



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 &  
Behavioral Wellness  
**Department No.:** 055 & 043  
**For Agenda Of:** January 11, 2021  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Department Antonette Navarro, LMFT, Director  
Director(s) Department of Behavioral Wellness (805) 681-5220  
George Chapjian, Community Services Director (805) 568-2485  
Contact Info: Laura Zeitz, RN, Division Chief, Housing, Placements and  
Inpatient, Department of Behavioral Wellness (805) 681-5220

**SUBJECT:** **Approval for the County of Santa Barbara to submit two joint applications for State No Place Like Home (NPLH) competitive funds with: (1) the Housing Authority of the County of Santa Barbara, and (2) Thompson Housing, LLC; and adopt two resolutions authorizing the Department of Behavioral Wellness to act on behalf of the County in connection with possible awards of NPLH funds.**

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**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. Adopt a Resolution that:

1. Authorizes the County to submit a joint application with the Housing Authority of the County of Santa Barbara (HACSB) as developer-borrower to the California Department of Housing and Community Development (State HCD) for NPLH competitive loan funds in the amount of \$9,483,896 for the proposed development of a supportive affordable housing project at a lot bounded by Camino Vista and Los Carneros in Goleta, California (APN 073-060-032); and
2. If funds are awarded, authorizes and directs the Director of the Department of Behavioral Wellness, or her designee, to act on behalf of the County in connection with an award of NPLH competitive program funds;

B. Adopt a Resolution that:

1. Authorizes the County to submit a joint application with Thompson Housing, LLC to the California Department of Housing and Community Development (State HCD) for NPLH competitive loan funds in the amount of \$2,964,445 for the proposed development of a supportive affordable housing project at 80 North Patterson Ave, Santa Barbara California (APN 067-200-005); and
2. If funds are awarded, authorizes and directs the Director of the Department of Behavioral Wellness, or her designee, to act on behalf of the County in connection with an award of NPLH competitive program funds;

C. Direct the Director of the Department of Behavioral Wellness, or her designee, to return to the Board for further direction prior to exercising the authority delegated to her pursuant to Recommended Actions A and B; and

D. Determine that the above recommended actions are not a project subject to California Environmental Quality Act (CEQA) pursuant to: 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 No Place Like Home Program does not constitute a “project”.

**Summary Text:**

The Housing Authority of the County of Santa Barbara (HACSB) proposes to develop a supportive affordable housing project consisting of 104 affordable housing units. Forty of these units will be devoted to No Place Like Home (NPLH) eligible tenants at a lot bounded by Camino Vista and Los Carneros in Goleta, California (APN 073-060-032) (Heritage Ridge). The project will consist of one and two-bedroom units. Forty of these units will be reserved for No Place Like Home eligible tenants.

HACSB is applying for \$9,483,896 to fund forty units dedicated to No Place Like Home tenants. Ten units are designated for No Place Like Home (NPLH) tenants who are: homeless, chronically homeless or at risk of chronic homelessness; diagnosed with a serious mental illness; and over the age of sixty-five years. Thirty units are designated for No Place Like Home (NPLH) tenants who are: homeless, chronically homeless or at risk of experiencing homelessness and diagnosed with a serious mental illness. All forty NPLH units will be designated for NPLH tenants with 30% or lower the area’s median income. Additionally, sixty-three non-NPLH units will be available for persons with 50% or lower of the area’s median income. One unit will be an onsite housing manager’s unit with no income restrictions. HACSB will develop this project on land for which they currently have an enforceable option to Lease or Purchase. Approval of the following recommended actions would provide new, permanent supportive housing for forty individuals and/or families who have a serious mental illness and are experiencing homelessness.

Thompson Housing, LLC proposes to develop a supportive affordable housing project at 80 North Patterson Ave, Santa Barbara California (APN 067-200-005) consisting of twenty-four studio units. Eleven of these units will be dedicated to No Place Like Home eligible tenants.

Thompson Housing, LLC is applying for \$2,964,445 to fund eleven units dedicated to No Place Like Home tenants. Eleven units are designated for No Place Like Home (NPLH) tenants who are chronically homeless and diagnosed with a serious mental illness. All eleven NPLH units will be designated for NPLH

tenants with 30% or lower the area's median income. The remaining units will all be for low-income tenants. Of these remaining units, seven units will be for persons with 60% or lower the area's median income; one unit will be for persons with 50% or lower the area's median income; five units will be for persons with 30% or lower the area's median income. One of the units will be an onsite manager's unit with no income restrictions. Thompson Housing, LLC will develop this project on land they currently own. Approval of the following recommended actions would provide new, permanent supportive housing for eleven individuals who have a serious mental illness and are experiencing homelessness.

