



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/ADMHS  
Department No.: 063/043  
For Agenda Of: December 15, 2015  
Placement: Administrative  
Estimated Time:  
Continued Item:  
If Yes, date from:  
Vote Required: 4/5

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**TO:** Board of Supervisors  
**FROM:** Department Matthew P. Pontes, General Services 560-1011  
Directors: Alice Gleghorn, Alcohol, Drug and Mental Health Services  
681-5233  
Contact Info: Greg Chanis, Assistant Director of General Services 568-3096  
Laura Zeitz, Housing Manager 452-2760  
**SUBJECT: Purchase of Property for SB 82 Mental Health Wellness Grant, Crisis Stabilization Unit; Fifth Supervisorial District (RP File #3693)**

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: N/A

As to form:

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:** That the Board of Supervisors:

- a) Adopt the attached Resolution of Intent to Purchase Real Property, declaring the County's intent to purchase the property located at 110 and 116 West Agnes Avenue, in the City of Santa Maria, known as Assessor Parcel Numbers 119-086-002 and 119-086-003 ("Property"), and set the date of January 12, 2016, on the Board's Administrative Agenda for final Board action to consummate the purchase of the Property by authorizing the Clerk to execute a Certificate of Acceptance for the Property;
- b) Approve and execute the attached original and duplicate original Purchase Agreement and Escrow Instructions ("Agreement") between the County, as Buyer, and Northwest Health Centers of Santa Maria, as Seller, for the County's acquisition of 110 and 116 West Agnes Avenue, in the City of Santa Maria, known as Assessor Parcel Numbers 119-086-002 and 119-086-003, for a purchase price of \$465,000;
- c) Authorize the Director of General Services, or designee, to execute any and all escrow documents required to facilitate the terms and conditions of the proposed acquisition;
- d) Approve the attached budget revision to appropriate current year funds in the amount of \$1,041,242 from the Alcohol, Drug, and Mental Health Services, from line item 8100 Land, to line item 7901 Operating Transfer Out to be used for acquisition of the property of \$465,000 plus

escrow costs, renovations of \$350,000, and furnishing and equipment of \$221,242. 4/5 vote required; and

- e) Determine that these activities are exempt from the California Environmental Quality Act (CEQA) review per CEQA Guidelines Section 15061(b)(3) since it can be seen with certainty that there is no possibility that the activities may have a significant effect on the environment and direct staff to file the attached notice of exemption on that basis.

**Summary Text:**

Approval of the Resolution of Intent to Purchase Real Property and the Purchase Agreement will allow the County to enter into escrow for the purchase of the property located at 110 and 116 West Agnes Avenue, in the City of Santa Maria. The Property will be used for establishment of a Crisis Stabilization Unit (“CSU”), a mental health facility that will comply with the requirements of the Mental Health Wellness Act of 2013, also known as a Steinberg Senate Bill SB 82 Grant (“SB 82”). Approval of the Budget Revision will allow Alcohol, Drug, and Mental Health Services to pay the purchase price of \$465,000.00 plus escrow costs, and related refurbishment and refurnishing costs of \$571,242 from currently budgeted funds of \$1,041,242. The California Health Facilities Financial Authority (“CHFFA”) will reimburse the County for the cost of acquisition, refurbishment, and furnishing of the approximately 3,100 square foot building on the Property for establishment of the CSU.

**Background:**

The Mental Health Wellness Act of 2013, also known as the Steinberg Senate Bill SB 82 (“SB 82”), is intended to increase California’s capacity for client assistance and service in crisis intervention, including crisis stabilization, crisis residential treatment, and mobile crisis support teams. SB 82 focuses on providing services and support that result in individuals being referred to a non-restrictive recovery treatment setting that is casual and comfortable. One purpose of the CHFFA grant is to establish Crisis Stabilization Units (CSUs) to reduce unnecessary stays in psychiatric hospitals, reduce the number of emergency room visits, reduce repeat hospitalizations, and divert potential incarcerations.

The proposed Crisis Stabilization Unit (CSU) will provide a voluntary, welcoming, homelike space that will provide an alternative to individuals who currently must seek treatment at the local Emergency Room during a mental health crisis. The CSU will accept between four to eight clients at a time, each for a period of up to 23 hours. Individuals will have access to professional nursing staff, peer counselors, and licensed clinicians during their stay. Services include mental status evaluation, consultation with a Physician as needed, and help with daily activities in a non-coercive and compassionate environment.

