

MOTION BY SUPERVISORS KATHRYN BARGER AND  
LINDSEY P. HORVATH

December 19, 2023

**Real Property Agreement for the Temporary Relocation of the North Hollywood  
Public Health Center Staff During Construction of the New North Hollywood  
Health Center**

On February 15, 2022, the Board approved a Motion by Supervisors Kathryn Barger and Sheila Kuehl to establish the North Hollywood Health Center (NHHC), previously known as the North Hollywood Integrated Care Center, Capital Project Nos. 69988 and 69989, collectively known as "Project", and approved the appropriation adjustment to reallocate \$75,000 from the Los Angeles County (County) Department of Health Services (DHS) Enterprise Fund-Committed for DHS to the proposed Project, Capital Project No. 69988; and transfer \$75,000 from Various 5th District Improvement project, CP 77047 to the proposed NHHC, Capital Project No. 69989. The combined authorized transfer of \$150,000 will fund the required work needed to complete the design-build solicitation (D-B) and make-ready design for the Project. Further, the Board directed the County Chief Executive Office (CEO) to explore funding opportunities to complete the Project and return to the Board to seek approval to award a D-B contract.

On August 8, 2023, the Board approved a Motion by Supervisors Kathryn Barger and Lindsey P. Horvath, which amongst other things approved an appropriation adjustment for the Project that reflects an increase of \$92,975,000 in appropriation to the Project, Capital Project No. 69989, to fully fund the Project, which will be fully offset by the recognition of \$89,300,000 of the American Rescue Plan Act Coronavirus Local Fiscal Recovery Funds for the Project via the American Rescue Plan Act's revenue loss provisions, and the transfer of \$3,675,000 from Capital Project No. 87426 Various Public Health Center Project, and delegated authority to the Director of County Department of Public Works, or his designee, to award and execute a D-B contract for the design and construction of the new NHHC Project for a contract sum not-to-exceed \$73,000,214 and a design completion allowance not to exceed \$1,900,000 for a maximum contract sum not-to-exceed \$74,900,214. Further, the Board authorize the Director of Public Works or his designee to deliver the make-ready work for the NHHC Project using Board-approved Job Order Contracts.

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MOTION

SOLIS	_____
MITCHELL	_____
HAHN	_____
BARGER	_____
HORVATH	_____

To meet the above directives, the CEO and the County Departments of Health Services (DHS), Public Health (DPH), Mental Health (DMH), and Public Works have worked to finalize the scope of the Project and identify American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Funds to cover Project costs and complete a D-B solicitation for the Project. In parallel, DPH has been working with the CEO Real Estate Division (RED) and Public Works to identify possible sites to temporarily relocate DPH clinical staff currently located at DPH's North Hollywood Public Health Center during construction of the Project.

To minimize the impact to DPH's patients who utilize services at the existing NHHC, the County proposes to enter into a real property agreement for a temporary premises at a yet to be determined nearby location. The terms of a proposed agreement will be as follows:

- A specified term not to exceed 36 months, which is the anticipated duration of the demolition and construction period of the Project.
- Rent will be within the market range with total cost, plus any tenant improvements, not to exceed \$2,622,000.
- The County may have rights to terminate the real property agreement early.
- The County may insert rights to extend the term of the agreement via option(s), which total agreement term would not exceed 36 months.

### **Fiscal Impact/Financing**

Funding in the amount of \$2,622,000 was previously identified for a temporary premises lease agreement in the August 8, 2023 Board motion, Award A Design-Build Contract for the North Hollywood Health Center. Appropriate funding will be added to DPH's operating budget upon finalization of the lease agreement and costs.

The construction of this Project is estimated to take 36 months, starting approximately the 1<sup>st</sup> Quarter of 2024 with a projected completion date of approximately August 2026. This Project will be predominately funded by the ARPA Coronavirus Local Fiscal Recovery Fund (\$89,300,000), under the Capital Programs – Public Health Center Project, which need to be fully spent by December 31, 2026. The typical timeline for RED to negotiate, execute, and/or amend an agreement is approximately nine months and does not include the time to present the item to the Board for approval. However, to minimize any impact to the Project schedule and prevent the loss of ARPA funding, RED must expedite the execution of any applicable agreement.

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**WE, THEREFORE, MOVE** that the Board of Supervisors direct the following:

1. Find that entering into an agreement for temporary premises to be used by North Hollywood Health Center (NHHC) and approving the recommended actions are categorically exempt from the California Environmental Quality Act (CEQA). The securing of temporary premises for NHHC use will involve the leasing of existing space with minor tenant improvements within an existing building, with no expansion of the existing building, and will be within a class of projects that have been determined not to have a significant effect on the environment and meets the criteria set forth in section 15301 of the State CEQA Guidelines (Guidelines) and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. Upon your Board's approval of the recommended actions, the Chief Executive Officer, or her designee, will file a Notice of Exemption with the County Clerk in accordance with Section 21152 of the California Public Resources Code;
2. Find that entering into an agreement for temporary premises to be used by NHHC is authorized by Government Code section 25351, which allows the County to enter into leases and agreements for the leasing of buildings are necessary to carry out the work of the county government;
3. Authorize the Chief Executive Officer, or her designee, to expeditiously locate, negotiate, execute, and/or amend a real property agreement, which may include any passthrough costs such as operating, maintenance, utilities, and security, approved as to form by County Counsel, for real property to temporarily house NHHC staff during the construction of the new NHHC Project. The estimated total real estate agreement cost will not exceed \$2,622,000 over the 36-month term; and
4. Delegate and authorize the Chief Executive Officer, or her designee, to expeditiously execute any other ancillary documentation, approved as to form by County Counsel, and to take all further actions necessary and appropriate to implement the terms and conditions of the real estate agreement, including, without limitation, exercising any early termination rights and/or options to extend, but in no event will any proposed term exceed the construction duration of the Project.

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