



**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: Community Services
Department No.: 057
Agenda Date: June 23, 2026
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(s): Jesús Armas, Director, Community Services Department
Joe Dzonik, Assistant Director, Housing and Community Development
Contact: Lucille Boss, Housing Programs Manager
SUBJECT: Authorization to Apply for Homekey+ Funding for Permanent Supportive Housing;
5th Supervisorial District

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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) Authorize the Director of the Community Services Department (CSD), or designee, to submit to the California Department of Housing and Community Development (State HCD) a grant application for the 2024 Homekey+ Program in an amount not to exceed \$10,000,000 for the development and operations of a permanent supportive housing project at 124 S. College Drive, Santa Maria, CA, 93454, including all certifications, standard forms, and other related documents (Application);
- b) Adopt a Resolution authorizing the Application and participation in the Homekey Program, and the acceptance and administration of Homekey+ funds (Attachment A);
- c) Authorize the Director of the CSD, or designee, to execute all certifications, standard forms, and local grant agreements, and other related documents required for the acceptance and administration of Homekey+ funds, subject to concurrence by Auditor-Controller, County Counsel and Risk Management; and
- d) Determine that the recommended actions are exempt from the California Environmental Quality Act (CEQA) pursuant to California Health and Safety Code Section 50675.1.4, finding that the proposed "Homekey" project is to provide housing for individuals and families who are experiencing homelessness. and that the project satisfies the requirements described more fully in Section 50675.1.4.

Summary Text:

Staff requests Board authorization to submit a grant application for funding to support the acquisition, development, and operations of a Permanent Supportive Housing (PSH) project: Heritage View. The application will request no more than \$10,000,000 in Homekey+ funds for the development and operations of the property located at 124 S. College Drive in Santa Maria.

Discussion:

It is important to note the intent of this Board Letter is only to seek authorization to apply for Homekey+ funding and does not represent a commitment to proceed. Staff may ask the Board for such a commitment after the status of the application is known and all information required to demonstrate financial viability is provided by the applicant.

As with all Homekey+ applications, a Local Public Entity must be the lead entity and may apply with a Co-Applicant developer. Counties may apply independently, or jointly with a nonprofit as is the case with the PSHH. The County's participation in this application is at the request of PSHH. Applicants and Co-Applicants must be in good standing with the State and all agencies and departments thereof.

Heritage View I: 124 S. College Drive, Santa Maria

This housing development is proposed to house 40 households, prioritizing Veterans, including 25 units dedicated to Veterans. The request for the Board is to apply for up to \$10,000,000 in Homekey+ funds for the development (new construction) and operations of the property. People's Self-Help Housing Corporation (PSHH) has drafted a site plan and will work with the Behavioral Wellness Department (BWell) to develop a services plan for this project, funded by the Capitalized Operating Subsidy Reserve (COSR). People's Self-Help Housing Corporation has developed housing projects in Santa Barbara County and has successfully applied for Homekey funding in other communities in California. The site plan includes 36 one-bedroom units and 4 two-bedroom units, part of a multi-story building featuring Spanish-inspired architectural design, with units that will each include bathroom, kitchen, and one or two bedrooms; the building will have a community center for services such as case management and resident programming. This parcel is owned by PSHH. To the extent the COSR allows, BWell may offer services to the residents who meet criteria for specialty behavioral health services at the facility.

Background:

Proposition 1, passed by California voters in March 2024, is a critical step in advancing the state's goals to reduce homelessness and protect the most vulnerable populations through important changes to the Mental Health Services Act (MHSA). Proposition 1 includes the Behavioral Health Services Act (BHSA) and the Behavioral Health Infrastructure Bond Act (BHIBA). Homekey+, which is a subcomponent of BHIBA, is the funding source that provides capital support to develop PSH that specifically serves Veterans and individuals with behavioral health or substance use disorder challenges, all of whom are either at-risk of, or experiencing, homelessness. Building on the success of both Roomkey and multiple rounds of Homekey, Homekey+ continues the statewide effort to rapidly expand and sustain PSH for persons experiencing homelessness.

The Homekey+ Notice of Funding Availability (NOFA) was released in November 2024 announcing the availability of approximately \$2.1 billion in funding for Permanent Supportive Housing Projects serving people experiencing homelessness with a Behavioral Health Challenge. Over \$1 billion of that funding available is for Projects serving Homeless Veterans. As of March 27, 2026, State HCD has received funding requests for approximately \$360 million for Veteran Units. To increase demand and deploy underutilized Homekey+ Veteran funds, State HCD and CalVet offered

additional flexibilities and incentives to prospective applicants interested in utilizing Homekey+ for Veteran-serving Projects.

Performance Measure:

The County will not be responsible for the operation of the facility. If the State awards these funds, the State will enter into a standard agreement with the co-applicants. The co-applicants will be required to sign and record agreements regulating the operation of the project as supportive housing for the target population of persons experiencing homelessness or at risk of homelessness for 55 years. The State will conduct ongoing monitoring to assure that the Project is being administered in accordance with the Homekey+ Program.

Forty households will be served by this project, including 15 veteran households supported by Veterans Affairs Supportive Housing (VASH) vouchers. Other performance measures will be determined and included in an agreement with a service provider, if the project is funded. PSHH has been a direct tenant services provider for permanent supportive housing units for over 20 years through their Supportive Housing Program (SHP).

All entities in the Grantee structure shall be bound by the Homekey+ Program Requirements; and shall remain jointly and severally liable to HCD for performance under the Standard Agreement and for compliance with all Homekey+ Program Requirements. State HCD may request the repayment of funds or pursue any other remedies available for failure to comply with Homekey+ Program requirements or contractual commitments.

Fiscal and Facilities Impacts:

A proforma was prepared on behalf of the PSHH and indicates that sufficient funding will be available to support the operation of the facility. Of course, this conclusion is predicted on the assumption the application is approved.

Fiscal Analysis:

Staff will return with a fiscal analysis that demonstrates financial viability if the application is successful. Moreover, in light of the County's fiscal environment, staff has informed the PSHH to plan on the assumption that General Fund dollars will not be available to support capital or operational costs for the project throughout the duration of its tenure.

Staffing Impacts:

Because the State enters into a standard agreement with the co-applicant for any approved project, the State conducts ongoing monitoring to assure that the Project is being administered in accordance with the Homekey Program. However, any approved project may require future compliance monitoring assistance to the State by CSD staff.

Special Instructions:

After Board action, please return the following to Lucille Boss at LBoss@CountyofSB.org:

1. Executed Authorizing Resolution
2. Minute Order

Attachments:

Attachment A – Authorizing Resolution for 124 S. College Drive in Santa Maria

Contact Information:

Lucille Boss
Housing Programs Manager
LBoss@countyofsb.org