



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
Community Services
Department No.: 063 and 057
For Agenda Of: November 2, 2021
Placement: Administrative
Estimated Time: N/A
Continued Item: No
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Janette Pell, General Services Director (805) 560-1011
Director(s) George Chapjian, Community Services Director (805)568-2467
Contact Info: Skip Grey, Assistant Director, General Services (805) 568-3083
Dinah Lockhart, Deputy Director (805) 568-3523

SUBJECT: Exercise an Option to Purchase and Proceed with the Acquisition of the property located at 6549 El Colegio Road for Housing Navigation Services and Operation of an Emergency Shelter (Folio # 003993)

County Counsel Concurrence

As to form: Yes

Risk Concurrence:

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions: That the Board of Supervisors:

- a) Approve and authorize the Chair of the Board of Supervisors, or designee, to exercise the County's Option to Purchase real property located at 6549 El Colegio Rd, Goleta CA 93117 (Assessor Parcel Number 075-034-005) (the "Property") from El Colegio 6549, LLC ("Owner") for a purchase price of \$6,300,000, in accordance with the terms of the Option Agreement approved by the Board of Supervisors on June 15, 2021, which included a condition that the County close on or before December 30, 2021;
- b) Approve and authorize the Chair to execute the attached original and duplicate original Purchase Agreement and Escrow Instructions (the "Agreement") between the County of Santa Barbara as Buyer, and Owner as Seller, to purchase the Property;

- c) Authorize the Director of General Services, or designee, subject to concurrence from County Counsel, to execute any and all escrow documents necessary to facilitate the terms and conditions of the proposed acquisition of the Property as set forth in the Agreement;
- d) Authorize the Director of General Services, or designee, subject to concurrence from County Counsel, to complete investigation of and due diligence for the Property and either approve the condition of the Property or elect to terminate the Agreement as provided in Section 1 of the Agreement;
- e) Approve and authorize the Director of General Services, or designee, to expend funds in a total amount not to exceed the purchase price \$6,300,000, plus title and escrow fees, including staff costs, processing fees and any other costs required to facilitate the transaction pursuant to the Agreement;
- f) Approve and authorize the Clerk of the Board, upon satisfaction of the terms and conditions of the Agreement as determined by the Director of General Services, or designee, with concurrence from County Counsel, to execute a Certificate of Acceptance completing the purchase and accepting title to the Property;
- g) Find that the proposed project is exempt from the California Environmental Quality Act ("CEQA") per: CEQA Guidelines Section 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment; CEQA Guidelines Section 15269(c), finding that the actions consist of specific actions necessary to prevent or mitigate an emergency; and pursuant to CEQA Guidelines Section 15301, finding that the actions consist of the operation, repair, maintenance, permitting and minor alteration of existing public or private structures or facilities involving negligible or no expansion of existing or former use and direct staff to file a Notice of Exemption on that basis.

Summary Text:

This item is on the agenda for the approval of the proposed purchase of that real property consisting of approximately 19,600 square feet located at 6549 El Colegio Road, in the Community of Isla Vista, known as Assessor Parcel Number 075-034-005 ("Property"). The recommended actions include authority to execute the Real Property Purchase Agreement and Escrow Instructions, which will allow the County of Santa Barbara to pay the purchase price of \$6,300,000.00, plus title and escrow fees, including any other costs from currently budgeted General Service Department funds. The use of the Property is for a Housing Navigation Services and Operation of an Emergency Shelter ("Facility").

Background:

The impacts of COVID-19 have included an increase in unsheltered homelessness. There has been widespread concern for the health and safety of those experiencing homelessness, as well as concern for the environment and safety of all community members. Based on the identified need for a contracted service provider to coordinate and operate emergency shelter/temporary housing in or near the Isla Vista Community, General Services pursued a

site to meet the need for shelter beds, and Community Services pursued agencies to operate an emergency shelter.

On June 15, 2021, the Board of Supervisors approved and authorized the Chair of the Board of Supervisors to execute a Lease for the Property for up to two years with El Colegio 6549, LLC, to facilitate establishment of an emergency shelter. The Board also approved an Option Agreement that provided the County an option to purchase the property for a price of \$6,300,000. The option must be exercised by November 15, 2021. If the County exercises the option (which involves giving written notice of intent to exercise the option), the attached Real Property Purchase Agreement and Instructions will govern the transaction and will require closing by December 30, 2021. Following execution of the agreement, the transaction will close unless the County elects to terminate during a 30-day due diligence period. Prior to execution of the Lease an assessment of the interior and exterior of the building and its improvements was completed by the County including a review of a Preliminary Title Report to review any encumbrances and exceptions on the property interest. The assessment of the build required ADA and life safety improvements that were required and completed prior to occupying the building. Additionally, upon review for environmental and title encumbrances or issues none were found. The recommended actions include delegations of authority to complete the transaction or terminate based on the due diligence.

Additionally, on June 15, 2021, the Board of Supervisors approved and authorized the Chair of the Board of Supervisors, to execute a license agreement with Good Samaritan setting forth the responsibilities of each party for operating the Facility on the property and a subrecipient agreement with Good Samaritan to provide essential services and operation of an Emergency Shelter on the Property, beginning July 1, 2021 through May 31, 2022 with an option to renew an additional year.

