BLUE FOLDER ITEM

Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

CITY COUNCIL MEETING JULY 9, 2024

J.1 PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

• PUBLIC COMMUNICATIONS

From:	Barbara Epstein
To:	CityClerk; James Light; Todd Loewenstein; Nils Nehrenheim; Paige Kaluderovic; Scott Behrendt; Mike Witzansky;
Cc:	Michelle Pinedo
CC: Subject:	Aga Chenfu; Jim Montgomery; Jacob Varvarigos Fwd: MEDIA RELEASE: LA COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT RELEASES \$14.5 MILLION IN
Subjecti	COMPETITIVE GRANT FUNDS FOR NEW PARKS IN LA COUNTY
Date:	Monday, July 8, 2024 10:01:20 PM

I was thinking the AES site, if possible. Edison Greenbelt. Metro ROW

Thanks for all you do on our behalf!

Barbara Epstein

Sent from my iPad

Begin forwarded message:

From: Los Angeles County Parks & Recreation <PARKS@subscriptions.lacounty.gov> Date: July 8, 2024 at 2:02:25 PM PDT To: Subject: MEDIA RELEASE: LA COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT RELEASES \$14.5 MILLION IN COMPETITIVE GRANT FUNDS FOR NEW PARKS IN LA COUNTY Reply-To: PARKS@subscriptions.lacounty.gov PARKS-banner-graphic ?

FOR IMMEDIATE RELEASE: July. 8, 2024 CONTACT : Fernanda Feres (626) 588-5372 fferes@parks.lacounty.gov

THE LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT RELEASES \$14.5 MILLION IN COMPETITIVE GRANT FUNDS FOR NEW PARKS IN LOS ANGELES COUNTY

MEASURE A PARKLAND ACQUSITION GRANT PROGRAM

LOS ANGELES, CA — On Monday, July 8, the Los Angeles County Regional Park and Open Space District (RPOSD) announced the Measure A Acquisition-Only Competitive Grant Program, releasing \$14.5 million in funding opportunities for parkland acquisitions

throughout Los Angeles County.

This competitive grant program aims to add more parks, trails, and green spaces in communities throughout Los Angeles County that need them the most. Public agencies, non-profit organizations, community-based organizations, and other eligible entities may apply by accessing RPOSD's Grants Management System at https://grantfunding.rposd.lacounty.gov.

In July 2022, RPOSD allocated \$9 million in technical assistance funds through its Technical Assistance Program (TAP) to 30 high and very-high-need park agencies to assist them in being project-ready for the upcoming Measure A grant funding cycles. In addition, RPOSD will also be providing funding support for grant writers to assist high park-need communities with the application process.

The guidelines for this competitive grant program are available on RPOSD's website and the application window closes on September 27, 2024. RPOSD will host a virtual workshop to provide an overview of the grant program's eligibility requirements and evaluation criteria on July 18, 2024, at 2:00 p.m. For more information on the Measure A Acquisition-Only Competitive Grant Program, please visit the RPOSD website at https://rposd.lacounty.gov.

"Like never before, Measure A is providing high and very-high-park-need communities a series of funding opportunities so that one day all children and families growing up, living, and aging in Los Angeles County can experience parks, the outdoors, recreation, and nature in their own communities," said Norma E. García-González, Director of the Los Angeles County Department of Parks and Recreation and the Los Angeles County Regional Park and Open Space District.

"I am excited that our communities have the opportunity to further expand our parks in Los Angeles County through the availability of \$14.5 million in grant funding for green space," said Los Angeles County Board Chair Lindsey P. Horvath, Third District. "This funding will empower local organizations, especially those in our most vulnerable communities, to address the critical need for new green spaces and ensure that Los Angeles County remains a vibrant and sustainable place for all residents to enjoy."

"Growing up in the unincorporated community of Puente Valley, I know firsthand the many disparities residents in vulnerable communities – especially those without access to parks and open space – face, which is why I have led the fight to increase green spaces where children and families can play, relax, escape the heat, and nurture their minds and bodies in nature," said Los Angeles County Supervisor Hilda L. Solis, First District. "This \$14.5 million in funding is another milestone in our ongoing journey to advance environmental justice and equity in communities where the need is greatest, because more than half of County residents do not have access to parks within a half-mile of their homes. Whenever

we add open spaces in underserved communities, we improve the lives of thousands of children and families. This is a moment to celebrate."

"Investing in green spaces not only enhances the quality of life for residents but also promotes physical activity, social interaction, and environmental well-being. By prioritizing park development, we are not just creating recreational spaces; we are cultivating healthier communities where individuals and families can flourish," said Los Angeles County Supervisor Holly J. Mitchell, Second District.

"We know that parks provide so many benefits – they foster community and provide muchneeded space to enjoy the outdoors. But too many people in LA County don't have access to a local park," said Los Angeles County Supervisor Janice Hahn, Fourth District. "With this funding, cities across LA County have the opportunity to invest in creating new neighborhood parks and improve the lives of their residents."

"Through this unique funding opportunity, the Los Angeles County Regional Park and Open Space District is affording communities a valuable chance to create more parks that will boost both community enjoyment and mental health well-being for their residents. Investing in green spaces enhances the physical landscape of our local neighborhoods and fosters a sense of belonging, relaxation, and respite. I am hopeful applicants across the County will seize this opportunity and develop projects to enrich the lives of their residents for years to come," said Los Angeles County Supervisor Kathryn Barger, Fifth District.

Thank you to the Los Angeles County voters who supported Measure A with nearly 75% approval rating. Together, we are building a greener, healthier, and park-equitable Los Angeles County.

