

ADOPTED

BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

25 January 24, 2023

BOARD OF BOARD OF SUPERVISORS

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January 24, 2023

The Honorable Board of Supervisors County of Los Angeles 383 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, CA 90012

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Dear Supervisors:

ADOPT RESOLUTIONS FOR THE RELEASE OF THE REQUEST FOR PROPOSALS FOR THE POTENTIAL DEVELOPMENT OF THE GENERAL HOSPITAL REUSE/WEST CAMPUS AND DECLARING THE POTENTIAL SITE EXEMPT SURPLUS LAND UNDER SURPLUS LAND ACT

(SUPERVISORIAL DISTRICT 1)
(3 VOTES)

SUBJECT

The Department of Economic Opportunity (DEO) is seeking Board approval to authorize the release of the Request for Proposals (RFP) for the potential development of the General Hospital Reuse/West Campus located on County-owned land within the City of Los Angeles located at 1200 North State Street, Los Angeles CA 90033 (Site) and to declare the potential Site exempt surplus land under Surplus Land Act (SLA).

IT IS RECOMMENDED THAT THE BOARD:

- Find the proposed recommendations categorically exempt from the California Environmental Quality Act for the reasons stated in this Board letter and the record of the proposed project.
- 2. Adopt the attached Resolution and Notice of Intention to Solicit Proposals for a Mixed-Use Affordable Housing Development at the Site of the County General Hospital and West Campus.

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> Adopt the attached Resolution Declaring Certain Property Exempt Surplus Land and Finding That Such Declaration Is Exempt from Environmental Review Under the California Environmental Quality Act.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the RFP is to solicit developers' proposals for developing the historic General Hospital and portions of the West Campus area of the LAC+USC Medical Center Campus in the City of Los Angeles. The County is seeking proposals for the proposed Site that should include affordable and market rate housing, commercial spaces, office and economic opportunity spaces, community-oriented space, open space, adequate parking, and other infrastructure.

Proposed development of the Site would serve the objectives of supporting the most vulnerable populations and addressing critical community needs such as a mission-aligned reuse of the historic General Hospital building; revitalization and maximization of the entirety of the area comprising the Site; providing low-income and high-need population affordable housing, and wrap-around community services informed by the Whole Person Care concept.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support Strategy I.1.5, Increase Affordable Housing Throughout L.A. County; Strategy II.1, Drive Economic and Workforce Development in the County; Strategy II.1.2, Support Small Businesses and Social Enterprises; and Strategy III.3.2, Manage and Maximize County Assets. In this case, the County is supporting these goals by proposing a project that provides affordable housing, uses a local and targeted workforce to construct the project, and develops County assets in a manner that provides significant local revitalization.

FISCAL IMPACT/FINANCING

Adoption of this Board Letter does not have additional fiscal impact, as the budget for drafting and managing the RFP has already been established.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS/NEXT STEPS

In November 2018, the Board unanimously passed a motion directing the Chief Executive Office (CEO) to draft the General Hospital Feasibility Study (Feasibility Study) for the adaptive reuse of General Hospital on the Los Angeles County's (County) LAC+USC Medical Center Campus. Following the 1994 Northridge Earthquake, the hospital's structure was damaged and then fell out of compliance with newly issued earthquake and fire safety compliance regulations. Most of General Hospital remains vacant, but the lower floors were recently remodeled and are being used for office space and The Wellness Center, the latter of which works in tandem with

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LAC+USC Medical Center Campus providers to deliver wraparound services and community spaces for patients and local community members. In April 2022, CEO provided to the Board the Feasibility Study, which explores ways to restore and reuse the General Hospital facility in a manner that aligns with the community's priorities and is consistent with the LAC+USC Medical Center Foundation's mission to serve the County's most vulnerable residents. The Feasibility Study reuse framework includes affordable housing, expanding wraparound Wellness Center services, and utilizing a private developer, Public Private Partnership (P3) development model for a comprehensive development strategy.

The County's goal for the Site is a mixed-use project comprised of affordable and market rate housing, commercial spaces, office and economic opportunity spaces, community-oriented space, open space, adequate parking, and other infrastructure. This follows Supervisor Hilda Solis's vision for a "Healthy Village"; the "Healthy Village" centered on the County's flagship LAC + USC Medical Center. This vision aims to target support for the most vulnerable populations and address critical community needs such as a mission-aligned reuse of the historic General Hospital building; revitalization and maximization of the entirety of the area comprising the Site; provide low-income and high-need population affordable housing; and wrap-around community services informed by the Whole Person Care concept.

On February 8, 2022, the Board passed an additional motion allocating funding to prepare an RFP for the potential development of the General Hospital and West Campus Sites. The Department of Economic Opportunity (DEO), in consultation with the CEO, and its consultant, AECOM, drafted the RFP, which is intended to solicit proposals for a master developer to provide design, construction, financing, operation, and maintenance of a mixed-use project(s) on the Site.

Adoption of the recommendations in this board letter will authorize the issuance of the RFP for potential development of the Site.

The Board is also declaring that the Site is exempt from the Surplus Land Act, Government Code section 54200, et seq, in accordance with Government Code section 54221(f)(1)(F)(ii) because the County is inviting entities to participate in a competitive bid process for a mixed-use development that is more than one (1) acre in area, that includes not less than 300 housing units, and that restricts at least 25 percent of the residential units to lower-income households, as defined in Health and Safety Code Section 50079.5 as affordable housing.

ENVIRONMENTAL DOCUMENTATION

The recommended actions are not considered a project under CEQA because they are excluded from CEQA's definition of a project. The activities are administrative activities of government and an RFP process, which will not result in physical changes to the environment or reasonably foreseeable indirect changes to the environment pursuant to Section 15378(b)(4) and (5) of the State CEQA Guidelines. By authorizing the recommended actions, the County is

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not approving or committing to the development of any project under CEQA. The County, as lead agency, may modify or decide not to proceed with any project for any reason. Nothing precludes the County from rejecting any proposed project or from weighing the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to grant approval. No activity that would constitute a project under CEQA will be commenced unless the Board takes further action to consider appropriate environmental documentation and make appropriate findings pursuant to CEQA in connection with approval of a project. Upon the Board's approval of the proposed project, DEO will file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with Section 15062 of the CEQA Guidelines.

CONTRACTING PROCESS

After completing the RFP process and reviewing all development proposals received, DEO, or a designee, will return to the Board with a recommendation to execute an Exclusive Negotiating Agreement (ENA) with the selected developer, a proposed project description, and consideration of appropriate CEQA findings.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no additional impact on current County services or projects during the performance of the recommended actions.

CONCLUSION

Should you have any questions, you may contact me directly, or your staff may contact Daniel Kelleher, Assistant Director, at (213) 315-9727 or dkelleher@opportunity.lacounty.gov.

Respectfully submitted,

Kelly Birmo KELLY LOBIANCO

Director

KL:DK:ag

Attachments

c: Chief Executive Office Executive Office, Board of Supervisors County Counsel

RESOLUTION NO. xx

RESOLUTION AND NOTICE OF INTENTION TO SOLICIT PROPOSALS FOR A MIXED-USE AFFORDABLE HOUSING DEVELOPMENT AT THE SITE OF THE FORMER COUNTY GENERAL HOSPITAL AND WEST CAMPUS, LOS ANGELES, CALIFORNIA

WHEREAS, pursuant to Government Code section 25515, the Legislature has found that counties are faced with critical revenue shortages and a need for additional revenue sources to provide basic and essential public services, and that counties own property which, if permitted to be developed by a development team would provide a means to produce additional revenue sources for the benefit of counties owning such property, and aid the economic well-being of the State generally, and, further, that due to reductions in personnel or programs counties own or lease properties which are totally or partially vacant but which could be used by compatible private persons, firms or corporations through lease arrangements would generate revenue and that, therefore, the Legislature has found that the provisions for residential, commercial, industrial, and cultural development of public property owned by counties constitutes a valid public purpose;

WHEREAS, the County of Los Angeles ("County") is the owner in fee simple of that certain real property, located at located at 1200 North State Street, Los Angeles Calif. 90033 (AIN #: 5201-001-901), which includes the former LAC+USC General Hospital Building and a portion of the West Campus ("Site"), and desires to solicit proposals for a mixed-use affordable housing development from developers interested in developing the Site;