Approval of the recommended actions would:

- Adopt a resolution authorizing the Director of Behavioral Wellness, or her designee, to submit a joint application with HACSB as developer-borrower to the California Department of Housing and Community Development (State HCD) for competitive NPLH program funds before January 19<sup>th</sup>, 2022 and, if funds are awarded, to act on behalf of the County (Attachment A) and direct the Director of Behavioral Wellness to return to the Board prior to her exercising such authority; and
- Adopt a resolution authorizing the Director of Behavioral Wellness, or her designee, to submit a joint application with Thompson Housing, LLC as developer-borrower to the California Department of Housing and Community Development (State HCD) for competitive NPLH program funds before January 19<sup>th</sup>, 2022 and, if funds are awarded, to act on behalf of the County (Attachment B) and direct the Director of Behavioral Wellness to return to the Board prior to her exercising such authority.

**Background:**

**No Place Like Home:**

On July 1, 2016, Governor Brown signed legislation enacting NPLH to dedicate up to \$2 billion in bond proceeds to invest in the development of permanent supportive housing for persons with serious mental illness who are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness. Funding can be used for acquisition, construction, or rehabilitation of housing, and to subsidize extremely low rent levels over 20 years. The bonds are repaid with Mental Health Services Act funds.

The State is allocating funds to counties on a competitive and non-competitive basis. Santa Barbara County was awarded \$2,582,696 in non-competitive funding. On June 30<sup>th</sup>, 2020 State HCD awarded the HACSB and the Department of Behavioral Wellness (BeWell) \$1.5 million in non-competitive funds for West Cox Cottages. BeWell and Sanctuary Centers were awarded \$450,000 in non-competitive funding on June 16<sup>th</sup>, 2021. BeWell and HACSB will be applying by February 1<sup>st</sup>, 2022 for the remainder of the County's non-competitive funding in the amount of \$632,696 for Cypress & 7<sup>th</sup>.

On October 29<sup>th</sup>, 2021 the California Department of Housing and Community Development issued the Fourth Round of Competitive Funding Allocation Notice of Funding Availability. Applications for this fourth round of competitive funding are due January 19, 2022. There is a maximum of \$52,445,511 in competitive funding available to mid-sized counties.

If funds are awarded for the Heritage Ridge project, the County will be required to enter into a Standard Agreement in a form substantially similar to the attached "West Cox Standard Agreement" (Attachment E) with the State HCD and HACSB. Although the County would be a party to the Standard Agreement, the NPLH funds would be loaned directly to HACSB. The attached Draft Memorandum of Understanding with HACSB (Attachment C) outlines the duties of HACSB and Be Well in order for supportive services to be offered onsite for a minimum of twenty years. The attached draft is required in order to apply for

NPLH funding. The Draft MOU is included for informational purposes only at this time; Be Well will return to the Board to execute this Memorandum of Understanding prior to acting on behalf of the County in connection with an award of No Place Like Home competitive program funds for Heritage Ridge.

If funds are awarded for the Patterson Point project, the County will be required to enter into a Standard Agreement in a form substantially similar to the attached “West Cox Standard Agreement” (Attachment E) with the State HCD and Thompson Housing, LLC. Although the County would be a party to the Standard Agreement, the NPLH funds would be loaned directly to Thompson Housing, LLC. The attached Draft Memorandum of Understanding with Thompson Housing, LLC (Attachment D) outlines the duties of Thompson Housing and Be Well in order for supportive services to be offered onsite for a minimum of twenty years. The attached draft is required in order to apply for NPLH funding. The Draft MOU is included for informational purposes only at this time; Be Well will return to the Board to execute this Memorandum of Understanding prior to acting on behalf of the County in connection with an award of No Place Like Home competitive program funds for Patterson Point.

#### The Heritage Ridge Project

HACSB is applying for \$9,483,896 to fund forty units dedicated to No Place Like Home tenants. Sixty-three units will be for persons with 50% or lower the area’s median income these units will be exclusively reserved for person with a 50% or lower the area’s median income and will not be considered NPLH units.; Additionally, ten units are designated for No Place Like Home (NPLH) tenants who are homeless, chronically homeless, or at risk of chronic homelessness, diagnosed with a serious mental illness, and over the age of sixty-five years; and thirty two-bedroom units are designated for No Place Like Home (NPLH) tenants who are homeless, chronically homeless or at risk of experiencing homelessness and diagnosed with a serious mental illness. All forty NPLH units will be designated for NPLH tenants with 30% or lower the area’s median income. One unit will be an onsite housing manager’s unit with no income restrictions. Each unit will contain one or two bedrooms with full kitchen. The Heritage Ridge Project will include a community room for residents, laundry, and car and bike parking.

