

MOTION BY SUPERVISOR JANICE HAHN

**Bond BHCIP Round 1 – Revised Cost**

As a result of the January 22, 2019, Board motion entitled, “Addressing the Shortage of Mental Health Hospital Beds,” the Health Departments led the formation of the Behavioral Health Continuum Infrastructure Program (BHCIP) Steering Committee and Workgroup to implement a County- and system-wide strategy to pursue and leverage all the California Department of Health Care Services (DHCS) BHCIP State grant funding rounds. To date, DHCS has completed Rounds one through five.

Passed in March 2024, Proposition 1 is a two-bill package including the Behavioral Health Services Act (BHSA) (Senate Bill 326) and the Behavioral Health Infrastructure Bond Act of 2024 (BHIBA) (Assembly Bill 531). The BHIBA portion is a statewide \$6.38 billion general obligation bond to develop an array of behavioral health treatment, residential care settings, and supportive housing to help provide appropriate care facilities for individuals experiencing mental health and substance use disorders.

In July 2024, DHCS announced the next BHCIP rounds Behavioral Health Infrastructure Bond Act of 2024: Behavioral Health Continuum Infrastructure Program. There are two rounds identified:

- 2024 Round 1 – Launch Ready
- 2025 Round 2 – Unmet Needs

**MOTION**

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MITCHELL \_\_\_\_\_

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The Round 1 Request for Applications (RFA) was released in July 2024 and Round 2 is targeted for release in mid-2025. Round 1 aims to construct, acquire, and rehabilitate real estate assets or to invest in needed infrastructure to expand the continuum of behavioral health treatment resources to build new capacity or expand existing capacity for short-term crisis stabilization, acute and subacute care, crisis residential, community-based mental health residential, substance use disorder residential, peer respite, community and outpatient behavioral health services, and other clinically enriched longer-term treatment and rehabilitation options for persons with behavioral health disorders in the least restrictive and least costly clinically appropriate setting. BHCIP represents the largest such provision of resources for infrastructure in the State's history, and provides an unprecedented opportunity to effect meaningful, sustainable change in the behavioral health and long-term care continuums in California and the County.

### **Environmental Documentation**

On October 22, 2024, the Board approved certain actions related to the proposed LA County Care Community at Metropolitan State Hospital Project and found the project exempt from the California Environmental Quality Act (CEQA). The actions herein relate to funding for the proposed project and are not subject to CEQA because they are activities that are excluded from the definition of a project by section 21065 of the Public Resources Code and section 15278(b) of the State CEQA Guidelines. These proposed actions to pursue grant funding opportunities are an organizational or administrative activity of government which will not result in direct or indirect physical changes to the environment. If the proposed grant applications are successful in receiving conditional awards of fundings, the County would not be obligated to accept such funds or move forward with the project.

On November 6, 2024, the Los Angeles County Board of Supervisors (Board) passed the motion [“Bond BHCIP Round 1”](#) (Motion) that authorized the Department of Mental Health (DMH) to apply to Bond BHCIP Round 1 for two projects. After further consultation with the Department of Public Works, the anticipated cost of one of the projects, the proposed Los Angeles County Care Community (Care Community) on the Metro State Hospital Campus, is anticipated to be more than mentioned in the Motion. Today’s motion will adjust the cost allowing DMH to apply for a larger amount to meet the needs of the Care Community project.

**I, THEREFORE, MOVE** that the Board of Supervisors approve the following directives:

1. Find that the proposed actions are not a project under the California Environmental Quality Act (CEQA) for the reasons stated in the motion and the record of the proposed activities. Prior to committing to the use of funds for or undertaking any activity that would be a project under CEQA, DMH will ensure that environmental review and any necessary CEQA findings by the County are completed.
2. Delegate authority to the Director of DMH, Chief Deputy Director of DMH, or either of their designees, to accept BHCIP grant funds up to \$65,000,000 for the proposed Los Angeles County Care Community project, awarded to the County by DHCS, or their third-party administrator, for BHCIP Round 1 funding.
3. Delegate authority to the Director of DMH, Chief Deputy Director of DMH, or either of their designees, to negotiate and execute a Contract with DHCS, or their third-party administrator for Round 1 of BHCIP funding. The contract may include terms that deviate from County standard contractual terms (including but not limited to terms involving indemnification) in order to comply with the State's required terms and

conditions; subject to review and approval by County Counsel, and CEO Risk Management, as needed, and notification to your Board and the CEO.

4. Delegate authority to the Director of DMH, Chief Deputy Director of DMH, or either of their designees, to negotiate and execute new, and/or amend existing DMH contracts, as necessary, to support investment in the expansion of the County behavioral health and long-term care continuums. The contracts may include terms that deviate from County standard contractual terms (including but not limited to terms involving indemnification) in order to comply with the State's required terms and conditions; subject to review and approval by County Counsel, and CEO Risk Management, as needed, and notification to your Board and the CEO.
5. Delegate authority to the Director of DMH, Chief Deputy Director of DMH, or either of their designees to amend the contracts described in Directives 3 and 4. Such amendments may include but are not limited to extending the term; adding, deleting, modifying, or replacing the Statement of Work; modifying the amount of funding dedicated to specific projects or the total grant amount, rolling over unspent funds, and any other modifications required by DHCS or their third-party administrator. This authority includes the ability to terminate the Contract in compliance with the contract termination provisions. Any amendments or termination are subject to prior review and approval by County Counsel with notification to the Board and CEO.

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JH:kc/cc

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION AND NOTICE OF INTENTION TO SOLICIT PROPOSALS FOR  
TWO OF THE UNUSED BUILDINGS ON THE METROPOLITAN STATE  
HOSPITAL CAMPUS IN THE CITY OF NORWALK**

**WHEREAS**, the County of Los Angeles ("County") entered into an Exclusive Negotiating Agreement with the State of California ("State") on June 27, 2024, to identify a group of buildings at the Metropolitan State Hospital Campus in the City of Norwalk that can be renovated and transformed into a continuum of housing and treatment options for people with mental health challenges, located at 11401 Bloomfield Avenue in the City of Norwalk ("Property"), further described in Exhibit "A," attached hereto and incorporated herein by reference;

**WHEREAS**, the Board has found that the public interest and welfare will be served by the solicitation of proposals for the potential development of a permanent supportive housing project in two of the unused buildings on the Metropolitan State Hospital campus ("Campus"), located at the intersection of 1st Street and Norwalk Boulevard, in the City of Norwalk, for approximately a total of 50 units of permanent housing for unhoused individuals with a mental illness with access to mental health care;

**WHEREAS**, the Los Angeles County Development Authority ("LACDA"), acting on behalf of the County, desires to allow developers that are determined to have the appropriate qualifications to respond to the Request for Proposals ("RFP") and any references to the County shall also refer to the LACDA, acting as its agent; and

**WHEREAS**, proposals responsive to the RFP, if received, will be evaluated by the County for possible recommendation to the Board of Supervisors 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 to consider proposals for the potential development of permanent supportive housing project in two of the unused buildings on the Metropolitan State Hospital campus ("Campus"), located at the intersection of 1<sup>st</sup> Street and Norwalk Boulevard, in the City of Norwalk, for approximately a total of 50 units of permanent housing for unhoused individuals with a mental illness with access to mental health care ("Proposed Project").

**Section 2.** By separate resolution, the Board has declared that the Proposed Project on the Property is exempt surplus land pursuant to Government Code section 54221(f)(1)(A).

**Section 3.** An RFP has been prepared by the County for the solicitation of responses from interested and qualified developers for the proposed development of a permanent supportive housing project on the Campus based upon the criteria set forth in the RFP.

**Section 4.** The Executive Director of the LACDA, or designee, is authorized to issue the RFP for the Proposed Project.

**Section 5.** Authority to enter into exclusive negotiations with a proposer or proposers may be made at any subsequent meeting of the Board of Supervisors ("Board") upon recommendation of the County after receipt of said proposals.

**Section 6.** No oral responses to the RFP or oral proposals in response to the RFP will be considered by the County.

**Section 7.** 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.

PASSED AND ADOPTED by the Board of Supervisors of the County of Los Angeles, State of California, this \_\_\_\_\_ day of \_\_\_\_\_, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By \_\_\_\_\_  
Chair of the Board of Supervisors

ATTEST:  
EDWARD YEN,  
Executive Officer  
of the Board of Supervisors

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
DAWYN R. HARRISON,  
County Counsel

By: Behnaz Jushakovan

**RESOLUTION NO. \_\_\_\_\_**

**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") entered into an Exclusive Negotiating Agreement with the State of California ("State") on June 27, 2024, to identify a group of buildings at the Metropolitan State Hospital Campus in the City of Norwalk that can be renovated and transformed into a continuum of housing and treatment options for people with mental health challenges, located at 11401 Bloomfield Avenue in the City of Norwalk ("Property"), further described in Exhibit "A," attached hereto and incorporated herein by reference;

**WHEREAS**, the Board has found that the public interest and welfare will be served by the solicitation of proposals for the potential development of a permanent supportive housing project in two of the unused buildings on the Metropolitan State Hospital campus ("Campus"), located at the intersection of 1st Street and Norwalk Boulevard, in the City of Norwalk;

**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 County's Board of Supervisors' ("Board") priorities for the potential development of the Property is to advance the Board's urgent need for additional facilities and housing solutions to support individuals facing mental health challenges;

**WHEREAS**, the Board hereby declares, pursuant to Government Code section 54221(f)(1)(A), 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, for the potential development of a permanent supportive housing project to provide housing affordable to persons and families of low or moderate income, as defined by Section 50093 of the Health Safety Code or as defined by the United States Department of Housing and Urban Development or its successors, and that this use is in the County's best interests;

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

**Section 3.** 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 4.** The Executive Director of LACDA, or designee, on behalf of the County, 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 5.** This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Los Angeles, State of California, this \_\_\_\_\_ day of \_\_\_\_\_, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By \_\_\_\_\_  
Chair of the Board of Supervisors

ATTEST:  
EDWARD YEN,  
Executive Officer  
of the Board of Supervisors

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
DAWYN R. HARRISON,  
County Counsel

By: Behnaz Jushakovan  
Deputy