



**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:	Probation/Community Services
Department No.:	022/057
For Agenda Of:	January 7, 2025
Placement:	Administrative
Estimated Time:	N/A
Continued Item:	N/A
If Yes, date from:	No
Vote Required:	Majority

TO: Board of Supervisors

FROM: Department Director(s): Holly Benton, Chief Probation Officer
(805) 882-3652
Jesús Armas, Community Services Director
(805-568-2467)

Contact Info: Spencer Cross, Deputy Chief Probation Officer
(805-882-3675)
Joseph Dzvonik, Deputy Director
(805-568-3523)

SUBJECT: Community Corrections Partnership (CCP) \$1,228,000 Loan to Good Samaritan Shelter for Residential Development in Santa Maria Valley and Lompoc

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 and authorize the Chair of the Board of Supervisors to execute the following documents (Loan Documents), as applicable, reflecting the terms and conditions of a loan (Loan) in the amount of One Million, Two Hundred Twenty-Eight Thousand Dollars (\$1,228,000) to Good Samaritan Shelter (GSS) to add 18 additional beds for justice-involved

individuals in the form of one new build in Lompoc, and three Accessory Dwelling Units (ADUs) in Santa Maria (Project):

- i) County CCP Loan Agreement for GSS Residential Development (Loan Agreement) (for execution);
 - ii) County CCP Lompoc Loan Note for \$437,000 for Project location at 531 N. G St. in Lompoc (for approval);
 - iii) County CCP Lompoc Loan Regulatory Agreement for Project location at 531 N. G St. in Lompoc (for execution);
 - iv) County CCP Lompoc Loan Deed of Trust (for approval);
 - v) County CCP Hermosa Loan Note for \$241,000 for Project location at 607 E. Hermosa St. in Santa Maria (for approval);
 - vi) County CCP Hermosa Loan Regulatory Agreement for the Project location at 607 E. Hermosa St. in Santa Maria (for execution);
 - vii) County CCP Hermosa Loan Deed of Trust (for approval);
 - viii) County CCP Elmwood Loan Note for \$414,000 for the Project location at 1933 Elmwood Drive in Santa Maria (for approval);
 - ix) County CCP Elmwood Loan Regulatory Agreement for the Project location at 1933 Elmwood Drive in Santa Maria (for execution);
 - x) County CCP Elmwood Loan Deed of Trust (for approval);
 - xi) County CCP Lincoln Loan Note for \$136,000 for the Project location at 1404 N. Lincoln St. in Santa Maria (for approval);
 - xii) County CCP Lincoln Regulatory Agreement for the Project location at 1404 N. Lincoln Street in Santa Maria (for execution); and
 - xiii) County CCP Lincoln Loan Deed of Trust (for approval), (the foregoing 13 documents, collectively, the "County CCP Loan Documents").
- b) Consider the project was deemed exempt from environmental review under the California Environmental Quality Act (CEQA) by the jurisdictions it falls under (Attachment N and O) and find that pursuant to CEQA Guidelines Section 15162, no substantial changes are proposed, and there are no substantial changes in circumstances or new information of substantial importance regarding significant impacts or feasibility of mitigation measures and alternatives.

Summary:

This item is before your Board to approve and authorize the Chair to execute the County Community Corrections Partnership Loan Documents memorializing the terms and conditions of a 15-year term, forgivable, interest-free loan of \$1,228,000 in one-time Public Safety Realignment Fund Balance to Good Samaritan Shelter for residential development of four sites listed in Table 1 below (hereinafter, the Project). The three accessory dwelling units (ADUs) will be located at Good Samaritan Shelter's existing three Clean & Sober Living locations in Santa Maria. The fourth site is an existing structure located in Lompoc.

