



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
For Agenda Of: April 2, 2024
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Jesús Armas, Community Services Director, (805) 568-2467
Director(s)
Contact Info: Joe Dzvonic, Deputy Director Housing and Community
Development (805) 568-3523

SUBJECT: Subrecipient Agreement with Good Samaritan Shelter for La Posada Project Operations and Services (2nd Supervisorial District)

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 and authorize the Chair of the Board of Supervisors to execute a Subrecipient Agreement with Good Samaritan Shelter (“GSS”) for the distribution of Homeless Housing, Assistance and Prevention (“HHAP”) funding, in the total maximum amount not to exceed \$2,044,376, for Operations and Services of La Posada DignityMoves Temporary Interim Supportive Housing Project; and
- b) 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 on these bases.

Summary Text:

The Board of Supervisors previously approved the La Posada temporary interim supportive housing community under development by DignityMoves located at 4500 Hollister Ave., Santa Barbara, CA (Project). The Project is scheduled to open in April 2024.

Staff is recommending the execution of a HHAP subrecipient agreement (Attachment A) to fund operations and services at the La Posada project in an amount not to exceed \$2,044,376 for the first two years of operations, from April 2, 2024, to March 31, 2026, with HHAP Round 4 Program funds.

In addition to the County Allocation of HHAP Round 4 funds, La Posada operations and services will be supported by the funding from the Behavioral Wellness Department under the Behavioral Health Bridge Housing program.

Background:

La Posada is a temporary interim supportive housing community specifically for people experiencing homelessness. The Project is an innovative public-private collaboration between DignityMoves, community philanthropy, the County of Santa Barbara, and GSS, the selected Project operator and service provider. The Project will provide up to 80 modular housing unit cabins for people experiencing homelessness moving from encampments, and persons eligible under Behavioral Health Bridge Housing (BHBH), many of whom will have been homeless for extended periods of time and have a permanent disability. Each cabin will have a bed, furnishings, heating and air conditioning, a window and, most importantly, a door that locks. GSS will provide a safe environment and robust support services for project participants. In addition to the 80 housing unit cabins, an additional 10 cabins have been purchased and installed for clinical and staff office space.

On May 16, 2023, the Board of Supervisors approved execution of a Ground Lease Agreement, a Development Management Agreement, a Temporary Right of Entry, and a Subrecipient Agreement with DignityMoves in connection with the Project. On November 7, 2023, the Board of Supervisors approved amendments to the Ground Lease and Development Management Agreement with Dignity Moves, La Posada LLC. In addition, the Board of Supervisors has approved \$1,800,000 in California Encampment Resolution Funds for the purchase of modular cabin units for the Project.

Good Samaritan Shelter was selected as the operator and service provider through a Request for Proposal process conducted by Community Services. GSS has residential programs across Santa Barbara County that total over 500 beds. GSS currently operates four County-owned sites for interim housing; DignityMoves Santa Barbara Street Village, Hedges House of Hope and the Bridge House in the unincorporated area of the Lompoc Valley, and Hope Village in Santa Maria. The DignityMoves Santa Barbara Street Village transitioned over 40% of residents to permanent housing in the first year of operations.

BHBH is a program of the California Department of Health Care Services. The program is part of Assembly Bill 179 that will provide a total of \$1.5 billion in funding to county behavioral health agencies to operate residential settings to address the immediate housing needs of people experiencing homelessness who have serious behavioral health conditions while connecting them to permanent housing. The Department of Behavioral Wellness was awarded \$9,932,242 in BHBH funding in fall of 2023. Be Well is preparing an agreement for Board action for the BHBH funded cabins at the Project.

Performance Measure:

It is expected that approximately 10% of the La Posada cabins will be occupied by couples or double occupancy, such that the total number of guests occupying the 80 cabins at any given time will be approximately 88. Most guests will stay six to twelve months. La Posada is a five-year project, and staff will monitor performance measures and will return to the Board to report on Project progress. The Project is anticipated to serve 140 individuals in the first two years, with a five-year projected total of 350 individuals served. Goals and performance measures for the funding period (April 2, 2024 – March 31, 2026) are described in Table 1, below.

