



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: Behavioral Wellness
Department No.: 043
Agenda Date: April 8, 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): Antonette Navarro, LMFT, Director
Department of Behavioral Wellness, 805-681-5220
Contact Info: Laura Zeitz, RN, Assistant Director Inpatient, Crisis, Long Term Care,
Justice and Housing, Department of Behavioral Wellness, 805-681-5220

SUBJECT: **Memorandums of Understanding and Mental Health Supportive Services Agreements with Housing Authority of the County of Santa Barbara, Heritage Ridge Senior, L.P., and Heritage Ridge Special Needs Family, L.P. in support of Housing for a Healthy California Article I program funding allocations for the Heritage Ridge Senior and Heritage Ridge Special Needs Family permanent supportive housing projects (Supervisory District 3)**

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AN

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Director of the Department of Behavioral Wellness or designee to execute, on behalf of the County, a Memorandum of Understanding (MOU) with Heritage Ridge Senior, L.P. and the Housing Authority of the County of Santa Barbara (HASBARCO) that identifies the roles and responsibilities of the County, the project owner, and the property manager and commits the County's provision of mental health supportive services for a period of 55 years to Housing for a Healthy California Article I program (HHC) qualified tenants residing at the Heritage Ridge Senior Project, located at Calle Koral and Los Carneros Roads, Goleta, and 80 North Patterson Avenue, Goleta, California (APN 073-060-031, APN 073-060-033) (Attachment A);
- b) Approve, ratify, and authorize the Director of the Department of Behavioral Wellness or designee to execute, on behalf of the County, a Memorandum of Understanding (MOU) with Heritage Ridge Special Needs Family, L.P. and HASBARCO that identifies the roles and responsibilities of the County, the project owner, and the property manager and commits the

County's provision of mental health supportive services for a period of 55 years to HHC qualified tenants residing at the Heritage Ridge Special Needs Family Project, located at Calle Koral and Los Carneros Roads, Goleta, and 80 North Patterson Avenue, Goleta, California (APN 073-060-031, APN 073-060-033) (Attachment B);

- c) Delegate the Director of the Department of Behavioral Wellness, or designee, the authority to execute any immaterial changes to the terms of the above MOUs per Section VI.B and Mental Health Supportive Services Agreement per section 26, without requiring the Board of Supervisor's approval of an amendment of the MOU, subject to the Board's ability to rescind this delegated authority at any time; and
- d) Approve and authorize the Director of the Department of Behavioral Wellness or designee to execute, on behalf of the County, a Mental Health Supportive Services Agreement with Heritage Ridge Senior, L.P. and HASBARCO for the County's provision of mental health supportive services to eligible HHC tenants residing at the Heritage Ridge Senior Project for a period of 55 years in the estimated revenue amount of \$92,400 annually, subject to 3% annual increases (Attachment C);
- e) Approve and authorize the Director of the Department of Behavioral Wellness or designee to execute, on behalf of the County, a Mental Health Supportive Services Agreement with Heritage Ridge Special Needs Family, L.P. and HASBARCO for the County's provision of mental health supportive services to eligible HHC tenants residing at the Heritage Ridge Special Needs Family Project for a period of 55 years in the estimated revenue amount of \$170,625 annually, subject to 3% annual increases (Attachment D);
- f) Delegate the Director of the Department of Behavioral Wellness or designee, the authority to execute any immaterial changes to the terms of the above Mental Health Supportive Services Agreements and any and all other documents required or deemed necessary, per section 26 of the Supportive Services Agreement without requiring the Board's approval of an amendment of the Supportive Services Agreements, subject to the Board's ability to rescind this delegated authority at any time; and
- g) Determine that the above-recommended actions are not a project that is subject to environmental review under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines section 15378(b)(4) and (b)(5), finding that the actions are governmental funding mechanisms and/or administrative or fiscal activities that will not result in direct or indirect physical changes in the environment.

