



# 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:** June 24, 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 & Division Chief of Housing Placement/  
Psychiatric Health Facility, Behavioral Wellness  
**SUBJECT:** Program Funding Agreement with Horne LLP for California Department of Social Services Community Care Expansion Program Capital Expansion Grant Funds for Tecolote House Renovations in the Second District

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AN

## County Counsel Concurrence

As to form: Yes

## Other Concurrence: Risk Management

As to form: Yes

## Auditor-Controller Concurrence

As to form: Yes

## Other Concurrence: General Services

As to form: Yes

## Recommended Actions:

That the Board of Supervisors:

- Approve and authorize the Director of the Department of Behavioral Wellness or designee to execute on behalf of the County a **Program Funding Agreement** (CCE-2378566416-051) with Horne LLP (Horne) for California Department of Social Services Community Care Expansion Program Capital Expansion grant funds for Tecolote House project renovations, located at 310 Camino del Remedio, Santa Barbara, APN 059-140-042, in the Second District in an amount not to exceed **\$1,043,433** from the conditional grant agreement effective date through June 30, 2029;
- Approve and authorize the Director of the Department of Behavioral Wellness or designee the authority to execute and record on behalf of the County a Declaration of Restrictions limiting the County's use of its real property located at 310 Camino del Remedio, Santa Barbara, APN 059-140-042, in the Second District to the restricted uses set forth in Exhibit B of the Declaration of Restrictions for a period of 30 years, as well as execute and record on behalf of the County a Performance Deed of Trust encumbering County's fee title interest in the aforementioned property as security for the County's performance under the Community Care Expansion Program Funding Agreement (CCE-2378566416-051) and the related Declaration of Restrictions for the benefit of the Department of Social Services and lasting

until the discharge of all County's obligations to the Department of Social Services under the Performance Deed of Trust;

- c) Approve and authorize the Director of the Department of Behavioral Wellness or designee the authority to execute any amendments to the Program Funding Agreement (CCE 2378566416-051) and any and all other documents required or deemed necessary to secure Community Care Expansion Program grant funds and participate in the program without having to return to the Board for approval, subject to the Board's authority to rescind this delegated authority at any time;
- d) Direct the Director of the Department of Behavioral Wellness or designee to obtain concurrence from Risk Management, Auditor-Controller, General Services, and County Counsel before exercising the delegated authority under Recommended Actions a through d; and
- e) Determine that the above-recommended actions are not a project that is subject to environmental review under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines section 15378(b)(4), finding that the actions are governmental funding mechanisms and/or fiscal activities that will not result in direct or indirect physical changes in the environment.

### **Summary Text:**

The Department of Behavioral Wellness (BWell) has been awarded a \$1,043,433 Community Care Expansion (CCE) grant through the California Department of Social Service (CDSS), managed by Horne LLP (Horne). In order to accept the grant, CDSS and Horne require that BWell enter into a Program Funding Agreement to accept grant funding to assist with the renovation of the county-owned property at 310 Camino del Remedio, Santa Barbara, CA (known as Tecolote House) to be used as an Adult Residential Facility (ARF) with a capacity of 12 clients in a board & care interim housing environment. The grant also requires a Declaration of Restrictions for the property for a period of 30 years.

### **Discussion:**

BWell is returning to the Board of Supervisors to request authority to execute the updated Program Funding Agreement (PFA) and supporting documents, altering the deed restriction from the initial twenty (20) years to now thirty (30) years since the existing building was not a BWell adult residential facility. Funds will be made available to BWell after the PFA and supporting documents are fully executed and after the restrictions are recorded.

### **Background:**

In June 2022, Behavioral Wellness applied for and was awarded a Community Care Expansion (CCE) grant in the amount of \$1,001,338 for the renovation of 310 Camino del Remedio, Santa Barbara, CA (formerly known as Casa Omega and now known as Tecolote House) on the County's Calle Real campus, located in the Second District. BWell received an additional grant award of \$42,095 on May 21, 2024, for a total grant award of \$1,043,433 due to an adjustment of developer fee costs relevant to executing the Program Funding Agreement.

The CCE grant is being administered by Horne LLP on behalf of CDSS. BWell brought this item to the Board of Supervisors on February 4, 2025. At that time, the Board of Supervisors approved a resolution authorizing the Director of BWell to execute the Program Funding Agreement (PFA) and supporting documents required to secure the grant funding, authorizing the Director of BWell to execute the PFA, authorizing BWell to execute and record on behalf of the County a Declaration of Restrictions for a period of 20 years, as well as to execute and record on behalf of the County a

Performance Deed of Trust encumbering County's fee title interest in the property as security for the County's performance under the Community Care Expansion Program Funding Agreement.

Since the original Board of Supervisors' approval was received, Horne LLP notified BWell that the Declaration of Restriction period in the PFA has increased from 20 years to 30 years. The CCE grant and the Program Funding Agreement require an executed and recorded Performance Deed of Trust encumbering the County's fee title interest in the property as security for the County's performance under the CCE Funding Agreement (CCE- 2378566416-051), lasting until the discharge of all County obligations to the Department of Social Services (DSS) under the Performance Deed of Trust. During this 30-year period, the County is obligated to provide adult residential services for individuals with serious and persistent mental illness needing residential care. The funding grant is only for renovations and does not fund services during the 30-year restriction.

BWell will utilize the Tecolote facility for interim supportive housing, operating the building as a Board & Care with a capacity of serving 12 clients at a time—one hundred percent of the 12 dedicated beds will be for the target population. Priority will be given to older adults who are challenged with serious mental illness and have been chronically homeless. When renovations are nearly completed, which is expected to be in Spring 2026, BWell will publish a Request for Proposal (RFP) process to identify and secure a provider for 24/7 housing management staff. The CCE grant will allow BWell to renovate the property to ensure it meets all Americans with Disabilities Act (ADA) and Adult Residential Facility (ARF) standards and requirements while also creating a caring living environment where clients will receive the support they need to continue their recovery and strengthen their independent living skills. BWell anticipates serving approximately 20 unique individuals a year, with stays ranging from six to 18 months.

BWell presented support documentation to Horne, and through Horne to CDSS, requesting that the 20-year restriction for an Adult Residential Facility (ARF) property be continued. Horne responded to BWell on May 2, 2025, acknowledging the review of County documentation and stated that they are unable to verify the Tecolote facility was both in operation and served eligible clients at the time of the Award Letter, dated October 13, 2022. Therefore, based on the current policy of CDSS, Horne confirmed that a 30-year use restriction applies.

BWell is returning to the Board of Supervisors to request authority to execute the updated Program Funding Agreement (PFA) and supporting documents extending the restrictions from the initial twenty (20) years to now thirty (30) years. Funds will be made available to BWell after the PFA and supporting documents are fully executed and after the restrictions are recorded.

#### **Performance Measure:**

BWell will provide Horne with all compliance and reporting documentation required in the Program Funding Agreement as required by the Program Funding Agreement. BWell anticipates serving approximately 20 unique individuals a year, with stays ranging from six to 18 months.

#### **Fiscal Analysis:**

<b>Funding Source</b>	<b>FY 22-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>Total</b>
Federal (ARPA)	\$471,729	\$228,271		<b>\$700,000</b>
State (CCE Grant)		\$42,100	\$1,001,333	<b>\$1,043,433</b>
State (Property Proceeds)		\$556,600		<b>\$556,600</b>
<b>Total</b>	<b>\$471,729</b>	<b>\$826,971</b>	<b>\$1,001,333</b>	<b>\$2,300,033</b>

The total project cost for Tecolote are \$2,300,033 and funding is comprised as follows:

American Rescue Plan Act (ARPA) Federal Funds.....	\$700,000
Community Care Expansion Grant State Funds.....	\$1,043,433
BWELL owned property (Originally Mental Health Services Act) State Funds.....	\$556,600

The \$556,600 are originally from the proceeds from the sale of BWELL owned property located at 117 North B Street, Lompoc. Originally, Mental Health Services Act funds were used to purchase the property.

In addition, the County CEO has contributed \$700,000 in ARPA funds towards this project.

Furthermore, the grant award has a 10% match requirement, which is being fulfilled with an in-kind real property match of Tecolote House, located at the Calle Real Campus. This property is valued at \$1,500,000 and was accepted by the grant agency as a match.

Budget revision (BJE 0010039) approved by BOS on February 4th, 2025 for FY 24-25. FY 25-26 figures are included in our recommended budget to the BOS.

**Special Instructions:**

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

**Attachments:**

**Attachment A** – Horne-Tecolote CCE Program Funding Agreement (CCE-2378566416-051)

**Contact Information:**

M. Simon-Gersuk, Contracts Manager  
[msimongersuk@sbcbswell.org](mailto:msimongersuk@sbcbswell.org)