Discussion:

Pursuant to the aforementioned approved lease with El Colegio 6549, LLC., Agreements between the County of Santa Barbara and Good Samaritan and with the Facility successfully in operation, it is requested that the Board of Supervisors proceed to consider and authorize the Chair of the Board of Supervisors, to exercise the Option approved by the Board of Supervisors on June 15, 2021.

Exercising the Option pursuant to the Option Agreement, (Attachment 1), also entails executing the attached Purchase Agreement and Escrow Instructions (Attachment 2) between the County of Santa Barbara (COUNTY), as Buyer, and El Colegio 6549, LLC (OWNER), as Seller, to purchase the Property. The subject property proposed for purchase is located at 6549 El Colegio Road, in the community of Isla Vista, an unincorporated area of the County of Santa Barbara, (Assessor Parcel Number 075-034-005), totaling approximately 19,600 square feet. The property includes a 2-story building occupying approximately 11,489 square foot, as well as, a parking lot to the rear of the building. The building, a 19-bedroom, 6-bath, residence with the capacity to house 60 persons, will continue to be used as a residential structure. In accordance with Government Code Section 65402(a), the request was sent to the Planning Commission on September 1, 2021, for the determination that the proposed fee acquisition of the Property is consistent with County's General Plan. The Planning Commission deemed the proposed acquisition is in conformity with its General Plan and

Government Code Section 65402(a), and that future residential use of the Property would be consistent with the land use designation.

The proposed acquisition of the existing structure would serve as an Emergency Shelter in Isla Vista, providing wrap-around services for homeless individuals and families seven days per week. The acquisition addresses the concern for the health and safety of those experiencing homelessness, as well as concern for the environment and safety of community members and visitors.

If the County does not purchase the property, the emergency shelter program in Isla Vista can operate on the property through May 31, 2023. Good Samaritan has estimated that approximately 35% of the persons served by the program will be successfully navigated towards either a transitional housing opportunity, Rapid Re-Housing, or permanent supportive housing. In order to maximize the success of clients’ transition to a stable housing placement, should the County not purchase the property, the existing program will implement a ramp down in the final 60 days of program operation, to incrementally reduce the number of emergency sheltered program participants through attrition, thereby ensuring program participants are assisted with services and housing. Good Samaritan’s obligations to the County shall not end until all close-out requirements are completed, including, but not limited to: receipt of final payments from the County under this agreement, disposing of program assets (including the return of all unused materials, equipment, and accounts receivable to the County), and determining the custodianship of records. If the County does purchase the property, ongoing operation costs are estimated to be \$1,229,400 on an annual basis.

Fiscal and Facilities Impacts:

Fiscal Impact

The funds to purchase the Property, in the amount of \$6.3M, are budgeted within the General Services Department General Fund Budget as a Transfer In of ARPA funding. An additional \$700K is budgeted in the Capital Outlay Fund, as a Transfer In of ARPA funding, to be used for title and escrow fees, including staff costs, processing fees and any other costs required to facilitate the acquisition and any needed renovations to the building, once purchased.

Facilities Impact

The operations and maintenance of the Property is the responsibility of Good Samaritan pursuant to agreements between the County and Good Samaritan.

Fiscal Analysis:

Funding Sources:	Current FY Cost:	Annualized On-going Cost:	Total One-Time Project Cost:
State - ESG-CV- Shelter Operations	\$ 672,800		\$ 672,800
State - HHAP Round 1 - Operations/Lease	\$ 891,350		\$ 891,350
Federal - ARPA - Purchase	\$ 6,300,000	\$ -	\$ 6,300,000
Federal - ARPA – Renovation and Other Acquisition Fees & Costs	\$ 700,000	\$ -	\$ 700,000
Total	\$ 8,564,150	\$ -	\$ 8,564,150

Narrative: ESG-CV, subject to State budget amendment approval, funds will be used to mitigate the impact of COVID-19 for people experiencing homelessness through essential services and shelter operations, covering the cost of operations as outlined in the sub-recipient agreement, up to \$672,800. HHAP Round I funds will be used to support services and operations (\$556,600) as well as job order contracts (up to \$100,000), and projected lease payment and deposit (\$234,750) as a navigation center model, totaling up to \$891,350. Federal American Rescue Plan Act (ARPA) funds will be used for property acquisition and renovation, unless other funding is made available prior to the acquisition.

Staffing Impacts:

None.

Special Instructions:

After Board action, distribute as follows:

1. Duplicate Original Purchase Agreement and Escrow Instructions Agreement.
Copy Certificate of Acceptance. Clerk of the Board Files
2. Original Purchase Agreement and Escrow Instructions Agreement,
Original Certificate of Acceptance and Minute Order Real Property, Attn: James Cleary
3. Copies of documents and Minute Order Community Services,
Attn: Dinah Lockhart
Auditor Controller,
Attn: Betsy Schaffer

Attachments:

1. Purchase Agreement and Escrow Instructions
2. Certificate of Acceptance
3. CEQA Notice of Exemption

Authored By:

James Cleary, General Services.