Table 1. Goals and Performance Measures for La Posada DignityMoves Project (funding period: April 2, 2024 – March 31, 2026)

Goals

Interim Housing

| | Goal |
|--|-------------|
| Unduplicated number of persons experiencing homelessness to be sheltered | 140 |
| Total number of beds | 80 |
| Total number of bed-nights made available | 58,400 |

Performance Measures

Interim Housing

| | Goal |
|--|-------------|
| % of participants will move into permanent housing at project exit | 40% |
| % of adult participants gaining new or increasing existing income at project exit | 15% |
| % of adult participants will obtain non-cash benefits at project exit | 70% |
| % of participants who move into permanent housing who will remain housed for 1 year | 85% |
| % of participants linked to a Cal-AIM Community Supports or Enhanced Care Management program | 50% |

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 | | | \$ 2,044,376.00 |
| Federal | | | |
| Fees | | | |
| Other: | | | |
| Total | | \$ - | \$ 2,044,376.00 |

Narrative:

The cost of DignityMoves La Posada is \$7 million for development (Table 2), and the County has contributed \$1.8 million toward cabin purchases. DignityMoves secured philanthropic community-

based funding of \$5.2 million for cabin assembly and site development. The cost of providing Project services and operations is estimated at \$2.35 million per year (Table 3).

On March 29, 2023, the County of Santa Barbara was awarded HHAP Round 4 funding in the amount of \$2,446,918, including \$2,190,750 for interim housing. The services and operations of the La Posada project will be funded through HHAP for the first two years under the subrecipient agreement before the Board today. Good Samaritan Shelter will coordinate, integrate, and leverage resources to maximize impact of services for individuals who are experiencing homelessness, including enrollment in Medi-Cal.

Table 2. La Posada Improvements and Assembly (\$7 million):

| Agency | Funding | Amount |
|----------------------------|---------------------------------|---------------------|
| County of Santa Barbara | CERF - Round 1 | \$ 1,000,000 |
| County of Santa Barbara | CERF - Round 2 | \$ 800,000 |
| DignityMoves La Posada LLC | Philanthropic Funding (various) | \$ 5,200,000 |
| Total | | \$ 7,000,000 |

Table 3. La Posada Services and Operations (\$2.35 million annually):

| Funding | First Two Years (4/1/24– 3/31/26) | Year 3 | Year 4 | Year 5 |
|---|--|---------------------|---------------------|---------------------|
| Homeless Housing, Assistance & Prevention | \$ 2,044,376 | \$ 100,000 | \$ 857,000 | |
| Behavioral Health Bridge Housing | \$ 2,669,499 | \$ 1,157,000 | | |
| Permanent Local Housing Allocation | | \$ 300,000 | | |
| Philanthropic Donations | | \$ 800,000 | | |
| Housing and Homelessness Incentive Program (CenCal Health) | | | \$ 1,500,000 | |
| Other State/Federal sources to be identified (e.g. BH, future HHAP, CalAIM) | | | | \$ 2,357,000 |
| Total | \$ 4,713,875 | \$ 2,357,000 | \$ 2,357,000 | \$ 2,357,000 |

La Posada has specific funding sources identified for the first four of five years of operations. While the Project does not yet identify specific funding for services and operations for year five, there are a number of potential sources that can be evaluated and committed closer to fiscal year 28/29. The current needs of the persons living at the site, homeless sub-populations being served, as well the leveraging Medi-Cal billable services at the site will all be considered before returning to the Board with a subrecipient agreement for future years. The County recently secured a \$3 million contribution of Housing and Homeless Incentive Program funding from CenCal Health to partner on funding operations and robust services at both La Posada and Hope Village. Table 3 reflects half of that contribution being utilized in year 4. Community Services will return to the Board to accept the CenCal Health contribution later this spring.

Key Contract Risks:

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

Staffing Impacts:

The current requested activity falls within currently budgeted staff duties.

Special Instructions:

- 1) Please return a copy of the Minute Order and copy of the signed agreement to Kimberlee Albers (kalbers@countyofsb.org) and email when ready for pick up.

Attachments:

- A. Homeless Housing Assistance and Prevention Program Subrecipient Agreement for La Posada