



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
General Services
County Executive Office
Department No.: 57
For Agenda Of: February 8, 2022
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department George Chapjian, Community Services Director (805) 568-2485
Director(s) Janette Pell, General Services Director, (805) 568-2625
Mona Miyasato, County Executive Officer, (805) 568-3404
Contact Info: Dinah Lockhart, Deputy Director (805) 568-3523
Terri Maus-Nisich, Assistant County Executive Officer, (805) 568-3412
SUBJECT: Approval of a Ground Lease Agreement, Service Agreement, and authorization of Job Order contracting for establishment of the DignityMoves Santa Barbara Project at County-owned property at 1016 Santa Barbara Street, Santa Barbara, CA, APN #029-212-019, Supervisorial District 1.

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 a Ground Lease Agreement (Attachment A) with Good Samaritan Shelter for the use of County-owned property located at 1016 Santa Barbara Street, Santa Barbara, California, APN 029-212-019 for the DignityMoves Santa Barbara project (DignityMoves), for the placement of modular units on the lease area, commencing January 31, 2022 and ending June 30, 2025; and
- B. Authorize the Director of the Community Services Department, or designee, within the Community Services Department, to execute the Ground Lease Agreement; and

- C. Pursuant to Public Contract Code Section 20128.5, authorize the Director of General Services, or designee, to award job orders under existing job order contracts to provide utilities point-of-connections and all other appurtenant off-site improvements to the property line of the County-owned property to be utilized by the DignityMoves Santa Barbara Project for placement of the temporary emergency housing units and all other appurtenant improvements and equipment, including temporary restrooms and showers, subject to: the authorized contract limits, the availability of American Rescue Plan Act of 2021 (ARPA) funds or other budgeted grant sources, and the provision of adequate bonds and other security for completing the project; and
- D. Authorize the Community Services Director, or designee, to execute a sub-recipient agreement with Good Samaritan Shelter for the distribution of State of California Homeless Housing, Assistance and Prevention (HHAP) funding from the Santa Maria/Santa Barbara County Continuum of Care (CoC) and the County of Santa Barbara funding allocations for an amount not to exceed \$1,140,612 for Operations and Services of DignityMoves Interim Supportive Temporary Emergency Housing Project/Units (Attachment D);
- E. Determine that the above-recommended actions are exempt from the California Environmental Quality Act (CEQA) pursuant to: CEQA Guidelines Section 15269(c), 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 therefor; and CEQA Guidelines Section 15304, finding that the actions consist of minor public alterations in the condition of land; and direct staff to file a Notice of Exemption on these bases.

Summary Text:

DignityMoves' temporary modular interim emergency housing project will provide 33 private, dignified rooms for individuals experiencing homelessness. Each room will have a bed, a desk and chair, heating and air conditioning, a window, and most importantly a door that locks. Good Samaritan will provide robust support services for the Project participants. Good Samaritan has an exceptional reputation for providing care and tailored services to help address the root causes of homelessness and will connect clients to a wide array of other services.

Staff is recommending the establishment of a ground lease agreement and services agreement with Good Samaritan Shelter. Good Samaritan will provide housing navigation services, program administration, and operations for this program utilizing pre-fabricated modular housing units sited on a County-owned property (Property) at 1016 Santa Barbara Street in the City of Santa Barbara, adjacent to Santa Barbara Street north of Carrillo Street and south of Figueroa Street. Additionally, in order for Good Samaritan to utilize the Property, General Services seeks authorization to utilize job order contracts to provide utilities to the Property along Santa Barbara Street, and the County Executive Office has provided requisite notice to the City of Santa Barbara of the project's proposed use.

Background:

On September 11, 2018, the County adopted a Resolution declaring the existence of a shelter crisis, making the County eligible to receive Homeless Emergency Assistance Program (HEAP) funds. State

HEAP funds were instrumental for the establishment of a temporary pallet shelter program in Isla Vista, which was approved by the Board on November 17, 2020.

The Board adopted the *Phase II Community Action Plan to Address Homelessness* (Plan) in February 2021. The Plan identifies as its first priority strategy, “to increase access to safe, affordable housing.” The proposed modular unit project aligns with this priority by expanding the existing shelter system and continued identification and implementation of best management practices. Co-location of the pallet units enables program clients to benefit from existing on-site support and housing navigation services, the goal of which is to provide an opportunity to move to permanent housing. The model of implementing this pilot project and the potential successful outcomes will hopefully assist in establishment of future similar projects throughout the County.