WHEREAS, on November 18, 2018, the County's Board of Supervisors ("Board") directed the Chief Executive Officer ("CEO") to issue a General Hospital Feasibility Study ("GHFS") for the adaptive reuse of the Site;

WHEREAS, the Board has found that the public interest and welfare will be served by the solicitation of proposals for the Site;

WHEREAS, the County desires to allow developers that are determined to have the appropriate qualifications to respond to the Request for Proposals ("RFP"), with proposals responsive to the RFP to be received at the location identified below; and

WHEREAS, proposals responsive to the RFP, if received, will be evaluated by the County for possible recommendation to the Board to enter into exclusive negotiations with a proposed developer.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Los Angeles hereby finds, determines, resolves and orders as follows:

Section 1. It is the intention of the County of Los Angeles ("County") Board of Supervisors ("Board") to consider proposals for the potential mixed-use development of County-owned property located at 1200 North State Street, Los Angeles Calif. 90033 (AIN #: 5201-001-901),

which includes the former LAC+USC General Hospital Building and a portion of the West Campus ("Site").

- **Section 2.** By separate resolution, the Board has declared that the Site is exempt surplus land pursuant to Government Code section 54221(f)(1)(F)(ii).
- **Section 3.** An RFP has been prepared by the County in compliance with Government Code section 54221(f)(1)(F)(ii) for the solicitation of responses from interested and qualified developers for the proposed development of a mixed-use affordable housing development at the Site based upon the criteria set forth in the RFP.
- **Section 4.** The Board shall receive responses to the RFP at its meeting of June 6, 2023. All proposals must be submitted to the Department of Economic Opportunity ("DEO") by no later than June 2, 2023 to be received by the Board on June 6, 2023.
- **Section 5.** The Director of the DEO, or her designee, is authorized to issue the RFP for the proposed development.
- **Section 6.** The RFP documents will be available online at opportunity.lacounty.gov, and a notice of availability of the RFP with an invitation to all entities identified in Government Code section 54222(a), by electronic mail or by certified mail, for a mixed-use development that is more than one acre in area, that includes not less than 300 housing units, restricting at least 25 percent of such units to lower income households, as defined in section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in sections 50052.5 and 50053 of the Health and Safety Code, for a minimum of 55 years for rental housing and 45 years for ownership housing.
- **Section 7.** Authority to enter into exclusive negotiations with a proposer or proposers may be made at any meeting of the Board upon recommendation of the DEO, after receipt of said proposals.
- **Section 8.** No oral responses to the RFP or oral proposals in response to the RFP will be considered by the County.
- Section 9. The County reserves the unqualified right, in its sole and absolute discretion at any time: (1) to amend or withdraw the RFP or to withdraw at any time from this process with no recourse for any proposer; (2) to choose or reject any or all proposals received in response to the RFP in its sole and subjective discretion; (3) to modify the response deadlines; (4) to conduct further due diligence with one or more proposers or any third party; (5) to modify County's objectives or the scope of the proposed project; (6) to issue subsequent RFPs for the same property, or variations or components thereof; (7) to disqualify any developer on the basis of any real or perceived conflict of interest that is disclosed or revealed by responses submitted or by any data available to County; (8) to proceed with that proposal modified proposal, if any, which in its judgment will, under the circumstances, best serve County's objectives; (9) to waive minor deficiencies, informalities and/or irregularities in the proposals or compliance by proposers with requirements for submission of proposals; and/or (10) to determine not to proceed with the

proposed development, either on the basis of an evaluation of the factors listed in the RFP, including the County's full exercise of its governmental powers in its review of and/determinations concerning any required entitlements, and the full exercise of its discretion with respect to its compliance with the California Environmental Quality Act prior to its approval of the proposed development, or for another reason, or for no reason, including but not limited to the convenience of the County. Notwithstanding a recommendation of a department, agency, individual, or other, the Board retains the right to exercise its judgment concerning the selection of a proposal and the terms of any resultant agreement, and to determine which proposal best serves the interests of the County. The Board is the ultimate decision-making body that makes the final determination necessary to arrive at a decision to award, or not award, a lease or other agreement.