Summary Text:

The Housing Authority of the County of Santa Barbara, serving as Property Management, and Heritage Ridge Senior, L.P., are developing twelve (12) units of permanent low-income housing for persons 62 years and older with serious mental illness who are chronically homeless, homeless, or at-risk of being chronically homeless, and are Medi-Cal beneficiaries. The Housing Authority of the County of Santa Barbara and Heritage Ridge Special Needs Families, L.P., are also developing nineteen (19) units of permanent low-income housing for persons with serious mental illness who are chronically homeless, homeless, or at-risk of being chronically homeless, and are Medi-Cal beneficiaries. The property is owned by Housing Authority of the County of Santa Barbara and located at Calle Koral and Camino Vista, Goleta, California, in the 3rd Supervisory District. The projects are under regulations for the Housing For A Healthy California (HHC) program of the State of California Department of Housing and Community Development (State HCD). The Board of Supervisors are asked to approve, ratify, and authorize the County of Santa Barbara, through the Department of Behavioral Wellness, to enter into an MOU and Supportive Services Agreement for each the Senior and Special Needs Families developments for the provision of Case Management for tenants for a term of fifty-five (55) years. Approval of the recommended actions will allow for the provision of permanent low-income housing with supportive

services for Medi-Cal eligible seniors and special needs families with a serious mental illness diagnosis who are chronically homeless, at risk of chronic homelessness, or are homeless.

Background:

Housing Authority of the County of Santa Barbara (HASBARCO) and Heritage Ridge Senior, L.P. have received funding from Housing For A Healthy California (HHC) program of the State of California Department of Housing and Community Development (State HCD). The Heritage Ridge Senior apartment project to include forty-one (41) total apartments, with one unit reserved for the resident manager, and forty (40) income and rent-restricted low-income units. Of these units, twelve (12) units will participate in the Housing for a Healthy California program

HASBARCO also proposes to construct the Heritage Ridge Special Needs Family apartment project to include sixty-three (63) total apartments, with one unit reserved for the resident manager, and sixty-two (62) income- and rent-restricted low-income units. Of these units, nineteen (19) units will participate in the Housing for a Healthy California program. HASBARCO has received land use and environmental permit and building permits are anticipated in April 2025, with construction scheduled to begin in August 2025.

The Housing for a Healthy California (HHC) program creates supportive housing for individuals who are recipients of or eligible for health care provided through the California Department of Health Care Services, Medi-Cal program. The goal of the HHC program is to reduce the financial burden on local and state resources due to the overutilization of emergency departments, inpatient care, nursing home stays and use of corrections systems and law enforcement resources as the point of health care provision for people who are chronically homeless or homeless and are a high-cost health user. HHC provides direct loans to reduce monthly housing costs. The program reserves apartment units to permanently house high-frequency medical system users, who were formerly homeless households, and are being discharged from medical and licensed care facilities. "High frequency medical system users" may include: homeless persons, persons eligible for Medi-Cal or Cash Assistance Program for Immigrants (CAPI) health care coverage, persons admitted to hospitals twice or more frequently in the past year, and persons admitted to emergency rooms four or more times in the past 12 months.

The National Housing Trust Fund (NHTF) is a federal program to increase and preserve the supply of affordable housing, with an emphasis on rental housing for extremely low-income households. NHTF provides capital assistance to reduce necessary debt service payments, therefore reducing operating costs and needed rent levels. The 28 apartments of the Heritage Ridge Special Needs Family apartment project receiving financial assistance under the NHTF will be restricted to homeless and risk of homeless households (by federal definition).

A significant majority of high frequency medical system users and chronically homeless or at risk of chronic homelessness households experience mental illness, substance abuse, or both conditions. HASBARCO seeks to establish and maintain the proposed Memorandums of Understanding to fund services that can supplement other services provided by the BWell to these vulnerable populations.

The County of Santa Barbara Behavioral Wellness (BWell) Department is not required to be a co-sponsor or borrower under these programs, which differs from the requirements under the "No Place Like Home" program in which the County has co-sponsored six similar apartment developments for mentally ill homeless.

The Housing Authority of the County of Santa Barbara (HASBARCO) has teamed up with the BWell on six previous, similar projects that are in operation, and has seven additional apartment developments planned with No Place Like Home and similar State funding now in development.