On August 31, 2021, the Board approved the establishment of funding to create a temporary modular interim emergency housing project in Santa Barbara. The success of the Isla Vista Pallet shelter program, an essential component of the County’s adopted Phase II Community Action Plan to Address Homelessness, provided the groundwork for the development of a modular housing project in Santa Barbara. The proposed project is in alignment with the goals of establishing housing options for those experiencing homelessness or at risk of homelessness, which includes individuals who are the most vulnerable and often marginalized in our community. According to the January 2020 Point-In-Time count there were 1,897 persons experiencing homelessness on a single night. The majority (68%) of the population experiencing homelessness is in South County, especially in the City of Santa Barbara. This project will add 33 new temporary housing units to the continuum of care, which includes short-term and long-term options.

A high priority of the County of Santa Barbara and the Continuum of Care is the creation of new housing units, with both permanent and temporary beds. A multi-departmental approach coordinated by the CEO was subsequently begun, and partner agencies began to develop the site plan and community stakeholder involvement for a South County modular unit project.

The State of California has provided significant investments in housing and homelessness. HHAP Round I was \$650 million, and Round II was a \$300 million one-time investment allocated to the 44 Continuums of Care, 13 large cities, and 58 counties, based on the 2019 Point-in-Time Count of persons experiencing homelessness. The Santa Maria/Santa Barbara County Continuum of Care and County staff worked collaboratively to address critical gaps in the system of care, including interim housing, to meet State funding requirements. Community Services administers the HHAP funding.

DignityMoves was founded in 2020 at the beginning of the Covid-19 pandemic by a group of chief executives and business leaders affiliated with the Young Presidents Organization (YPO). DignityMoves engages private capital investors to invest in solving social issues, such as homelessness. The DignityMoves Fund provides up-front funding to manufacture modular housing units and partner with local government on siting and necessary infrastructure. The housing units are purposely portable, so that the use of land is temporary, and the modular units can be repurposed at another site. The prefabricated modular buildings are developed at a fraction of the cost of traditional construction, under \$50,000 per unit compared to \$500,000 per unit for traditional new construction. In order not to attract persons not already residing near the proposed site, the DignityMoves program model provides interim shelter to those within 2 miles of the project site, offering showers, security, and services. Originally based in Northern California, DignityMoves, under the auspices of LiveMoves, built LiveMoves Mountain View, a state

Homekey awarded project in 2020 and is developing another DignityMoves project in downtown San Francisco.

Discussion:

The DignityMoves Santa Barbara project will be used for the provision of supportive services and case management services for persons experiencing homelessness. Placement and use of the Interim Temporary Supportive Emergency Housing on the project site will be subject to the proposed Ground Lease Agreement.

Each modular unit is 64 sq. ft., and includes a bed, desk, and electrical service connections; however, plumbing, water and sewer facility connections are not included in each unit. Individual units can accommodate occupancy of one (1) person, and all are ADA-accessible. Access to plumbing, water, and sewer services will be part of the communal area. The modular units will be placed on the parking lot site. The maximum occupancy load for persons being housed in the inventory is 33. DignityMoves Santa Barbara occupants may be expected to reside in the project for 6 months. Occupants will be transitioned to permanent housing opportunities as quickly as possible. In addition to interim housing, on-site services will include case management, housing navigation and supportive services, public health nurse and behavioral health clinical visits, meals, 24/7 security, as well as access to bathroom and shower facilities. The project will be operated around-the-clock on a daily basis. The Board of Supervisors is being asked to execute a subrecipient agreement with Good Samaritan Shelter for Operations and Services of DignityMoves Interim Housing Project/Units (Attachment D).

The site is conveniently located in Downtown Santa Barbara with easy access to bus service and other transportation options. A grocery/convenience store and other community amenities are readily accessible within walking distance. Staff is recommending the Board approve the use of the County-owned property at 1016 Santa Barbara Street in the City of Santa Barbara (Property) as a site for the installation of the modular units. The proposed Ground Lease Agreement will provide for the placement and operation of modular units, commencing January 31, 2022, and ending June 30, 2025. It is anticipated that the emergency modular unit homes will be retained as available inventory of emergency shelter bed resources for homeless persons for at least a 10-year period.

Pursuant to consideration of use of the site, the County Executive Office (CEO) and Community Services have been working with the County's Planning and Development regarding the DignityMoves Santa Barbara Project pursuant to Government Code 25351. The County Executive Office (CEO) and General Services have been working with the City's Planning Department in order to provide the City of Santa Barbara required notices pursuant to Government Code section 65402 (General Plan Consistency) for the DignityMoves Santa Barbara Project. On December 15, 2022, the CEO provided the required notice to the City of Santa Barbara (see Attachment C).

