement:** Departmental  
**Estimated Time:** 30 minutes  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Department Janette Pell, General Services Director, (805) 560-1011  
Director(s)  
Contact Info: Skip Grey, General Services Assistant Director, (805) 451-9949  
Terri Nisich, Assistant County Executive Officer, (805) 568-3412

DocuSigned by:  
*Janette D. Pell*  
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**SUBJECT:** **Approval of a Ground Lease and Development Agreement for establishment of the DignityMoves Hope Village Project at County-owned property at 2131 Southside Parkway, Santa Maria, CA, APN #128-085-044, Supervisorial District 4.**

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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. Receive a presentation on the DignityMoves Hope Village Project (Project);
- B. Approve and authorize the Chair of the Board of Supervisors to execute a Ground Lease Agreement (Attachment A) with DignityMoves Hope Village LLC (DignityMoves) for the use of County-owned property located at 2131 Southside Parkway, Santa Maria, CA, APN #128-085-044 for the Project, for the placement of modular units on the lease area;
- C. Approve and authorize the Chair of the Board of Supervisors to execute a Development Management Agreement (Attachment B) with DignityMoves Hope Village LLC for the development of County-owned property located at 2131 Southside Parkway, Santa Maria, CA, APN #128-085-044 for the Project, for the placement of modular units; and

- D. 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 ( Attachment C) on these bases.

**Summary Text:**

DignityMoves' 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 Shelters, 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 and 54 rooms will serve others also 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 Shelter will provide robust support services for project clients.

Staff is recommending the execution of a Ground Lease Agreement (Lease) and Development Management Agreement (Development Agreement) with DignityMoves, to utilize pre-fabricated temporary modular housing units, situated on a County-owned property (Property) located at 2131 Southside Parkway in the City of Santa Maria. The County Executive Office has met on several occasions with the City of Santa Maria regarding the project and outreach and engagement has also occurred to the surrounding area. The Lease and Development Agreement set forth the responsibility of DignityMoves to "develop the Property with an interim housing project for formerly unhoused individuals containing 94 individual residential units and wet areas (including common restrooms and restrooms adjoining certain units), common areas including, ancillary dining, laundry and storage facilities for residents and office and administration facilities for operation of the project." In addition, staff will return to the Board with a Subrecipient Agreement with Good Samaritan Shelter to provide housing navigation services, program administration, and operations for the Project.

As of the Point in Time Count conducted in February 2022, 1,962 people were experiencing homelessness in Santa Barbara County on the day of the count. Of those individuals over 70% live unsheltered in places not meant for human habitation: on streets, along riverbeds, on beaches and in encampments. 23% (457) of the people experiencing homelessness counted in the County were in the Santa Maria Valley, and 297 were living unsheltered. This Project will provide needed beds to bring people indoors and facilitate services to transition individuals to longer term housing. Providing dignified rooms together with critical supportive services, this Project will serve as a model for future projects countywide as permanent housing alternatives are developed.

**Background:**

On September 11, 2018, the County adopted a Resolution declaring the existence of a shelter crisis, making the County eligible to receive Homeless Emergency Assistance Program (HEAP) funds. State

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HEAP funds were instrumental for the establishment of a temporary pallet shelter program in Isla Vista, which was approved by the Board on November 17, 2020.

The Board adopted the *Phase II Community Action Plan to Address Homelessness* (Plan) in February 2021. The Plan identifies as its first priority strategy, “to increase access to safe, affordable housing.” The proposed modular unit project aligns with this priority by expanding the existing shelter system and continued identification and implementation of best management practices. Co-location of the units enables program clients to benefit from existing on-site support and housing navigation services, the goal of which is to provide an opportunity to move to permanent housing.

On August 31, 2021, the Board approved the establishment of funding to create a temporary modular interim emergency housing project in Santa Barbara. The success of the Isla Vista Pallet shelter program, provided the groundwork for the development of a modular housing project in the City of Santa Barbara which opened in Summer 2022. The DignityMoves Santa Barbara project added 33 new temporary housing units with the goals of establishing housing options for those experiencing homelessness or at risk of homelessness, which includes individuals who are the most vulnerable and often marginalized in our community. A high priority of the County of Santa Barbara and the Continuum of Care is the creation of new housing units, with both permanent and temporary beds. Following the recent success of the DignityMoves project in Santa Barbara, a multi-departmental approach with partner agencies was coordinated by the County Executive Office to develop a site plan for a North County project and future projects. On January 24, 2023, the Board of Supervisors received a status report from the Community Services Department indicating that 140 temporary beds had been built over a 20-month period but that 423 were still needed to close the gap countywide - inclusive of cities. This project is the next in a series to meet the goal of 423 additional temporary beds.

The sole member of DignityMoves HopeVillage LLC is DignityMoves, a 501(c)(3) California nonprofit public benefit corporation founded in 2020, at the beginning of the COVID-19 pandemic by 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 partners 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, approximately \$60,000.00 per unit compared to \$500,000.00 per unit for traditional new construction.

### **Discussion:**

DignityMoves Hope Village will be used for the provision of medical respite, housing supportive services, and case management services for persons experiencing homelessness. Placement and use of the interim supportive housing cabins on the Project site will be subject to the proposed Lease.

The Project is comprised of:

- 54 units for homeless individuals and couples,
- 10 cabins for Transitional Age Youth ("TAY") ages 18-24, many whom are aging out of the foster system, and
- 30 cabins will provide a place for recuperative/respite care which allows individuals

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experiencing homelessness to have a safe place to rest and recover after a hospital stay.

The units are made with 2” thick walls and provide insulation and energy efficiency. The wall materials are 30% recycled plastics, and frames are durable steel. Each cabin includes a bed, desk, and electrical service connections; however, plumbing, water and sewer facility connections are not included in each unit. Access to plumbing, water, and sewer services will be part of the communal area (with the exception of 10% on the recuperative units which have restroom facilities in unit). The entry of the facility will be designed with input from a local architect to reflect the feel of the Santa Maria area. Hope Village clients are expected to reside in the project for 6 to 24 months and have case management plans to transition clients to permanent housing opportunities. In addition to interim housing, Hope Village will be a safe and secure community where clients will be provided housing navigation, behavioral health and case management services, education, job placement opportunities, and critical medical respite/recuperative care treatment.

The site, located in the City of Santa Maria, has easy access to bus service and other transportation options. Community amenities, including additional supports from County Departments of Social Services and Public Health, are readily accessible within walking distance. Staff is recommending the Board approve the use of the County-owned property at 2131 Southside Parkway in the City of Santa Maria (Property) as a site for the installation of the modular units.

The proposed Lease and Development Agreement will provide for the placement and site construction for the modular units to remain on the site for a period of five years from execution of the Lease. The Project will be at this location for approximately five years. The units have an estimated useful life of over 20 years; after five years they will be repurposed and moved to alternative locations as available inventory of emergency shelter bed resources for homeless persons. During this time, the County and partners will continue to pursue the development of permanent housing options through out the county to transition individuals from temporary housing to long term solutions.

The County Executive Office and General Services have been working with the City’s Planning Department in order to provide the City of Santa Maria required notices pursuant to Government Code section 65402 (General Plan Consistency) for the Hope Village Project. On December 15, 2022, the CEO provided the required notice to the City of Santa Maria (see Attachment D). General Plan consistency findings are met.

In regards to project schedule, projections indicate that all construction and utilities point-of-connections will be completed by Summer of 2023, to provide an anticipated opening of the DignityMoves Hope Village Project by August/September 2023.

The Lease and Development Agreement establish the terms of use of the Property and provide for the disposition of the units. Staff will return to the Board with a Subrecipient Agreement that describes Good Samaritan Shelter’s responsibilities, operations, maintenance, and services.

**Performance Measure:**

The Project is an eligible use of federal ARPA funds. It is anticipated that up to 200 individuals experiencing homelessness will initially be assisted by this Project each year. The Project is expecting approximately 20% will be couples, thus the total number of guests in the 94 cabins at one time will be

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approximately 112. Most guests will stay six to twenty-four 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 on project progress. Overall, the goal is to create 94 units for five years. The Project is anticipated to serve at a capacity of 200 individuals per year, with a five-year projected total of 1000 individuals.

**Fiscal Analysis:**

On April 14, 2022, County-American Rescue Plan Act of 2021 (ARPA) funds of \$2,000,000 were set aside by the Board as part of the County's Health and Human Services Recovery and Resilience Plan for a North County emergency shelter bed project. The Development Agreement will include a \$1,000,000 ARPA contribution from the County to DignityMoves Hope Village LLC for the Projects' development and construction including site improvements. The remaining \$1,000,000 of ARPA funds will be used to reimburse operations and support services expenses. Outcome measures associated with services will be presented at the time the Good Samaritan Subrecipient and Operating Agreement is presented to the Board.

The construction cost of DignityMoves Hope Village is \$6.4 million with support services estimated at \$2,200,000.00 per year. The County's portion of the operations is estimated at \$1,600,000.00 annually, while CenCal Medi-Cal addresses approximately \$600,000.00 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 three years with partial funding currently identified for the fourth and fifth year. Staff will return to the Board with a subrecipient services agreement describing the state and federal funding sources.

***Construction \$6.4 million:***

<b>Agency</b>	<b>Funding</b>	<b>Amount</b>
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
		<b>\$6,400,000</b>

***Services \$1.6 million per year:***

<b>Funding</b>	<b>FY 23/24</b>	<b>FY 24/25</b>	<b>FY 25/26</b>	<b>FY 26/27</b>	<b>FY 27/28</b>
American Rescue Plan Act	\$500,000	\$500,000			
Homeless Housing Assistance & Prevention	\$500,000	\$500,000	\$1,100,000	\$1,100,000	\$1,100,000
Behavioral Health Bridge Housing	\$600,000	\$600,000	\$ 500,000		
Other State/Federal					
<b>Total</b>	<b>\$1,600,000</b>	<b>\$1,600,000</b>	<b>\$1,600,000</b>	<b>\$1,100,000</b>	<b>\$1,100,000</b>

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**Key Contract Risks:**

The County assumes responsibility for the administration ARPA funds in accordance with all Federal requirements governing their use. In addition, the County would be liable as a pass-through entity for repayment to the Federal government if it or any provider to which it sub-grants funds is found not to comply with applicable requirements. In this regard, the County is responsible for using funds for costs that are eligible under ARPA and documented in a manner that is acceptable to HCD, State, and Federal departments.

**Staffing Impacts:**

The current requested activity falls within currently budgeted staff duties.

**Special Instructions:**

- 1) Please return two copies of executed Lease Agreement (Attachment A) and a copy of the Minute Order to CEO's Office. Please email Lindsay Walter ([liwalter@countyofsb.org](mailto:liwalter@countyofsb.org)) when ready for pick up.
- 2) Please retain Lease and Development Agreement (Attachments A and B) for Clerk of the Board records.

**Attachments:**

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- A. Ground Lease Agreement
- B. Development Agreement
- C. CEQA Notice of Exemption
- D. Government Code Section 65402 Notice provided to City of Santa Maria
- E. PowerPoint presentation

**Authored by:**

1. James Cleary, General Services
2. Lindsay Walter, County Executive Office
3. Julie Lawrence, General Services