



MARK PESTRELLA, Director

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE
REFER TO FILE

October 14, 2025

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

Dear Supervisors:

**CONSTRUCTION-RELATED CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
LOS ANGELES COUNTY CARE COMMUNITY
AT METROPOLITAN STATE HOSPITAL PROJECT
IN THE CITY OF NORWALK
ESTABLISH CAPITAL PROJECT
APPROVE PROJECT BUDGET AND APPROPRIATION ADJUSTMENT
AWARD DESIGN-BUILD CONTRACT
APPROVE STIPENDS
CAPITAL PROJECT NO. 8A138
FISCAL YEAR 2025-26
(SUPERVISORIAL DISTRICT 4)
(4-VOTES)**

SUBJECT

Public Works is seeking Board approval for the Los Angeles County Care Community at the Metropolitan State Hospital Project to establish the capital project; approve the project budget and appropriation adjustment; authorize Public Works to award and execute the Design-Build contract for the project; approve stipends for shortlisted Design-Build proposers participating in the selection process; authorize the Chief Executive Officer to accept No Place Like Home Program funding from the Los Angeles County Development Authority; authorize Public Works to exercise control of the design completion allowance; authorize the Executive Director of the Los Angeles County Development Authority to execute all documents necessary to reimburse the County.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the Los Angeles County Care Community at Metropolitan State Hospital Project is within

the scope of the previous finding of exemption from the California Environmental Quality Act for the reasons stated in this Board letter and in the project record.

2. Establish the Los Angeles County Care Community at Metropolitan State Hospital Project, Capital Project No. 8A138, with a total budget of \$106,133,000.
3. Approve an appropriation adjustment in the amount of \$106,133,000 to allocate \$65,000,000 offset by the Proposition 1 – Behavioral Health Continuum Infrastructure Program grant; \$21,500,000 offset by 2011 Realignment Mental Health; \$5,250,000 offset by Behavioral Health Bridge Housing funds; \$3,385,000 offset by Assembly Bill 157, Budget Act of 2024; and transfer of \$998,000 of American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds, via its revenue loss provision, from the Project and Facility Development budget unit. Additionally, accept an amount not-to-exceed \$10,000,000 from the No Place Like Home Program funds, administered by the Los Angeles County Development Authority for its share of the sitework, infrastructure, and utilities cost.
4. Authorize the Chief Executive Officer or her designee to accept up to \$10,000,000 in No Place Like Home Program funding from the Los Angeles County Development Authority for their share of sitework, infrastructure, and utilities cost.
5. Find that Swinerton Builders is the responsive and responsible proposer that submitted the best value and most advantageous proposal to the County for the design and construction of the Los Angeles County Care Community at Metropolitan State Hospital Project; and award and authorize the Director of Public Works or his designee to execute a Design-Build contract with Swinerton Builders for a not-to-exceed contract sum of \$65,788,470, plus a design completion allowance of \$3,385,000, for a maximum contract sum of \$69,173,470, contingent upon submission of acceptable performance and payment bonds, and evidence of the required insurance filed by Swinerton Builders.
6. Approve and authorize the Director of Public Works or his designee to execute consultant services agreements in the stipend amount of \$150,000 with Kemp Bros. Construction, Inc., and McCarthy Building Companies, Inc., the second and third highest ranked eligible Design-Build proposers that met the stipend eligibility criteria outlined in the Request for Proposals, funded by existing project funds.
7. Authorize the Director of Public Works or his designee with concurrence from the Chief Executive Officer to exercise control of the design completion allowance of \$3,385,000, including authority to reallocate the allowance into the contract sum, as appropriate, in accordance with contract requirements.

It is recommended that the Board, acting as the Commissioners of Los Angeles County Development Authority, authorize the Los Angeles County Development Authority Executive Director or his designee to execute all documents necessary to reimburse the County for an amount not-to-exceed \$10,000,000 in No Place Like Home Program funds, for its share of sitework, infrastructure, and utilities cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to find that the Los Angeles County Care Community at Metropolitan State Hospital Project is within the scope of the previous finding of exemption from the

California Environmental Quality Act (CEQA); establish Capital Project No. 8A138; approve the budget and appropriation adjustment; authorize the Chief Executive Officer or her designee to accept the No Place Like Home Program funding from the Los Angeles County Development Authority (LACDA); and award and authorize Public Works to execute the Design-Build (D-B) contract and stipend consultant services agreement for the Los Angeles County Care Community at Metropolitan State Hospital.

