

MOTION BY SUPERVISOR HILDA L. SOLIS

February 8, 2022

USE OF CATALYTIC FUNDING TO SUPPORT RFP FOR DEVELOPER SERVICES FOR REPURPOSING THE LAC+USC GENERAL HOSPITAL BUILDING AND WEST CAMPUS FOR HOUSING AND MIXED-USE PURPOSES

Since opening its doors in 1933, the historic Los Angeles County General Hospital (General Hospital) served as a beacon of hope, healing and caring for millions of Angelinos. Located within the Community of Boyle Heights, for decades, the General Hospital provided much needed health care services for all County residents, particularly for the most vulnerable individuals. It also served as a major training site for generations of physicians completing their Graduate Medical Education and as the birthplace of Emergency Medicine.

The General Hospital is a spectacular 1.5 million square foot, 19-story, historic Art-Deco building that sits atop the largest County health campus, surrounded by some of Los Angeles County’s traditionally underserved communities in Boyle Heights, Lincoln Park, East L.A, El Sereno and Chinatown. Due to the 1994 Northridge Earthquake, the

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County committed to constructing a replacement hospital, and upon opening the new medical center in 2008, the General Hospital became largely vacant. No direct patient care services remain at the General Hospital. Additionally, significant alterations or demolition of the building are not viable options, due to its eligibility for a historic designation.

Consistent with the General Hospital's emblematic mission, vision, and history to serve the most vulnerable residents of our region and advance the County's overall mission to address our current housing crisis needs and provide exceptional health services, it behooves the County of Los Angeles to bring this iconic County asset back to life.

In addition, the LAC+USC campus area west of General Hospital, referred to as West Campus, provides an opportunity for development of additional housing and mixed uses. While this area is home to the nearly completed Restorative Care Village and the County Medical Examiner-Coroner, much of the site is underutilized and could be reimaged to create a Healthy Village to support the community.

Given the County's tremendous need for housing for low-income residents, people experiencing homelessness (PEH), specifically in the area surrounding the LAC+USC Medical Campus, the General Hospital and West Campus could contribute significantly to addressing that need by potentially providing a significant number of residential units and related services for future residents and the broader County community. This reuse would complement the LAC+USC Foundation's Wellness Center that occupies

the General Hospital's ground floor and provides both wrap-around and community services to the LAC+USC Medical Campus visitors and surrounding community. Additionally, the potential reuse of the General Hospital and West Campus as an affordable housing development can leverage the Restorative Care Village's vision to provide holistic care to County residents.

To make a clear and informed choice on how to proceed with a mission-aligned reuse of the General Hospital and West Campus as a potential affordable housing and mixed-use development, a significant amount of technical analysis and due diligence will be completed this Spring by the CEO Asset Management Branch. This research is identifying ways to leverage possible creative financing mechanisms which may accelerate the successful reuse of the General Hospital. These efforts include various tax credit programs, such as Historic Preservation Tax Credits, New Market Tax Credits, and Low-Income Housing Tax Credits. Additionally, the Federal Tax Cuts and Jobs Act of 2017 created Opportunity Zones to stimulate investment in challenged census tracts, which include the LAC+USC Medical Campus. The establishment of an Enhanced Infrastructure Financing District, obtaining other federal and state grant monies, and pursuing Public Private Partnerships are all possible solutions to allow the General Hospital and West Campus to serve as a beacon of hope, and help the surrounding communities and our great LA Region. The assessment by CEO Asset Management Branch will be formalized as a feasibility study to be incorporated as an exhibit into a planned Request for Proposals (RFP) for potential development of the General Hospital and West Campus.

In recognition of the significant economic development potential for the reuse of General Hospital and development of West Campus, the County's Department of Workforce Development, Aging and Community Services (WDACS) is recommending the use of District allocated Catalytic Development Funding (CDF) for certain subject matter expertise to assist in the preparation of an RFP. CDF funds, and funds from the Capital Project fund established for the LAC+USC Medical Center Master Plan, will fund consultant services in the preparation of an RFP for the potential development of the General Hospital and West Campus sites.

I, THEREFORE, MOVE that the Board of Supervisors:

1. Find that the recommended actions do not constitute a project under Section 21065 of the Public Resources Code and Section 15378(b)(5) of the California Environmental Quality Act (CEQA) Guidelines because the recommended actions are organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment; any future development of the General Hospital and West Campus sites will be conditioned on compliance with all applicable CEQA requirements.
2. Approve the attached appropriation adjustment to transfer \$50,000 from the LAC+USC Medical Center Master Plan project, Capital Project No. 69698 to Los Angeles County Department of Workforce Development, Aging and Community Services (WDACS) for the preparation of the RFP for the potential development of the General Hospital and West Campus site.
3. Authorize the WDACS Acting Director, or his designee, to use and allocate Catalytic Development Funds (CDF) of \$150,000 for the preparation of a Request for

Proposals (RFP) for the potential development of the General Hospital and West Campus, County-owned land, located in the City of Los Angeles.

4. Direct the WDACS Acting Director, or his designee, to report back to the Board in writing on a biannual basis on its progress and on the timeline for confirming the use of the funds set forth above in support of the potential development of the General Hospital and West Campus site.
5. Direct the WDACS Acting Director, or his designee, to allocate funds in the amount not to exceed \$200,000 for the execution of agreements, amendments to existing agreements and/or work orders with consultants in the preparation of an RFP for the potential development of the General Hospital and West Campus site.

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February 08, 2022

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

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 2021-22
3 - VOTES

SOURCES		USES	
VARIOUS CAPITAL PROJECTS			
LAC+USC MEDICAL CENTER MASTER PLAN		WORKFORCE DEVELOPMENT, AGING AND COMMUNITY SERVICES - ADMIN	
A01-CP-6014-65099-69698		A01-CS-2000-26560	
CAPITAL ASSETS - B & I		SERVICES & SUPPLIES	
DECREASE APPROPRIATION	50,000	INCREASE APPROPRIATION	50,000
SOURCES TOTAL		USES TOTAL	
	\$ 50,000		\$ 50,000

JUSTIFICATION

The appropriation adjustment is necessary to transfer \$50,000 from the LAC+USC Medical Center Master Plan project, Capital Project 69698 to WDACS Operating Budget for the preparation of the Request For Proposals for the development of the General Hospital and West Campus sites.

James Yun

Digitally signed by James Yun
Date: 2022.01.31 11:02:28 -08'00'

AUTHORIZED SIGNATURE

JAMES YUN, MANAGER, CEO

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

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR---

ACTION

RECOMMENDATION

APPROVED AS REQUESTED

APPROVED AS REVISED

AUDITOR-CONTROLLER

BY **Lan Sam**
Digitally signed by Lan Sam
Date: 2022.01.31 11:33:06 -08'00'

CHIEF EXECUTIVE OFFICER

BY **Amir Alam**
Digitally signed by Amir Alam
Date: 2022.01.31 13:31:23 -08'00'

B.A. NO. **079**

DATE **Jan. 31, 2022**

DATE **1/31/2022**