The property that staff is proposing to purchase is located at 110 and 116 West Agnes Avenue, in Santa Maria. The property consists of two legal parcels, Assessor Parcel Numbers 119-086-002 and 119-086-003, totaling 12,197 square feet. There is an approximately 3,100 square foot building at 116 Agnes, and a vacant parcel with a new parking lot proposed for construction by the owner at 110 Agnes. The two parcels would be acquired together, with the parking lot intended to serve the building. A Phase 1 Environmental Site assessment has been conducted to identify any environmental issues or conditions that may exist on the Property. The report did not identify any conditions or previous uses of the Property that require further investigation or review.

The property is within the City of Santa Maria and is zoned “Commercial Professional Office”. In accordance with California Government Code Section 65402, a Request for Determination as to the

conformity of the purchase of the Property by the County with the City of Santa Maria's General Plan was submitted to the City of Santa Maria on October 9, 2015. County staff met with City staff to discuss the proposed operations at the Property and to address the City's concerns regarding the proposed operations at the Property. The Request was heard by the City's Planning Commission on November 18, 2015, where the project was approved by a 3/2 vote.

Establishment of a CSU at this location will satisfy the requirements for a Crisis Stabilization Site in accordance with 9 CCR Section 1840.338. The site is in close proximity to Marian Medical Center (approximately 2.3 miles), which is a 24-hour urgent care facility to provide medical backup services. The configuration of the interior of the building, and the condition of the building in general, will reduce the cost of improvements to refurbish the building for its use as a CSU.

The approximately 3,100 square foot building located on the 116 West Agnes parcel includes individual offices, three ADA compliant restrooms, a kitchen, and large open area. The floorplan is similar to what would be required for use as a CSU. The vacant parcel at 110 West Agnes will provide adequate parking for the CSU. Plans and specifications for construction of the parking lot have been submitted to and approved by the City of Santa Maria. The purchase price of \$465,000.00 includes both parcels, and is based on the premise that the County would complete construction of the parking lot after close of escrow. The purchase price is supported by an appraisal performed by a state certified appraiser, as required by the CHFFA grant.

The purchase of the facility is state revenue funded by the CHFFA grant and currently budgeted by ADMHS in program 4666 Crisis Stabilization. The purchase will not require any additional funding to be approved by the Board, and there are no general funds being used. ADMHS has two options to receive the funds from CHFFA: 1) a payment upfront and then request for disbursement from the vendor, or 2) upon execution of a signed purchase agreement or other "readiness document" ADMHS may request disbursement prior to the close of the transaction. In the second scenario, the grantor must determine "readiness" to allow ADMHS to draw the funds. In addition to the purchase price, ADMHS has budgeted approximately \$571,242 for renovations to the building, furniture, fixtures and equipment. Funds can be drawn until June 30, 2016.

CEQA Guideline Section 15061 (b) (3) states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. "Significant effect on the environment is defined in the CEQA Guidelines as "...a substantial, or potentially substantial, adverse change in the environment." In this case, there will be no physical changes to the environment associated with the purchase of the property. The purchase of this property is therefore exempt from further CEQA review in accordance with CEQA Guidelines Section 15061 (b) (3).

#### **Fiscal and Facilities Impacts:**

The purchase of the facility is state revenue funded by the CHFFA grant and currently budgeted by ADMHS in program 4666 Crisis Stabilization. The purchase, renovations, and furnishing of the facility will not require any additional funding to be approved by the Board, and there are no general funds being used.

**Special Instructions:**

Clerk of the Board, please distribute as follows:

1. Clerk of the Board to retain the original Resolution of Intent to Purchase, and return a copy of the Resolution of Intent to Purchase to General Services, Attn: A. Kinsella; and set the date of January 12, 2016, on the Board's Administrative Agenda for consummation of the purchase by requesting the Board to execute a Certificate of Acceptance for the Property.
2. Clerk of the Board to retain the original Purchase Agreement for the Clerk of the Board's files, and return the duplicate original Purchase Agreement to General Services, Attn: A. Kinsella.
3. Post the attached Notice of Resolution of Intent to Purchase and the CEQA Notice of Exemption.

Note: General Services will publish the Notice of Resolution of Intent to Purchase once a week for three successive weeks in the Santa Maria Times, in accordance with California Government Code Sections 25350 and 6063.

**Attachments:**

1. Resolution of Intent to Purchase
2. Purchase Agreement and Escrow Instructions
3. Budget Revision Request
4. CEQA Notice of Exemption
5. Notice of Resolution of Intent to Purchase

**Authored by:**

- A. Kinsella, General Services Department, Real Property Division