

MOTION BY SUPERVISOR HILDA L. SOLIS

January 21, 2020

St. Vincent Medical Center Closure and Possible Repurposing

Since filing of Chapter 11 Bankruptcy protection in federal court in August 2018 by Verity Health System of California, Inc. ("Verity"), and its affiliated entities, Verity hospitals, including the St. Vincent Medical Center ("SVMC") property, were being auctioned by the Bankruptcy Court. The SVMC campus consists of 10.49 acres at Alvarado and 3rd Street in the City of Los Angeles.

On March 19, 2019, the Los Angeles County (County) Board of Supervisors (Board) unanimously approved a motion and an accompanying Board resolution affirming the County's intention to purchase SVMC, subject to participation in the bankruptcy auction and approval of the sale to the County by the Bankruptcy Court. These Board actions had authorized the County's Chief Executive Officer (CEO), or her designee, to execute necessary documents for the purchase of SVMC. Unfortunately, the County was unsuccessful with their bid.

However, per recent notification the entity that won the auction last year could not secure necessary financing to consummate the purchase, and subsequently the SVMC property, is again available for purchase. Due to this recent development, the SVMC

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property owner can now directly negotiate with various parties, but the final sale will still require the approval of the Bankruptcy Court. The Bankruptcy Court has also authorized Verity to close the hospital. The closure may take place in the near future due to its dire financial situation.

The County's intent is not to operate SVMC as a hospital, as acute care needs can be better served by other local hospitals. However, the County must continue working to make a public and social impact by exploring opportunities for provision of affordable housing, addressing homelessness, and assisting impacted workers currently employed at SVMC. Thus, it behooves the Board to re-examine potential acquisition and/or seek a public-private partnership with other bidders that are open to explore affordable housing, homeless shelters, and other related uses.

Los Angeles County is amid a severe housing and homelessness crisis. According to the 2019 Homeless Count, there are nearly 59,000 individuals experiencing homelessness Countywide. SVMC is located in Service Planning Area (SPA) 4, which has the County's largest homeless population, with 16,436 individuals experiencing homelessness in the area. According to the California Housing Partnership's 2019 Affordable Housing Outcomes Report (Outcomes Report), the County needs to add approximately 517,000 affordable homes to meet the current demand of renter households at or below 50 percent Area Median Income (AMI).

I, THEREFORE, MOVE that the Board of Supervisors:

1. Direct the Chief Executive Officer (CEO) and County Counsel to immediately investigate availability and identification of all possible funding, ensuring the recommended funding sources do not negatively impact any currently planned

and/or approved County projects or initiatives, and take part in the purchase negotiations process including opportunities to partner with other potential bidders for the acquisition of the SVMC property, with the primary goal of exploring opportunities to repurpose SVMC property to address affordable housing and homelessness.

2. Direct the Acting Director of Department of Workforce Development, Aging and Community Services, in collaboration with CEO as relevant, to initiate a process to identify and engage with potentially impacted workers, labor union representatives.
3. Provide a report back on above directives before the next County of Los Angeles Board of Supervisors meeting.

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