Background

The State of California and Los Angeles County are facing mental health and homelessness crises, exacerbated by a shortage of housing and mental health treatment facilities. To combat these crises, more housing and treatment facilities need to be developed. As part of this effort, the State and County have identified a portion of the Metropolitan State Hospital campus in the City of Norwalk that is underutilized and can be renovated and transformed into a continuum of housing and treatment options for people with mental health challenges – the Los Angeles County Care Community that will be an important part of addressing homelessness and assisting persons who are living with a mental illness. The project will address the priorities of both the State of California and Los Angeles County – to provide treatment facilities and housing for people with mental health challenges.

On June 4, 2024, the Board approved a motion to authorize the Chief Executive Officer or her designee to negotiate and execute an Exclusive Negotiation Agreement for a term not-to-exceed 24 months with the option to extend the term for an additional 12 months if necessary, with the State of California regarding the potential to lease and develop unused property on the Metropolitan State Hospital campus. The Board further authorized the Director of Public Works or his designee to proceed with the preparation of CEQA documents, technical studies, and D-B scoping documents for the Transitional Age Youth (TAY) Interim Housing and TAY Psychiatric Subacute facilities, in compliance with standard County contracting requirements.

On October 22, 2024, the Board approved a motion and found the project is exempt from CEQA and to use a total of \$5,000,000 in American Rescue Plan Act (ARPA) funding for the project to fully fund make-ready and abatement activities for the future Los Angeles County Care Community as follows: \$3,900,000 in ARPA Coronavirus State and Local Fiscal Recovery Funds (SLFRF), and \$1,100,000 SLFRF via ARPA's revenue loss provisions (e.g., ARPA enabled).

On July 29, 2025, the Board approved a motion authorizing the Chief Executive Officer or her designee to execute and enter into a Development Ground Lease agreement with the State of California for 99 years. The lease specifies the site area and parking requirements to facilitate a timely construction.

Project Description

The Metropolitan State Hospital campus is a State-owned facility located on over 100 acres at 11401 Bloomfield Avenue, Norwalk, CA 90650. The project will be located at the Department of State Hospitals – Metropolitan campus in Norwalk, California. This new behavioral health campus will include two TAY Psychiatric Subacute facilities, one TAY Interim Housing facility, two permanent supportive housing facilities, courtyards, site improvements, and parking. The two psychiatric subacute facilities and the interim housing facility will be delivered by Public Works. Both permanent supportive housing facilities will be delivered by LACDA and will seek Board authorization in a separate Board action.

The project site is approximately 10 acres and is composed of existing two story cottage style buildings built in the 1920s, adjacent courtyards, and a parking lot. The program for the TAY Interim Housing includes renovation of an existing building providing approximately 70 beds and site improvements, including courtyards, landscaped recreation areas, parking, and new utilities services. The program for the 2 TAY Psychiatric Subacute facilities consists of the renovation of 2 existing buildings providing a total of 32 beds, 16 beds in each building, and site improvements including courtyards, landscaped recreation areas, parking, and new utilities services. The psychiatric subacute facilities will be licensed by the State as a Mental Health Rehabilitation Center, providing intensive support and rehabilitative services.

Design-Build Contract Award and Design Completion Allowance

The project would be delivered using the D-B project delivery method. The recommended D-B contract with Swinerton Builders is for a not-to-exceed contract sum of \$65,788,470, plus a design completion allowance of \$3,385,000, for a maximum contract sum of \$69,173,470. The design completion allowance will facilitate resolving issues identified during the design phase, including those related to the County's scoping documents, changes required by jurisdictional agencies, and unforeseen conditions discovered during the design effort.

Consultant Services Agreement

Under the D-B process, the County can use all aspects of all submitted proposals by paying a stipend to each qualifying proposer that is not selected for a contract award. Upon the Board's approval, the second highest-ranked proposer, Kemp Bros. Construction, Inc., and the third highest-rank proposer, McCarthy Building Companies, Inc., would be paid a stipend of \$150,000 pursuant to the consultant services agreement, which affords the County the right to use the information and ideas submitted by the proposer.