Table 1: Project and Location Description

Description	Number of Beds	Location/ Address	APN
North G. St. New Build- 3 bed/3 bath	6 beds	531 N. G Street, Lompoc, CA 93436	087-192-004
ADU- Hermosa St.- 2 bed/ 1 bath	4 beds	607 E. Hermosa Street, Santa Maria, CA 93454	121-125-015
ADU- Elmwood (Women's)- 2 bed/ 2 bath	4 beds	1933 Elmwood Drive, Santa Maria, CA 93455	111-176-014
ADU- Lincoln St. - 2 bed/ 1 bath	4 beds	1404 N. Lincoln Street, Santa Maria, CA 93458	119-044-006

The Project will provide supportive housing beds for 18 justice-involved individuals, and the County CCP Loan Documents include related regulatory and security instruments with restricted use covenants requiring that the Project continue to serve this population for 15 years pursuant to each subject property.

Both cities have reviewed the projects and deemed them exempt from CEQA and have provided letters (Attachment N and O).

Background:

On August 12, 2022, the Community Corrections Partnership (CCP) approved the process and guidelines for community partners to submit proposals for one-time funding allocations from the Public Safety Realignment Fund Balance. In late November, a memorandum regarding this one-time funding opportunity was disseminated to community members and partner agencies with a deadline to submit one-time funding proposals by January 20, 2023. An ad-hoc committee of the CCP Workgroup reviewed the proposals submitted, and forwarded recommendations to the CCP Workgroup for consideration. On September 7, 2023, Good Samaritan Shelter's proposal (Project) was taken before the CCP. The CCP approved Public Safety Realignment Fund Balance one-time funding for the Project based upon a review of the Project budget, funding sources, and restrictive covenant.

The Project encompasses residential development of ADUs to provide supportive housing beds for justice-involved individuals including individuals who are presently, or in the past, have spent time in jail, prison, youth correctional facilities, are currently on probation/parole, or going through criminal Court proceedings without natural supports and are otherwise ineligible for other types of subsidized housing. Additionally, these individuals may present with some vulnerability, such as mental health concerns and or significant substance abuse challenges, but do not qualify for housing options through the Department of Behavioral Wellness. These individuals will likely be unserved by other housing resources because of ineligibility due to length of incarceration and conviction history.

Loan Agreement

Staff recommends the approval and execution of the CCP Loan Documents (Attachments A through M) reflecting the terms and conditions of the \$1,228,000 Loan to Good Samaritan Shelter for Project development costs. If, at any point during the 15-year term of any of the Regulatory Agreements, GSS or the Project are not in compliance with the requirements of the Loan Agreement (Attachment A), or any of the Loan Notes (Attachments B, E, H, and K), or any of the Regulatory Agreements (Attachments C, F, I, and L), the County may accelerate Loan repayment, enforceable through Project Deeds of Trust. Alternatively, if GSS and the Project remain in compliance with all of the provisions of the County CCP Loan Documents, the Loan(s) will be forgiven after 15 years; each activity of the Project has a stand-alone Deed of Trust and Note and therefore, if any one of these Project activities should not be in compliance, it may individually be subject to recapture. Table 2 shows the projected total costs for the Project.

Table 2: Projected Capital Costs

Type of Cost	531 N. G St, Lompoc	607 E. Hermosa St., SM	1933 Elmwood Dr., SM	1404 N. Lincoln St, SM	Total Project Amount
Architectural Drawings & Permits	\$ 24,000	\$ 19,000	\$ 24,000	\$ 19,000	\$ 86,000
Construction	\$ 400,000	\$ 215,000	\$ 383,000	\$ 110,000	\$ 1,108,000
Solar & Meters	\$ 5,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 8,000
Project Management	\$ 8,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 26,000
Total	\$ 437,000	\$ 241,000	\$ 414,000	\$ 136,000	\$ 1,228,000

An itemized Project budget is provided as Exhibit B to the County CCP Loan Agreement (Attachment A).

Performance Measures:

1. GSS shall commence construction of the Project no later than six (6) months after the Loan Agreement's Effective Date.
2. GSS shall diligently pursue construction of the Project to completion and shall complete construction of the Project and have all 18 beds in all CCP-Assisted Units occupied by qualifying individuals no later than June 30, 2026. Loan Agreement provisions provide for means of addressing potential construction and completion delays.
3. GSS shall submit monthly Project construction progress reports and an updated construction schedule within ten (10) days following the end of each month, commencing with the execution of the Loan Agreement and concluding upon the Project Completion Date, evidenced through Notices of Completion and/or Certificates of Occupancy.