HASBARCO retains performance risks under the funding for the HHC and NHTF capital funding sources. BWell is permitted to terminate services with 60 days written notice at any time, limiting exposure to risks of funding interruptions or similar risks. BWell has limited risks under this project as BWell can terminate the MOUs and Supportive Services Agreements if funding is not available.

Construction will commence once an allocation of tax credits is secured. HASBARCO will apply for an allocation of credits in the first round of 2025. If awarded, construction will begin in December 2025 and be completed by May 2027.

BWell is requesting approval to execute a Memorandum of Understanding (MOU) and Supportive Services Agreement (SSA) for each Heritage Ridge Senior and Heritage Ridge Special Needs Families. The MOUs outline County, HASBARCO, and Heritage Ridge Senior, L.P., and Heritage Ridge Special Needs, L.P., roles in this Project. The SSAs provide a delineation of the County provided mental health services for HHC tenants at both facilities as well as the partner obligations and services. In full consideration for County's services, the County will be reimbursed for its services under the SSA. Reimbursement for services will be made by HASBARCO, as property manager of the Project and on behalf of the Heritage Ridge Senior, L.P. and Heritage Ridge Special Needs Family, L.P., to the County, on a quarterly basis. HASBARCO anticipates using the net operating income to reimburse County for services. BWell will provide an onsite BWell, or County-contracted, case manager for Heritage Ridge Senior for 0.88 FTE and Heritage Ridge Special Needs Family for 1.625 FTE.

Performance Measure:

HASBARCO will submit to State HCD annual compliance reports and independent audits for each project, prepared by a certified public accountant and in accordance with the State’s audit requirements. The County will receive and review the annual reports for each of the assisted units with clients receiving services for mental disabilities and/or experiencing substance abuse. This data may be, but is not required to be, gathered from the Santa Barbara County Homeless Management Information System. The successful completion of the projects and implementation of the Memorandums of Understanding and Supportive Services Agreements will result in increased service capacity, decreased unsheltered homelessness, and reduced demands on emergency services and the emergency health care system.

Fiscal and Facilities Impacts:

Budgeted: No

County Budget will be established once the project is completed which is anticipated in late 2027.

Fiscal Analysis:

BWELL Ongoing		
Funding Sources	Revenue	Total
Service Agreement	\$ 263,025.00	\$ 263,025.00
Total	\$ 263,025.00	\$ 263,025.00

Narrative: The County’s supportive services provided to HHC Heritage Ridge Senior tenants will be funded by operating revenues from Heritage Ridge Senior (to cover the .88 FTE, \$92,400 first year, subject to 3% annual increases thereafter) and other available funds. The County’s supportive services provided to HHC Heritage Ridge Special Needs Family tenants will be funded by operating revenues from Heritage Ridge Special Needs Family (to cover the 1.625 FTE, \$170,625 first year,

subject to 3% annual increases thereafter) and other available funds. The total revenue to BWell for the first year of services will be \$263,025 for 2.5 FTE BWell staff.

Staffing Impacts:

The current requested administrative activity falls within currently budgeted staff duties. Support Services needs will be evaluated once the project nears completion.

Special Instructions:

Please email one (1) complete, signed Supportive Services Agreement for each of the above, and one (1) Minute Order to M. Simon-Gersuk at msimongersuk@sbcbswell.org and to bwellcontractsstaff@sbcbswell.org.

Attachments:

Attachment A – Memorandum of Understanding with HASBARCO: Heritage Ridge Senior

Attachment B – Memorandum of Understanding with HASBARCO: Heritage Ridge Special Needs Family

Attachment C – Mental Health Supportive Services Agreement: Heritage Ridge Senior

Attachment D – Mental Health Supportive Services Agreement: Heritage Ridge Special Needs Family

Attachment E – Standard Agreement No. 21-HHCC-00013: Heritage Ridge Senior

Attachment F – Standard Agreement No. 21-HHCC-00015: Heritage Ridge Special Needs Family

Authored by:

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Contract Analysts & Contract Manager