November 5, 1991

BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA STATE OF CALIFORNIA CLERK OF THE BOARD OF SUPERVISORS

* * * * *

MINUTE ORDER

November 5, 1991, in the a.m.

Present:

Supervisors Dianne Owens, Gloria Megino

Ochoa, Thomas A. Rogers, William, B.

Wallace, and Mike Stoker; and Zandra

Cholmondeley, Clerk (Hall)

Supervisor Owens in the Chair

RE: <u>Mental Health Services</u> - Approve recommendations regarding Casa del Mural project, an on-site residential treatment facility for mentally ill adults, located at 4570 Calle Real, Santa Barbara area, as follows: (91-16,940)

a) Execute Amendment to Lease Agreement with Santa Barbara Community Housing Corporation for lease of and rehabilitation of premises used for the facility, and amending the term to December 1, 1989 through November 30, 2022, contingent upon written approval from state and federal agencies for financing the rehabilitation;

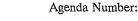
b) Execute Rescission of Contract for Professional Services with Santa Barbara Community Housing Corporation rescinding the agreement executed on December 5, 1989;
c) Execute Contract for Professional Services with Santa Barbara Community Housing Corporation regarding the County's obligation to provide on-site mental health treatment services for the residents.

Rogers/Stoker Approved; Chair to execute.

Health Care Services/Mental Health; Attn: Caryl J. Andrew, MPA (2 copies)

SANTA BARBARA COUNTY AGENDA REPORT

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



Department: Mental Health Services November 5, 1991 Agenda Date: Placement: Administrative

Estimated Time:

Continued Item:

TO:

Board of Supervisors

FROM:

Merna McMillan, Ph.D., Director Mental Health Services

STAFF CONTACT:

Caryl J. Andrew, MPA, 681-5230

SUBJECT:

Casa del Mural Project - Execution of Documents

RECOMMENDATIONS:

A. O. Recommendation:

That the Board of Supervisors:

Authorize the Chairman to execute the following documents regarding the Casa del Mural project, a residential treatment facility for homeless mentally ill adults:

- Amendment to Lease Agreement
- 2) Rescission of Contract for Professional Services
- 3) [New] Contract for Professional Services

EXECUTIVE SUMMARY:

The Casa del Mural project involves the conversion and rehabilitation of a structure owned by the County of Santa Barbara and located on the County Health Care Services campus at 4570 Calle Real, Santa Barbara, California. The rehabilitation work is scheduled to begin by November 30, 1991, with completion and occupancy scheduled for April 1, 1992. Upon completion, the project will consist of a six-bedroom, five-bathroom, one-story, licensed residential treatment facility housing and serving up to twelve (12) mentally disordered adults who are homeless or at risk of being homeless. The facility will be handicappedaccessible in accordance with all applicable State codes and standards.

Project financing consists of the following State and Federal loans and grants made to Santa Barbara Community Housing Corporation, the project grantee, borrower and sponsor:

Rehabilitation Funds:

\$200,000 deferred payment loan (payment of principal and 3% simple interest deferred for 30 years)

State (HCD)

Special User Housing Rehabilitation Program

\$200,000 grant

Federal (HUD)

Permanent Housing for the Handicapped Program

Subject: Casa del Mural Project - Lecution of Documents

Agenda Date: November 5, 1991

Page: 2

Operating Funds:

\$277,326 (2-year) grant

Federal (HUD)

Permanent Housing for the Handicapped Program

In addition, the County has committed up to \$10,000 in budgeted capital improvement funds as a match for the rehabilitation component and \$50,000 in budgeted mental health capital projects contingency funds to establish a loan security trust fund to guarantee the repayment of the State deferred payment rehabilitation loan upon expiration of the 30-year loan term. Since the project property is being leased rather than purchased by the grantee/borrower Santa Barbara Community Housing Corporation (SBCHC), this loan security trust fund is required by the State in lieu of the standardly required trust deed/lien.

As provided, the \$50,000 shall be invested by the County Treasurer in a long-term, interest-bearing security which will yield the amount of loan principal and interest due upon expiration of the loan term. (Note: State program regulations provide that in the event that the property continues to be used as affordable housing beyond the 30-year term, the State may continue to defer repayment of the loan as well.) The County is under no further financial obligation with regard to loan repayment beyond this initial \$50,000 investment.

During the planning and development of the Casa del Mural project, your Board executed two (2) documents with SBCHC, the project sponsor. One of these documents is a 30-year, rent-free lease of the premises to SBCHC. The other document is a professional services contract between the County and SBCHC whereby the County has agreed to provide through subcontractors and/or County agents, facility operation and on-site mental health treatment services to the mentally ill residents of the facility. In accordance with the terms of the County/SBCHC lease, SBCHC shall sublease the facility premises to the subcontractor/operator selected by the County. During the initial two (2) years of the contract, SBCHC shall pay the County and/or its subcontractor(s) for the services using HUD Permanent Housing for the Handicapped (PHH) program funds awarded to SBCHC for such purposes.

Prompted by comments recently received from the project funding agency, the State Department of Housing and Community Development (HCD), the proposed Amendment to the Lease Agreement is intended to update project timeframes and clarify conditions relative to any assignment of the lease. Both HCD and SBCHC have requested that the Contract for Professional Services be revised to lengthen its term to correspond to the 30-year term of the lease agreement. At the advice of County Counsel, it is proposed that the previously executed professional services be rescinded, and a new Contract of Professional Services be executed, which provides for the lengthened term and reflects other revisions necessitated by the change in the contract term. The proposed new contract also provides that the County may terminate the contract if at any time during the term, the county is no longer required to provide mental health services pursuant to the Welfare and Institutions Code.

Copies of the proposed documents listed above are on file with the Clerk of the Board.

FISCAL IMPACT:

The execution of the subject documents will have no additional fiscal impact on existing County revenues or general funds.

Subject: Casa del Mural Project - Lecution of Documents Agenda Date: November 5, 1991

Page: 3

SPECIAL INSTRUCTIONS:

Please send two (2) copies of the Minute Order and two (2) conformed copies of each of the three (3) executed documents to Caryl J. Andrew, MPA, Mental Health Services Administration, 315 Camino del Remedio, Santa Barbara, CA 93110.

Budget Unit: 5250	Current Yr.	Next Year	Concurrences Obtained	Y/N NA
Appropriation Chg.	\$0	\$0	Aud/Controller	Yes
Revenue Chg. "()"=Incr.	0	0	County Counsel	Yes
Inter-Dept Transfer Chg. "()"=Increase	0	0	Risk Manager	Yes
Net Cnty Cost/Reserve Chg.	\$0	\$0	Personnel	N/A
			Treasurer	Yes
Perm. Positions Chg. (FTE)	0	0	Policy Change	No
Ex. Help/Contract Chg. (FTE)	0	0	Fee Increase	No

A.O. Budget Target Recommendation: