



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: General Services / Behavioral Wellness
Department No.: 063 / 043
For Agenda Of: October 4, 2022
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Janette Pell, General Services Director (805) 560-1011
Director(s) Toni Navarro, Behavioral Wellness Director (805) 681-4742
Contact Info: Laura Zeitz, Div. Chief Placement/PHF Admin, Behavioral Wellness (805) 681-4943
Julie Lawrence, Real Property Manager, General Services (805)568-3073
SUBJECT: Extension of the Term of the Exclusive Negotiations Agreement of County-owned Property on Hollister Avenue with the Housing Authority of the County of Santa Barbara for a No Place Like Home Development Project; Second Supervisorial District (Folio 003910)

County Counsel Concurrence

As to form: Yes

Other Concurrence:

None

Recommended Actions:

That the Board of Supervisors:

- A. Approve and authorize extension of the initial term of the Exclusive Negotiations Agreement between the County and the Housing Authority of the County of Santa Barbara for an additional twelve (12)-month period and authorize and direct the Chair, or Director of General Services or their designee to send written notification of said Extension to the Housing Authority of the County of Santa Barbara (HACSB); and

B. Find that, pursuant to California Environmental Quality Act CEQA Section 15162, no substantial changes are proposed and no new circumstances or information of substantial importance has come to light regarding environmental effects of the Agreement, and therefore the proposed action is within the scope of the CEQA Notice of Exemption approved by the Board of Supervisors on November 5, 2019, and on file with the Clerk of the Board, pursuant to CEQA Guidelines section 15004(b)(4), and that therefore no new Notice of Exemption is required.

Summary Text:

This Board Letter recommends that the Board of Supervisors approve and authorize extension of the initial term of the Exclusive Negotiations Agreement (Agreement) between the County and the Housing Authority of the County of Santa Barbara for an additional twelve (12) months (Extension) and send a formal notification to HACSB of the Extension. The Extension will allow the County and HACSB to proceed with design of the proposed Hollister Lofts Project (Project) on property currently owned by the County located in the 4500 block of Hollister Avenue.

Background:

The proposed Project would consist of approximately 33 rental units, 49% of which would be State of California No Place Like Home (NPLH) funded units for persons with serious mental illness who are homeless, chronically homeless, or at-risk of chronic homelessness. All other units would be restricted to formerly homeless persons with household incomes that are at or below 60% AMI, except one on-site manager's unit, which would not be subject to rent or income restrictions.

The acquisition, construction and 20-year rent subsidization for the proposed Project are being funded from a competitive pool of approximately \$245 million that was made available by the State on a competitive basis to all medium-sized counties, such as Santa Barbara County.

In order for funds to be awarded for the proposed Project, Behavioral Wellness (BeWell) partnered with the County's Housing and Community Development Division and published a Notice of Funding Availability to solicit applications for grants and loans for affordable housing development and other capital projects, and for a variety of human services and homeless programs eligible for NPLH funds.

On November 16, 2018, HACSB and the Santa Barbara Community Housing Corporation, a non-profit organization dedicated to providing safe and affordable housing, including special needs housing for under-served individuals, in the County of Santa Barbara, submitted a Letter of Intent to BeWell for consideration of the proposed Project.

On November 5, 2019, the Board of Supervisors approved and authorized the Chair to execute the Agreement between the County and HACSB, which granted HACSB, for a period of three (3) years, exclusive rights to negotiate with the County in good faith for acquisition of County-owned property to enable HACSB to apply for State of California NPLH competitive funds and other financing for the proposed Project. HACSB and BeWell applied for competitive funds for the Project on January 8, 2020, and were notified by the State Housing and Community Development that they had been awarded \$4,822,998 in competitive funding on June 27, 2020.

Following award of the NPLH funds, HACSB proceeded with pre-development activities, including obtaining entitlements, performing feasibility studies, obtaining an appraisal of the site from an independent third-party appraiser, and applying for other funding required to complete the Project, such as low-income housing tax credits. This Extension is required in order for HACSB to continue with such pre-development activities.

Section 4.B. of the Agreement provides that the Board of Supervisors shall have the right to extend the Initial Term of the Agreement for up to an additional one (1) year, provided that, if the Board of Supervisors elects to extend the Initial Term, the County shall notify HACSB in writing not less than thirty (30) days prior to expiration of the Initial Term.

Fiscal and Facilities Impacts:

N/A

Fiscal Analysis:

N/A

Staffing Impacts:

None.

Special Instructions:

After Board action:

1. Please distribute a copy of the Minute Order to Behavioral Wellness: Attn: Kristine Haugh and General Services/Real Property Division, Attn: James Cleary.

In the event, the Chair executes the extension letter for the initial term of the Agreement for an additional 12-month period, a copy of the letter shall be provided to the Clerk of the Board for their files.

Attachments:

- A. Executed Exclusive Negotiations Agreement between the County of Santa Barbara and the Housing Authority of the County of Santa Barbara.

Authored by:

James Cleary