Green Building/Sustainable Design Program

The project will support the Board's Green Building/Sustainable Design Program by incorporating energy-efficient electrical equipment and fixtures as part of the project.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: North Star 1, Make Investments That Transform Lives, Focus Area Goal A, Healthy Individuals and Families, Strategy iii, Behavioral, Mental Health and Substance Use, by providing services to a population suffering from behavioral, mental health, and substance abuse; and Focus Area Goal C, Housing and Homelessness, Strategy iii, Homelessness, by providing housing and treatment facilities to address the County's mental health and homelessness crises.

FISCAL IMPACT/FINANCING

The total project budget is currently \$106,133,000 (Enclosure A), which includes predesign, design, plan check, consultant services, Civic Art, construction, change order contingency, design completion allowance, permit fees, and County services.

The recommended appropriation adjustment (Enclosure B) of \$106,133,000 includes \$65,000,000 offset by Proposition 1 – Behavioral Health Continuum Infrastructure Program grant; \$21,500,000

offset by 2011 Realignment Mental Health; \$5,250,000 offset by Behavioral Health Bridge Housing funds; \$3,385,000 offset by Assembly Bill 157, Budget Act of 2024; transfer of \$998,000 of ARPA SLFRF via ARPA's revenue loss provision from the Project and Facility Development budget unit to the project, Capital Project No. 8A138; and accepting an amount not-to-exceed \$10,000,000 from the No Place Like Home Program funds administered by the Los Angeles County Development Authority for their share of the sitework, infrastructure, and utilities cost, which will fully fund the project.

On August 9, 2022, the Board authorized LACDA to apply for, receive, and incorporate into its Fiscal Year 2022-23 budget up to \$173,000,000 of No Place Like Home Program funds. These funds are designated for the development of supportive housing and the administration of the No Place Like Home Program within the County. On June 4, 2024, the Board further authorized LACDA to set aside up to \$20,000,000 in No Place Like Home Program funding for the potential development of permanent supportive housing at the Metropolitan State Hospital contingent upon successful negotiations during the Exclusive Negotiating Agreement period. Following approval of the Exclusive Negotiating Agreement, LACDA committed up to \$10,000,000 of the set-aside funds for its share of costs related to landscaping, hardscaping, and new utilities for the site.

There is no cost to the County resulting from these recommendations.

Operating Budget Impact

Following project completion, the Department of Mental Health will request and fund annual ongoing maintenance and operational costs as needed, using departmental resources in future budget phases.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Section 1.9.2(b) of the Countywide Community Workforce Agreement, this project and the D-B contract with Swinerton Builders are exempt from the provisions of the Countywide Community Workforce Agreement.

The project site is on the property of the California Department of State Hospitals, Norwalk Campus. On June 4, 2024, the Board approved a motion to authorize the Chief Executive Officer or her designee to negotiate and execute an Exclusive Negotiation Agreement. On July 29, 2025, the Board approved a motion authorizing the Chief Executive Officer or her designee to execute and enter into a Development Ground Lease agreement with the State of California for 99 years.

In accordance with Board Policy 5.270, Countywide Local and Targeted Worker Hiring, the project will require that at least 30 percent of the California construction labor hours to be performed by qualified Local Residents and at least 10 percent are performed by Targeted Workers facing employment barriers. The project will also include a jobs coordinator who will facilitate implementation of the targeted hiring requirement of the policy.

In accordance with the Board's Civic Art Policy, adopted on December 7, 2004, and last amended on August 4, 2020, the Interim Housing and Permanent Supportive Housing buildings are exempt, while the TAY Psychiatric Subacute buildings remain eligible for the 1 percent Civic Art fee. The project budget includes 1 percent of the \$27,500,000 eligible design and construction costs for the two psychiatric subacute buildings, in the amount of \$275,000, to be allocated to the Civic Art Fund. These funds, which are restricted grant and ARPA funds, must be used at the location or returned to

the project if an acceptable art component cannot be identified.

