

MOTION BY SUPERVISOR JANICE HAHN

AGN. NO.
December 16, 2025

Authorize the Negotiation and Execution of an Exclusive Negotiation Agreement with PATH Ventures for the Potential Development of Metropolitan State Hospital Permanent Supportive Housing Project

The Board of Supervisors (Board) has long been committed to addressing the needs of individuals experiencing mental illness and housing instability and ensuring that public resources are used to serve the community with care and compassion. In furtherance of this commitment, the proposed project approved by this Board on October 14, 2025, should contemplate the thoughtful reuse of an underutilized portion of the Metropolitan State Hospital (Metro), located at 11401 Bloomfield Avenue, Norwalk, CA 90650 (Property) to potentially develop permanent supportive housing in a portion of the Metro campus located at the intersection of 1st Street and Norwalk Boulevard, comprised of the rehabilitation of two of the two-story, dormitory-style buildings and the single one-story building (Site).

The proposed development of this Site was initiated to advance important community objectives and has been guided by a shared commitment to collaboration and progress. The Board remains committed to the goals of the proposed development of this Site and acknowledges the efforts invested in advancing it through collaborative engagement to date. Following careful consideration of the County's current status and evolving conditions, the Board is considering a thoughtful shift in approach to ensure the

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proposed development of this Site is positioned to best serve its objectives and the community it is intended to benefit.

As the proposed development continues to evolve, the Board believes it is appropriate to consider a new development partner to carry the proposed project forward. The Board's intent is to ensure that the proposed project proceeds under a structure and partnership that best aligns with the county's objectives, reflects current conditions and supports successful implementation in the best interests of the County and the community. PATH Ventures (PATH) brings demonstrated experience in delivering complex housing and mental health focused projects and has expressed a clear commitment to advancing the County's goals for this Site. The Board is confident that this partnership offers a strong foundation for moving the proposed development forward in a manner that is thoughtful, responsive to community needs, and consistent with the Board's responsibility to act in the best interests of the County.

PATH brings a uniquely integrated approach rooted in person-centered design, public sector partnership, and more than 18 years of successful housing development for individuals experiencing homelessness with serious mental illness, co-occurring disorders, and chronic health conditions. In addition to being responsive to the County's vision, PATH demonstrated the expertise and financial capacity to implement the proposed project, provided a reasonable financing plan, and presented a quality development that will complement the surrounding community.

PATH's proposed project would include up to 52 residential units of permanent supportive housing on a campus that fosters safety, healing, and community for people living with mental health challenges (Proposed Project). All units will be reserved for households earning 30 percent of the Area Median Income or below, with one unit

reserved for an on-site property manager. All units will be set aside as permanent supportive housing for clients of the County's Department of Mental Health (DMH) experiencing homelessness.

The portion of the Metro campus to be used for the Proposed Project is located at the intersection of 1st Street and Norwalk Boulevard, in the City of Norwalk, and contains seven vacant two-story dormitory-style buildings and one single-story building. The Proposed Project will include open space throughout the two-acre site to promote physical activity, mental wellness and social engagement. Project amenities would include a large community room with full kitchen, case management and property management offices, a wellness and flex space that support movement and creative expression, a computer lounge, restrooms, and ample storage.

To fully vet this proposal, the County should enter into this ENA with PATH. During the ENA period, PATH can pursue all required land use entitlements, and the parties can negotiate the terms of a ground lease agreement. The Proposed Project is a preliminary proposal that is subject to change through negotiations and input derived from the community outreach efforts. The ENA will include the following terms:

- An initial term of 180 days with options to extend the term for a maximum of two 90-day periods, if needed.
- A non-refundable ENA fee of \$25,000 and an initial ENA deposit of \$25,000, which may be replenished to cover the transaction expenses.

No commitment to any project is being made at this time and review pursuant to the California Environmental Quality Act (CEQA) must be completed before any commitment to the Proposed Project occurs.

I, THEREFORE, MOVE that the Board of Supervisors:

1. Find that approval of these proposed actions is not subject to CEQA pursuant to CEQA Guidelines Section 15061(b)(3) and 15378, because these actions do not commit the County of Los Angeles to a project and will not have the potential for causing a significant effect on the environment.
2. Find that PATH Ventures (PATH) is well positioned to advance the proposed development of the buildings, located at the intersection of 1st Street and Norwalk Boulevard, in the City of Norwalk (Site), of the Metropolitan State Hospital (Metro) to support housing and mental health treatment opportunities that reflects the County's priorities and best serves the interests of the County and of the community.
3. Delegate authority to the Los Angeles County Development Authority (LACDA) to act on behalf of the County to:
 - a. Negotiate and execute an Exclusive Negotiation Agreement with PATH, following approval as to form by County Counsel, for an initial 180-day term, and to extend the term of the proposed ENA for a maximum of up to two 90-day ENA extension periods, if needed, to negotiate the potential development of the Site.
 - b. Execute any and all related or ancillary documents or amendments to the ENA necessary to effectuate the actions authorized hereby.
 - c. Collect deposits and fees in connection with the terms of the ENA, and to administer the expenses and accounting associated with the ENA.

I, FURTHER, MOVE THAT THE BOARD OF SUPERVISORS, ACTING AS THE COMMISSIONERS OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY:

1. Find that approval of these proposed actions is not subject to CEQA pursuant to CEQA Guidelines Section 15061(b)(3) and 15378, because these actions do not commit the

County of Los Angeles to a project and will not have the potential for a causing a significant effect on the environment.

2. Authorize the LACDA to serve as the agent of the County and authorize the Executive Director, or his designee, to:

- a. Enter into an Exclusive Negotiation Agreement (ENA) with PATH Ventures (PATH) for a 180-day period with the option to extend the term for a maximum of two 90-day extensions, to negotiate the potential development of a portion of the Metropolitan State Hospital (Metro), located at 11401 Bloomfield Avenue, Norwalk, CA 90650 (Site).
- b. Execute any and all related or ancillary documents or amendments to the ENA necessary to effectuate the action authorized hereby.
- c. Collect deposits and fees in connection with the terms of the ENA and to administer the expenses and accounting associated with the ENA.

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