#### The Patterson Point Project

This project will have a total of twenty-four units. Seven units will be for persons with 60% or lower the area’s median income; one unit will be for persons with 50% or lower the area’s median income; five units will be for persons with 30% or lower the area’s median income. These units will all be exclusively reserved for low income persons and will not be considered NPLH units. The remaining eleven units are designated for No Place Like Home (NPLH) tenants who are chronically homeless and diagnosed with a serious mental illness. All eleven NPLH units will be designated for NPLH tenants with 30% or lower the area’s median income One of the units will be an onsite manager’s unit with no income restrictions. All units are studio apartments, there will be onsite parking, bike parking, and a community room.

#### **Performance Measure:**

The County is also responsible for documenting the number of individuals experiencing homelessness or at imminent risk of homelessness served by the program funds. In order to be compliant with the State as the Lead Service Provider of supportive services, the County must monitor the provisions of services to NPLH tenants (See Attachment D). HACSB will submit an independent audit for Heritage Ridge, and Thompson Housing will submit an independent audit for Patterson Point, prepared by a certified public accountant and in accordance with the requirements of the State’s current audit requirements. Also, on an annual basis, BeWell would submit data for each NPLH assisted unit. This data may be, but is not required to be, gathered from the Santa Barbara County Homeless Management Information System.

Increased service capacity, decreased unsheltered homeless persons and any increase in the number of homeless persons entering permanent housing attributable to the Heritage Ridge project will be incorporated into the annual report.

**Fiscal and Facilities Impacts:**

Budgeted: No

The \$9,483,896 in competitive NPLH funds will be available for HACSB to use for construction or rehabilitation of housing, and to subsidize extremely low rent levels over 20 years. It is anticipated that the supportive services provided to NPLH tenants partially funded through Medi-Cal reimbursement.

The \$2,964,445 in competitive NPLH funds will be available for Thompson Housing, LLC to use for construction or rehabilitation of housing, and to subsidize extremely low rent levels over 20 years. It is anticipated that the supportive services provided to NPLH tenants partially funded through Medi-Cal reimbursement.

**Key Contract Risks:**

The State, County, and HACSB will be required to enter into the NPLH Standard Agreement if funds are awarded for the Heritage Ridge project. The State, County and Thompson Housing, LLC will be required to enter into the NPLH Standard Agreement if funds are awarded for the Patterson project. Entering into a Standard Agreement with the parties constitutes a conditional commitment of NPLH funds and requires the County to comply with the requirements and provisions of the NPLH Program statutes, the NPLH Guidelines, and generally applicable state contracting rules and requirements. The State, HACSB, and the County have previously entered into a Standard Agreement for West Cox Cottages (Attachment E); this form may be revised by the State for Round 4 NPLH funding.

Based on the “West Cox Cottages Standard Agreement”, the County would be jointly and severally liable for the obligations of the HACSB and any limited partnership created by HACSB or Thompson Housing, LLC to facilitate financing. Once received, the Standard Agreement must be executed within 90 days, at which time the status of the Heritage Ridge and Patterson Point Developments will inform the risk of the County incurring any costs to complete it prior to execution. If received, the NPLH allocation would be awarded to HACSB for the Heritage Ridge, and to Thompson Housing, LLC for Patterson Point developments as post-construction, permanent loans underwritten and held by the State as lender. These loans would have an initial term of fifty-five years. Be Well will return to the Board for further direction prior to acting on behalf of the County in connection with any award of NPLH competitive program funds.

**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 return one (1) Minute Order, one (1) completed copy of the executed NPLH Competitive Funds Resolution for Heritage Ridge, and one (1) complete copy of the executed NPLH Competitive Funds Resolution for Patterson Point to [bethle@sbcswell.org](mailto:bethle@sbcswell.org) and [swellcontractsstaff@sbcswell.org](mailto:swellcontractsstaff@sbcswell.org).

**Attachments:**

Attachment A: NPLH Competitive Funds Resolution for Heritage Ridge

Attachment B: NPLH Competitive Funds Resolution for Patterson Point

Attachment C: Draft BeWell Heritage Ridge MOU

Attachment D: Draft BeWell Patterson Point MOU

Attachment E: West Cox Cottages Standard Agreement

**Authored by:**

N.Rossi/ B.Le