



**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:** February 10, 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: Antonette Navarro, LMFT, Director, Behavioral Wellness  
Contact: Laura Zeitz, RN, Assistant Director, Inpatient, Crisis, Long Term Care,  
Justice and Housing  
**SUBJECT:** First Amendment to the Memorandum of Understanding with Hollister Lofts, L.P.,  
and Housing Authority of the County of Santa Barbara for the No Place Like Home  
Hollister Lofts Project (Supervisory District 2)

ds  
AN

**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) Approve, ratify, and authorize the Director of the Department of Behavioral Wellness or designee to execute, on behalf of the County, a First Amendment to the Memorandum of Understanding with Hollister Lofts, L.P., and Housing Authority of the County of Santa Barbara regarding the No Place Like Home (NPLH) Hollister Lofts Project, a proposed affordable rental housing development at 4540 South Hollister Avenue, Santa Barbara, California (APN 061-040-030) (Project), to update the amount of the NPLH loan awarded for the Project from \$4,822,998 to \$4,565,305, and to increase the number of NPLH designated units for the Project from 16 to 17 units (Attachment A);
- b) Determine that the recommended actions are not a project subject to the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15378(b)(4), finding that the actions are the creation of a governmental funding mechanism or other government fiscal activity, which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and Public Resources Code section 21163.1, which states that a decision by a public agency to seek funding from the NPLH Program does not constitute a "project."

**Summary Text:**

This item requests Board of Supervisors' approval for the Director of the Department of Behavioral Wellness (BWell) to execute the First Amendment to the MOU with Hollister Lofts, L.P., and Housing Authority of the County of Santa Barbara (HASBARCO), for the County's provision of behavioral health supportive services to eligible No Place Like Home (NPLH) tenants that will reside at the Hollister Lofts Project. The State of California NPLH initiative aims at addressing homelessness and mental health needs. The Hollister Lofts Project will provide supportive permanent housing for individuals experiencing homelessness, chronic homelessness, or at risk of chronic homelessness with serious mental illness. This amendment results from a change in tax credit for the property, located at 4540 South Hollister Avenue in Santa Barbara, referred to as Hollister Lofts. The change in tax credit reduces the approved NPLH loan to HASBARCO by \$257,693, from \$4,822,998 to \$4,565,305. Additionally, the tax credit modification increased the designated units from sixteen (16) to seventeen (17). There is no change in the reimbursement to BWell for behavioral health supportive services provided by the County for NPLH tenants.

**Discussion:**

The Board of Supervisors previously approved BWell to serve as the Hollister Lofts Project joint applicant and lead service provider for NPLH loan funds with the California Department of Housing and Community Development (State HCD). The "Parties" of the Hollister Lofts Project include County of Santa Barbara County, Hollister Lofts, L.P., Surf Development Company, and HASBARCO.

In October 2025, the Hollister Loft Project received notification from State HCD updating the change in conditions related to a reduced tax credit and increased required number of designated NPLH permanent housing units. The change reduced the NPLH loan amount by \$257,693, from \$4,822,998 to \$4,565,305. This change also reassessed the per-unit loan amount resulting in an increase in the number of new construction apartment units designated for NPLH units from sixteen (16) to seventeen (17). These changes do not alter the reimbursement for mental health supportive services to the County, estimated at \$84,000 per year with a 3% annual increase each year of the MOU term 20 years from the start of occupancy.

The Board of Supervisors is asked to authorize the execution of the First Amendment to the MOU increasing the number of designated units and acknowledging the change in NPLH loan amount.

**Background:**

On December 17, 2019, Board of Supervisors authorized BWell to be a part of the joint application for NPLH Competitive Allocation Round 2 funds for Hollister Lofts Project, in the amount of \$4,822,998 for a term of thirty (30) years from the effective date of the State HCD Agreement. On December 10, 2024, the Board of Supervisors authorized BWell to execute State HCD Standard Agreement 20-NPLH-14582. On that date, the Board of Supervisors also approved and authorized Director of BWell or designee to execute a MOU with Partnership and HASBARCO, and approved and authorized the Chair to execute a Mental Health (MH) Supportive Services Agreement with Partnership and HASBARCO for provision of MH supportive services to eligible NPLH tenants residing in the 16 designated units at the Project with an annual compensation of \$84,000, subject to a 3% annual increase for a period of 20 years.

**Performance Measure:**

HASBARCO will submit to State HCD annual compliance and performance reports, and independent audits for Hollister Lofts, prepared by a certified public accountant and in accordance with the required California State audit requirements.

All NPLH projects are required to utilize the Coordinated Entry System (CES) as the primary marketing method and to report the attainment of housing retention goals under the Homeless Management Information System (HMIS), which is sponsored by Santa Barbara County’s Continuum of Care. The data from CES and HMIS may be used for reporting purposes. HASBARCO will report increased service capacity, decreased unsheltered homeless persons, and any increase in the number of homeless persons entering permanent housing attributable to Hollister Lofts. The County will submit an annual report for each of the NPLH-assisted units.

**Fiscal and Facilities Impacts:**

Budgeted: NO

**Fiscal Analysis:**

Funding Source	BWell Revenue	State HCD Loan to HASBARCO
General Fund		
State		\$4,565,305
Federal		
Fees		
Other	\$84,000	
<b>Total</b>	<b>\$84,000</b>	<b>\$4,565,305</b>

Funds received from the non-competitive NPLH award will be loaned directly by State HCD to HASBARCO. No award funds will flow through the County. Supportive Services will be provided by the County and reimbursement of these the cost for these services will be paid by HASBARCO with operating revenue, but offset by Medi-Cal revenues. The estimated annual revenue is \$84,000 with an annual 3% CPI.

**Special Instructions:**

Please return one (1) Minute Order to [msimongersuk@sbcbswell.org](mailto:msimongersuk@sbcbswell.org) and to [bwellcontractsstaff@sbcbswell.org](mailto:bwellcontractsstaff@sbcbswell.org).

**Attachments:**

**Attachment A** – Hollister Loft MOU First Amendment

**Attachment B** – Hollister Loft MOU 12.17.2024

**Attachment C** – Hollister Loft SSA 12.17.2024

**Attachment D** – Hollister Loft Standard Agreement 20-NPLH-14582

**Attachment E** – CA State HCD Change in Circumstance Letter

**Contact Information:**

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 Contracts and Procurement Manager  
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