ENVIRONMENTAL DOCUMENTATION

On October 22, 2024, the Board approved a motion and found the project is exempt from CEQA and meets the criteria set forth in Sections 15301, 15302, 15303, 15304, 15311, and 15331 of the CEQA Guidelines; and Classes 1, 2, 3, 4, and 11 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. These exemptions apply to repair, operation, leasing, and minor alteration of existing public facilities with negligible or no expansion of use; replacement or reconstruction of facilities with the same purpose and capacity; new construction; conversion of existing facilities and installation of equipment in facilities; minor alteration of land where no scenic, mature, healthy trees will be removed; accessory structures; and historical resource restoration or rehabilitation. The work falls within certain classes of projects that have been determined not to have a significant effect on the environment. Additionally, the Board determined that the project and related actions are statutorily exempt from CEQA pursuant to California Public Resources Code Section 15061(b)(3), the commonsense exemption; Section 21080(b)(4) and CEQA Guidelines Section 15269(c), which apply to specific actions necessary to prevent or mitigate an emergency; Section 15183, which applies to projects consistent with a community plan or zoning; AB 2162, Government Code Sections 65650 to 65656, which applies to by-right approvals of supportive housing; and AB 1907, which applies to supportive emergency shelters, and supportive and affordable housing. There have been no changes to the project since approval that requires additional findings under CEQA.

CONTRACTING PROCESS

The D-B procurement was conducted in accordance with the D-B policy adopted by the Board on June 4, 2016, and in compliance with the requirements of California Public Contract Code Section 22164.

On January 2, 2025, Public Works issued a Request for Proposals (RFP) for D-B services. The contract opportunity was advertised on the County's "Doing Business with Us" and "Do Business with Public Works" websites. The RFP was published in La Opinión, Los Angeles Daily Journal, Los Angeles Sentinel, Pasadena Star News, San Gabriel Valley Tribune, The Signal, Paramount Journal, Daily Commerce, Daily News, and Whittier Daily News newspapers. E-mails about the RFP were sent to 1,638 Local Small Business Enterprises, 181 Disabled Veteran Business Enterprises, 157 Social Enterprises, 1,003 Community Business Enterprises, and 1438 community-based organizations. The Department of Economic Opportunity informed 310 clients with the North American Industry Classification System code.

The first part of the RFP required prospective D-B firms to submit responses to the standardized prequalification questionnaire. Additionally, the RFP specified that the three highest-scoring prequalified proposers would be short-listed and invited to participate in the second part of the RFP, which involved the submission of technical and cost proposals. On February 20, 2025, six firms submitted prequalification questionnaires. These were reviewed by an evaluation committee consisting of representatives from the Chief Executive Office, Department of Mental Health, and Public Works. The three short listed firms were Kemp Bros. Construction, Inc.; McCarthy Building Companies, Inc.; and Swinerton Builders.

On June 30, 2025, technical and cost proposals were received from the three short-listed, prequalified firms. The proposals were evaluated and ranked based on technical design and construction expertise, D-B team personnel and organization, proposed delivery plan and schedule, price, life cycle costs, Local and Targeted Worker Hiring Program work plans, and acceptable safety record. The evaluation was completed without regard to race, creed, color, or gender.

Swinerton Builders' proposal received the highest score and was determined to be the best value in accordance with the provisions of the RFP.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current County services or projects during the implementation of the recommended actions. Public Works will work with the Metropolitan State Hospital to minimize impacts on existing campus operations and ensure minimal disruptions to services.

CONCLUSION

Please return one adopted copy of this Board letter to Public Works, Project Management Division II.

Respectfully submitted,



MARK PESTRELLA, PE

Director

MP:HA:bh

Enclosures

c: Arts and Culture (Civic Art Division)
Auditor-Controller
Chief Executive Office (Capital Programs
Division)
County Counsel
Executive Office, Board of Supervisors
Mental Health

CONSTRUCTION-RELATED CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
LOS ANGELES COUNTY CARE COMMUNITY
AT METROPOLITAN STATE HOSPITAL PROJECT
IN THE CITY OF NORWALK
ESTABLISH CAPITAL PROJECT
APPROVE PROJECT BUDGET AND APPROPRIATION ADJUSTMENT
AWARD DESIGN-BUILD CONTRACT
APPROVE STIPENDS
CAPITAL PROJECT NO. 8A138
FISCAL YEAR 2025-26
(SUPERVISORIAL DISTRICT 4)
(4-VOTES)

I. PROJECT SCHEDULE

Project Activity	Completion Date
Design-Build Request for Proposal	January 2025*
Board Action to Approve Ground Lease	July 2025*
Board Action to Award Design-Build	Q4 2025
Substantial Completion	Q4 2027
Project Acceptance	Q1 2028