The foregoing Resolution of the County of Los Angeles was adopted on the 24th day of January 2023, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



Board of Supervisors of the County of Los Angeles

By_____

Chair

APPROVED AS TO FORM:

DAWYN R. HARRISON Interim County Counsel

By: Benuty Justianian

ATTEST: CELIA ZAVALA
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

By Carla Little Deputy

RESOLUTION NO. xx

A RESOLUTION OF THE COUNTY OF LOS ANGELES DECLARING CERTAIN PROPERTY EXEMPT SURPLUS LAND AND FINDING THAT SUCH DECLARATION IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the County of Los Angeles ("County") is the owner in fee simple of that certain real property, located at 1200 N. State Street, Los Angeles, CA 90033, AIN #: 5201-001-901 ("Property");

WHEREAS, on November 18, 2018, the County's Board of Supervisors ("Board") directed the Chief Executive officer ("CEO") to issue a General Hospital Feasibility Study ("GHFS") for the adaptive reuse of the LAC+USC General Hospital Building and portion of the West Campus ("Project Site") contained on the Property;

WHEREAS, pursuant to the Surplus Land Act, Government Code section 54220, et seq. ("Act"), "surplus land" is land owned in fee simple by any local agency for which the local agency's governing body takes formal action in a regular public meeting declaring that the land is either surplus land or exempt surplus land and is not necessary for the agency's use;

WHEREAS, pursuant to the Act, land shall be declared either "surplus land" or "exempt surplus land," as supported by written findings, before a local agency may take any action to dispose of it consistent with an agency's policies or procedures;

WHEREAS, the Board's priorities for the potential development of the Property is to advance the County's overall mission to address their current housing crisis needs and need for homeless, low income, and high-need population residential options and that this Property could contribute significantly to addressing that need by providing a number of residential units and related services for future residents and the broader County community;

WHEREAS, the Board hereby declares, pursuant to Government Code section 54221(b) and 54221(f)(1)(F)(ii), that the Property is exempt surplus land as the County will put the Property out to an open, competitive bid by issuing its Request for Proposals with an invitation to all entities identified in Government Code section 54222(a), for a mixed-use development that is more than one acre in area, that includes not less than 300 housing units, restricting at least 25 percent of such units to lower income households, as defined in section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in sections 50052.5 and 50053 of the Health and Safety Code, for a minimum of 55 years for rental housing and 45 years for ownership housing;

WHEREAS, the Board's declaration is contingent upon the potential development of the Property in accordance with Government Code section 54221(f)(1)(F)(ii); and

WHEREAS, pursuant to Government Code section 54222.3, the Act is inapplicable to the disposal of exempt surplus land by a local agency.

- **NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of the County of Los Angeles hereby finds, determines, resolves and orders as follows:
- **Section 1.** The above recitals are true and correct and are incorporated herein.
- **Section 2.** The Board hereby declares that the Property is exempt surplus land pursuant to Government Code section 54221(f)(1)(F)(ii).
- **Section 3.** The Director of Department of Economic Opportunity ("DEO"), or designee, is hereby directed to send a notice of availability to the entities designated in Government Code section 54222(a) ("designated entities") by electronic mail or by certified mail and to submit a copy of this Resolution to the California Department of Housing and Community Development in accordance with the Surplus Land Act Guidelines.
- Section 4. This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines. It has been determined that the adoption of this Resolution will not have a significant environmental impact and is exempt from CEQA pursuant to State CEQA Guidelines section 15060(c)(3) because it is not a "project" as defined by CEQA Guidelines section 15378(b)(5), as it involves organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment. Further, adoption of this Resolution is exempt from CEQA pursuant to State CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that the actions will not have a significant adverse impact on the environment, as no development is authorized by this Resolution, and any future disposition will require separate environmental analysis if and when the details of such disposition are known.
- **Section 5.** The Director of DEO, or designee, is hereby authorized, to do all things which may be deemed necessary or proper to effectuate the purposes of this Resolution, and any such actions previously taken are hereby ratified and confirmed.
- **Section 6.** This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution of the County of Los Angeles declaring certain property exempt surplus land and finding that such declaration is exempt from environmental review under the California Environmental Quality Act was adopted on the 24th day of January 2023, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



Board of Supervisors of the County of Los Angeles

y_____

Chair

APPROVED AS TO FORM:

DAWYN R. HARRISON Interim County Counsel

Deputy

ATTEST: CELIA ZAVALA
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

By Carla Little Deput