

MOTION BY SUPERVISOR HILDA L. SOLIS

May 4, 2021

**New Medical Clinic to Advance Equitable Healthcare Access in the Rampart/Westlake Community of Los Angeles**

The Rampart/Westlake neighborhood is the City of Los Angeles’ most densely populated community, with a diverse community and an increasing immigrant population. Unfortunately, its residents have long faced many challenges due to poor health outcomes and poverty. In fact, the rate of those living below the federal poverty line is more than double that of others in Los Angeles County, with 36% of Westlake residents below the poverty line compared to 17% Countywide.

The Rampart/Westlake area is also medically underserved that has been devastated by the COVID-19 pandemic. This densely populated, predominantly Latinx neighborhood has a large population of essential employees working in fields including health care, food service, and public transportation, - positions where workers did not have the option to stay home when COVID-19 was surging. At the pandemic’s peak, Westlake earned the grim distinction of having the highest COVID-19 death rate of any community in the city. This was exacerbated by the fact that many residents live in

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densely populated mixed-status households where the COVID-19 virus spreads easily. Due to the longstanding need coupled with the effects of the pandemic, the Department of Health Services (DHS) recently designated Rampart/Westlake as one of the highest needs/lowest primary care access areas in the County. It has a high density and number of Medi-Cal enrollees, out-of-network Emergency Department (ED) visits, and hospitalization rates. It also has a high rate of health plan-enrollee turnover, indicating instability for meeting basic needs. And due to a lack of access, with the closest DHS primary care facility over five miles away, Rampart/Westlake residents also have low levels of primary care engagement.

As a result of this urgent need, along with the County Board of Supervisors' directives to address health disparities in this particular area of the County<sup>1</sup>, DHS plans to lease medical space to house up to four primary care medical home (PCMH) teams, accommodating up to 23 healthcare worker positions. The new Westlake Health Center (WHC) will serve as a Primary Care Medical Home (PCMH) where patient treatment will be coordinated by a team of primary care providers, nurses, and care managers. Mental health and substance use disorder counselors, social workers, health educators and community health navigators will also be available to meet patient needs, and the PCMH care team will connect patients to specialty care at DHS as needed.

Establishing a PCMH model in Rampart/Westlake will ensure that its underserved residents will receive quality and accessible healthcare when and where

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<sup>1</sup> Ensuring the Safety and Well-Being of Workers at Industrial Facilities, May 26, 2020, <http://file.lacounty.gov/SDSInter/bos/supdocs/146097.pdf#search=%22vernon%22>; Extending Further Support for the COVID-19 Outbreak in the City of Vernon, June 23, 2020, <http://file.lacounty.gov/SDSInter/bos/supdocs/146651.pdf#search=%22vernon%22>

they need it, now and after the pandemic has ended.

The County Chief Executive Office (CEO) has identified medical space within the Rampart/Westlake community of the First Supervisorial District at 2200 West 3rd Street, Los Angeles. The proposed medical space was previously built as a primary care clinic, including exam rooms with sinks, medical imaging, a nurses' station, separate staff and public restrooms, and a reception area with a waiting room, thereby requiring minimal tenant improvements (TIs) and allowing DHS to quickly occupy the space. The proposed location is centrally located within the service area and includes adequate parking and access to public transportation. The CEO is currently negotiating a lease of up to an initial nine-year term, which will begin 30 days after substantial completion of any TIs, and the County's acceptance of the premises.

Due to the exigent need for this space, the County Board of Supervisors must leverage its authority directing CEO to complete negotiations and execute, within the below-specified parameters, a proposed lease for DHS for the use of a medical clinic based on the following terms and conditions:

- The proposed lease will have an initial term not to exceed nine years with up to two options to renew for up to five years per option.
- The proposed lease use will be for medical office space and will include up to 32 parking spaces which can be decreased or increased as needed and subject to availability.
- The proposed lease will have an initial base rental rate, including parking, not to exceed \$330,350 for Year 1. The base rent will be subject to annual Consumer Price Index increases, with a minimum of 2 percent and no greater than 4

percent. The parking rent is fixed for the initial term. The option terms shall be negotiated at fair market value rents that are applicable at that time.

- The lease provides a non-reimbursable base allowance of \$177,030 for TIs, which will be included as part of the base rental rate. The lease provides an additional TI allowance, to be reimbursed to the landlord in a lump sum payment not to exceed \$472,080, or \$575,000 if amortized over five years at a TI amortization rate not to exceed 8 percent interest per annum, with interest accruing as of the lease commencement date.
- The telephone, data costs, and low voltage costs are not to exceed a lump sum amount of \$483,368 or \$538,000 if amortized over five-years at 6 percent interest per annum.
- DHS has sufficient funding to cover the lease cost and the not to exceed TI costs and low voltage/telecommunications costs at the premises, as well as the staffing and operating costs to run the health center. DHS will submit through the annual budget request process an expenditure appropriation increase to formalize the request.

Creating this clinic serves to both recognize and reduce the longstanding inequities faced by the residents of Rampart/Westlake. It is for this reason we urgently seek to lease new medical space for a primary care medical home clinic in the Rampart/Westlake community.

**I, THEREFORE, MOVE** that the Board of Supervisors:

1. Find that the proposed lease is exempt from the California Environmental Quality

Act (CEQA), for the reasons stated in this Board Motion and in the record of the project.

2. Authorize the Chief Executive Officer, or her designee, to negotiate and execute a lease with Patrick Soon-Shiong IC, LLC (Landlord), for up to 5,901 square feet of medical office space and up to 32 parking spaces located at 2200 West 3rd Street, Los Angeles, CA 90057 to be occupied by the Los Angeles County Department of Health Services (DHS). The estimated total lease cost will not exceed \$4,625,000 over the initial nine-year term including low voltage costs to be paid by DHS directly to the Internal Services Department (ISD). This proposes a lease for a term of more than ten years if the two five-year options are exercised on top of the initial nine-year term.
3. Authorize the Chief Executive Officer, or her designee, to reimburse the Landlord up to \$472,080 for the County's TI contribution, if paid in lump sum or \$575,000 if amortized over five years at rate not to exceed 8 percent interest per annum.
4. Authorize the Director of DHS to contract with and direct ISD, in coordination with the Chief Executive Officer, or her designee, to contract with the Landlord for the acquisition and installation of telephone, data, and low-voltage systems and vendor installation (Low Voltage Items) at a total cost not to exceed \$483,368 if paid in a lump sum or \$538,000 if amortized over five years at 6 percent interest per annum. The cost for the Low Voltage Items is in addition to the rental costs and County's TI contribution payable to the Landlord.
5. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed

lease, and to take actions necessary and appropriate to implement the terms of the proposed lease, including, without limitation, exercising early termination rights and/or any options to extend.

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