*Indicates a completed activity

II. PROJECT BUDGET

Budget Category	Budget
Construction	\$69,174,000
Change Order Contingency (15 percent)	\$10,376,000
Civic Art	\$ 275,000
Utility Connection Fees	\$ 1,000,000
Subtotal	\$80,825,000
Plans and Specifications	\$ 1,215,000
Consultant Services	\$ 4,890,000
Miscellaneous Expenditures	\$ 1,228,000
Jurisdictional Reviews	\$ 1,970,000
County Services	\$16,005,000
Total	\$106,133,000

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BA FORM 10142022

BOARD OF SUPERVISORS
OFFICIAL COPY

October 14, 2025

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF MENTAL HEALTH

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFORE

FY 2025-26

4 - VOTES

SOURCES

USES

BA DETAIL - SEE ATTACHMENT PAGE 1

BA DETAIL - SEE ATTACHMENT PAGE 1

SOURCES TOTAL

\$ 106,133,000

USES TOTAL

\$ 106,133,000

JUSTIFICATION

Reflect the increase in appropriation for Capital Project No. 8A138, totaling \$106,133,000, as follows: \$65,000,000 offset by Proposition 1 grant; \$21,500,000 offset by 2011 Realignment Mental Health; \$5,250,000 offset by Behavioral Health Bridge Housing funds; \$3,385,000 offset by Assembly Bill 157 Budget Act of 2024, \$10,000,000 from LACDA No Place Like Home Program funds; and transfer \$998,000 of ARPA's revenue loss provision from the Project and Facility Development budget unit.

Rimmi Hundal

Digitally signed by Rimmi Hundal
Date: 2025.09.23 13:24:09 -07'00'

AUTHORIZED SIGNATURE

Rimmi Hundal, Chief Deputy Director

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR---



ACTION



RECOMMENDATION

Digitally signed by Lan
Sam
Date: 2025.09.24
08:36:40 -07'00'

Lan Sam

BY

DATE

9/24/25



APPROVED AS REQUESTED



APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

Matthew J.

Digitally signed by
Matthew J. Diaz
Date: 2025.09.24
09:09:25 -07'00'

BY **Diaz**

DATE

9/24/25

AUDITOR-CONTROLLER

B.A. NO.

029

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT

FY 2025-26			
4 - VOTES			
SOURCES		USES	
VARIOUS CAPITAL PROJECTS LA COUNTY CARE COMMUNITY AT METRO STATE HOSPITAL PROJECT A01-CP-88-882D-65099-8A138 STATE-BEHAVIORAL HLTH CONTINUUM INFRASTRUCTURE PRGM-CAP PROJ INCREASE REVENUE		VARIOUS CAPITAL PROJECTS LA COUNTY CARE COMMUNITY AT METRO STATE HOSPITAL PROJECT A01-CP-6014-65099-8A138 CAPITAL ASSETS - B & I INCREASE APPROPRIATION	
65,000,000		106,133,000	
VARIOUS CAPITAL PROJECTS LA COUNTY CARE COMMUNITY AT METRO STATE HOSPITAL PROJECT A01-CP-88-8918-65099-8A138 2011 REALIGNMENT - CAPITAL PROJECTS INCREASE REVENUE			
21,500,000			
VARIOUS CAPITAL PROJECTS LA COUNTY CARE COMMUNITY AT METRO STATE HOSPITAL PROJECT A01-CP-88-8724-65099-8A138 BEHAVIORAL HEALTH BRIDGE HOUSING (BHBH)PROG-CAPITAL PROJECTS INCREASE REVENUE			
5,250,000			
VARIOUS CAPITAL PROJECTS LA COUNTY CARE COMMUNITY AT METRO STATE HOSPITAL PROJECT A01-CP-88-8752-65099-8A138 STATE-OTHER / CAPITAL PROJECTS INCREASE REVENUE			
3,385,000			
PROJECT AND FACILITY DEVELOPMENT A01-CF-2000-10190 SERVICES & SUPPLIES DECREASE APPROPRIATION			
998,000			
VARIOUS CAPITAL PROJECTS LA COUNTY CARE COMMUNITY AT METRO STATE HOSPITAL PROJECT A01-CP-88-8752-65099-8A138 STATE-OTHER / CAPITAL PROJECTS INCREASE REVENUE			
10,000,000			
SOURCES TOTAL		USES TOTAL	
\$ 106,133,000		\$ 106,133,000	

Lan Sam
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Date: 2025.09.24 08:36:57 -07'00'

BA 029 9/24/25