Once the ADUs and new build in Lompoc are developed, the following supportive housing beds will be available for justice-involved individuals:

Est. Annual Participants Served	<u>Beds</u>	<u>Available Annual Bed Nights</u>
40	18	6,570

Fiscal Analysis:

The CCP authorized the allocation of \$1,228,000 of unspent prior years' 2011 Public Safety Realignment Act revenue for this residential development Project. There are \$31.6M in unspent prior years' revenue held in the restricted fund balance. \$14M of the \$31.6M in restricted fund balance has been approved for use on one-time projects by the CCP, including the \$1,228,000 Loan. The use of the Loan funds is included in the Probation Department's FY 2024-25 Adopted Budget. Approval of the Loan and Loan Documents will not require any General Fund contribution.

Funding Source	Current FY Cost	Annualized On-going Cost	Total One-Time Project Cost
General Fund			

State			\$ 1,228,000.00
Federal			
Fees			
Total			\$ 1,228,000.00

Key Contract Risks:

The County's Probation Department assumes responsibility for the administration of Public Safety Realignment Fund Balance in accordance with all State requirements governing its use. GSS has successfully operated State and federally funded homeless assistance projects in the past.

The County CCP Loan Documents contemplate release of 50% of the Loan funds to GSS in advance of Project construction; the balance of the Loan funds may be requested by GSS on a cost-reimbursement basis. This allows GSS to commence Project construction, and Probation to disburse the aforementioned Public Safety Realignment Fund Balance to GSS for eligible incurred costs in accordance with the Loan Agreement. The County will only reimburse GSS as the Public Safety Realignment Fund Balance subrecipient for costs that are eligible for reimbursement under the Loan Agreement and documented in accordance with the provisions of the Loan Agreement and in a manner that is acceptable to the Housing Community Development Division of the County's Community Services Department (CSD/HCD) and the Probation Department. CSD/HCD and Probation Department staff will assess the performance of GSS to determine if the services provided are adequate and as outlined in the Loan Agreement. The County Regulatory Agreements (Attachment C, F, I, and L) require the County's CSD/HCD staff to monitor the Project's compliance thereunder for fifteen (15) years.

Special Instructions to Clerk of the Board:

- 1) Please return one set of the executed original documents and a copy of the Minute Order to Spencer Cross (scross@countyofsb.org). Please email Sarah Brasel (sbrasel@countyofsb.org) when ready for pick up.
- 2) Please provide Clerk of the Board Acknowledgement as to signature for the four (4) Regulatory Agreements subject to execution and recordation.
- 3) Please retain one set of the executed original documents (including the Loan Notes) listed below for COB records.

Attachments:

- A. County CCP Loan Agreement for GSS Residential Development
- B. County CCP Lompoc Loan Note for \$437,000 for Project location at 531 N. G St. in Lompoc
- C. County CCP Lompoc Loan Regulatory Agreement for the Project location at 531 N. G St. in Lompoc
- D. County CCP Lompoc Loan Deed of Trust
- E. County CCP Hermosa Loan Note for \$241,000 for the Project location at 607 E. Hermosa St in Santa Maria
- F. County CCP Hermosa Loan Regulatory Agreement for the Project location at 607 E. Hermosa St in Santa Maria
- G. County CCP Hermosa Loan Deed of Trust

- H. County CCP Elmwood Loan Note for \$414,000 the Project location at 1933 Elmwood Drive in Santa Maria
- I. County CCP Elmwood Loan Regulatory Agreement for Project location at 1933 Elmwood Drive in Santa Maria
- J. County CCP Elmwood Loan Deed of Trust
- K. County CCP Lincoln Loan Note for \$136,000 for the Project location at 404 N. Lincoln St. in Santa Maria
- L. County CCP Lincoln Loan Regulatory Agreement for the ADU at 404 N. Lincoln St. in Santa Maria
- M. County CCP Lincoln Loan Deed of Trust
- N. City of Santa Maria Letter for CEQA Exemption
- O. City of Lompoc Letter for CEQA Exemption

Authored by:

Sarah Brasel, Housing Program Specialist Senior, Community Services Department