County General Services will utilize existing Job Order Contract(s) to provide utilities point-of-connections and all other appurtenant off-site improvement to the Property to be utilized by the DignityMoves Santa Barbara Project for placement of the temporary emergency housing units and all other appurtenant on-site improvements, equipment including temporary restrooms, and shower units. An independent cost estimate obtained by General Services for the scope of off-site work is in the amount of \$350,000. In regards to project schedule, General Services projections indicate that all utilities point-of-

connections will be completed by Winter of Fiscal Year 2021-22, to provide an anticipated opening of the DignityMoves Santa Barbara Project by Good Samaritan Shelter in April 2022.

The cost of disposition and transportation of the modular units, owned by Good Samaritan Shelter, is the responsibility of Good Samaritan Shelter and will be coordinated by Good Samaritan Shelter. Good Samaritan Shelter will be partnering with DignityMoves, and other community agencies to underwrite these future costs. A ground lease agreement will be executed between the County and Good Samaritan Shelter describing the terms of use of the Property located at 1016 Santa Barbara Street, Santa Barbara, California, APN 029-212-019, and further describe the disposition of the units. The sub-recipient agreement describes Good Samaritan Shelter’s responsibilities, operations, maintenance, and services.

Performance Measure:

The use of federal and state funds for the DignityMoves Santa Barbara project is an eligible use. It is anticipated that 33 individuals experiencing homelessness will initially be assisted by this project. This is a three-year project and staff will monitor performance measures, and will return to the Board with an extension for years 2 and 3 that will include updated performance measures based on project progress. Overall, the goal is to create 33 beds for three years. The project is anticipated to serve 66 individuals per year or three year projected total of 198 individuals. Reporting performance measures are below based on funding source guidance. These will be amended, as necessary, if required by the funding source.

Table 1: Goals and Performance Measures for DignityMoves Interim Emergency Housing Year 1

Goals

Interim Housing

	Year 1 Goal
Total number of beds	33
Total number of bed-nights made available	29,700
Total unduplicated number of persons served	66
Total unduplicated number of households served	66

Performance Measures

Interim Housing

% of participants will move into Rapid Rehousing at project exit	20%
% of participants will move into permanent housing (other than RRH) at project exit	25%
% of adult participants gaining new or increasing existing earned income at project exit	25%
% of adult participants will obtain cash/non-cash benefits at project exit	65%
% of participants who move into transitional housing or permanent housing (including RRH) will remain housed for 1 year	70%

Fiscal Analysis:

Funding Sources	Current Year 1 Cost:	Years 2 and 3 Cost:	Total One-Time Project Cost
General Fund			
State - HHAP	\$ 1,140,612.00		\$ 1,140,612
Federal - ARPA	\$ 350,000.00	\$ 2,038,760.00	\$ 2,388,760
Fees			
Other			
Total	\$ 1,490,612.00	\$ 2,038,760.00	\$ 3,529,372

Narrative: ARPA funds (\$350,000) will be used for site improvements through job order contracts to prepare for the modular units. HHAP funds will be used for first year interim housing operations and support services expenses (\$1,140,612). Operations and services for years 2 and 3 (\$2,038,760) were designated by the Board from County-American Rescue Plan Act funds on October 19, 2021. Overall, the anticipated Dignity Moves project cost is \$3,529,372 and is fully funded for the three years of operation at the site. Staff will return to the Board with a sub-recipient agreement before this existing agreement ends. Additionally, DignityMoves secured philanthropic community-based funding for the purchase of the modular cabins, support structures and other onsite improvements. Good Samaritan is serving as the fiscal agent that received donations and will facilitate on site constructing in partnership with DignityMoves.

Key Contract Risks:

The County assumes responsibility for the administration HHAP funds in accordance with all State and Federal 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 requirements. All payments to contractors using these funds will be done on a cost-reimbursement basis. This allows CSD/HCD to disburse funds for identified, eligible incurred costs. In this regard, the County is responsible for using funds for costs that are eligible under HHAP and documented in a manner that is acceptable to HCD, State, and Federal departments. The State and Federal government will recapture unexpended grant funds if not expended on eligible costs.

Staffing Impacts:

The current requested activity falls within currently budgeted staff duties.

Special Instructions:

- 1) Please return two copies of executed Lease Agreement (Attachment A) and Services Agreement (Attachment D) and a copy of the Minute Order to CEO’s Office. Please email Lindsay Walter (liwalter@countyofsb.org) when ready for pick up.
- 2) Please retain Lease Agreement (Attachment A) and Services Agreement (Attachment D) for Clerk of the Board records.

Attachments:

- A. Ground Lease Agreement
- B. CEQA Notice of Exemption

DignityMoves Santa Barbara

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C. Government Code Sections 25351 and 65402 Notice provided to City of Santa Barbara

D. Good Samaritan Shelter HHAP Sub-Recipient Agreement