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About Los Angeles County Regional Park and Open Space District

Since its inception in 1992, the Los Angeles County Regional Park and Open Space District (RPOSD) has awarded more than \$1.7 billion in grants to cities, County departments, state and local agencies, and community-based organizations for projects to improve and rehabilitate our parks, recreational facilities, trails, and open space lands. Our grants have and will continue to make life better in Los Angeles County by building stronger and safer neighborhoods, enriching recreational experiences, advocating equitable access to parks and open spaces, and preserving our natural spaces for this and future generations. By empowering initiatives that create, maintain, and improve our open spaces, RPOSD can help ensure that everyone in the Los Angeles County region benefits from all that parks have to offer. This is all possible thanks to the support from the people of Los Angeles County.

About LA County Parks and Recreation

The Los Angeles County Department of Parks and Recreation manages 183 parks and operates a network of 70,079 acres of parkland, 475 sports amenities such as futsal,

basketball, tennis, lawn bowling and multipurpose fields, 42 swimming pools, 15 wildlife sanctuaries, 10 nature centers that serve as a refuge for over 200 animals, 14 lakes – 3 of which are boating and swimming lakes, 5 equestrians centers, more than 210 miles of multi-use trails, the largest municipal golf system in the nation, consisting of 20 golf courses, in addition to the world-class Arboreta and Botanic Gardens and performance venues - Descanso Gardens, Los Angeles County Arboretum, Virginia Robinson Gardens and South Coast Botanic Gardens and the Hollywood Bowl and Ford Theaters.



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CAUTION: Email is from an external source; Stop, Look, and Think before opening attachments or links.

Happy Fourth!

I hope you are doing well. Can you please add me to the agenda for the next council meeting? My name is Omar, I am a redondo native. Every year we celebrate the holidays by setting up early at veterans park. I parked my car near the park at 5:30AM and walked over to the park to set up and save a spot on the park for my family. There were no indicating that there was temporary no parking signs on the street that I was parked on. Myself, along side every other car on the street was towed. I understood the city makes mistakes sometimes and something like this is harmless, that is not my complaint. My issue is the towing fee. Why am I paying any fees for something that is not my fault?

I want to bring this up to the council and hopefully the city manager can process a refund.

Best Regards Omar

CONCERNED TAXPAYER GROUP SEEKS OVERSIGHT OF allcove BEACH CITIES ACTIVITY

As a neighborhood taxpayer and advocacy group, we are very concerned about both MHSOAC's lack of controls and evaluation of BCHD's allcove program, as well as the potential misuse of our taxpayer funding. The results of the BCHD allcove program demonstrate a significant bias toward whiter, advantaged, higher income, less diverse communities. The BCHD program further exacerbating the disparity of services within SPA8.

OVERSIGHT BY MHSOAC AND BCHD IS LACKING REGARDING allcove BEACH CITIES

Based on the allcove proposal evaluation criteria, areas of mental health provider shortages, disadvantaged communities, and targeted underserved groups such a LGBTQ+ and BIPOC were the primary objective of the allcove funding. Unfortunately, those objectives appear to have been ignored by BCHD in its allcove program delivery design, and MHSOAC appears to have failed in its oversight role of BCHD and protection of taxpayer funding.

allcove BEACH CITIES ENROLLMENT IS INEQUITABLE BASED ON INCOME, RACE, DISADVANTAGED COMMUNITY STATUS, MENTAL HEALTH PROVIDER SHORTAGES AND DEMOGRAPHIC NEED

The only plausible conclusion is that BCHD failed to target those factors that led to the creation of the Children and Youth Behavioral Health Initiative (CYBHI), failed to target those factors used to evaluate the BCHD allcove application, failed to target those factors in the funding agreement, and that MHSOAC failed in its oversight role of the programs and funding.

How else could 70.8% of the allcove enrollees have 190% of the income level, 63% the level of nonwhite residents, no mental health provider shortages, and no disadvantaged communities?

	%<18	HH Income	% Non-white	% allcove Enrollment
SPA8	21.9%	\$ 93,058	70.8%	94.80%
BCHD (HB/RB/MB)	23.5%	\$ 152,392	35.6%	54.30%
The BCHD "4" (HB/RB/MB/Tor)	22.1%	\$ 129,316	52.7%	70.80%
Disadv+Below Avg Target	24.2%	\$ 67,272	84.4%	10.10%

MENTAL HEALTH PROVIDER SHORTAGES DO NOT APPEAR CONSIDERED

We have conducted a census tract analysis of Los Angeles County Service Planning Area 8 (SPA8) using HRSA.gov data. SPA8 is the service area for allcove Beach Cities and we determined based on program lack of performance that areas of mental health provider shortages have not been prioritized by BCHD based on current allcove results for SPA8.

Athens, Carson, Gardena, Harbor City, Hawthorne, Inglewood, Lawndale, Lennox, Rancho Dominguez, San Pedro, and Wilmington all contain one or more census tracts with shortages of mental health providers. Increasing services to areas with shortages of providers is a primary objective of the broader CYBHI initiative that provides the funding. Those communities represent only 12.9% of the allcove enrollees/participants per BCHD.

DEMOGRAPHICS, SOCIOECONOMICS, DISADVANTAGED COMMUNITIES, AND UNDERSERVED GROUPS DO NOT APPEAR CONSIDERED BROADLY WITHIN SPA8

To determine which SPA8 cities have the greatest need for allcove based on demographics, socioeconomics, disadvantaged communities and underserved groups, we gathered data for proxy measures of those community factors. The variables selected were based on their sources, relative similarity to the application evaluation criteria and their ease and consistency of acquisition across all the cities. They are Cal Enviro Screen/SB 535 disadvantaged community status, fraction of the city population under the age of 18 (a Census measure), percentage of non-white residents, and average household income.

DISADVANTAGED COMMUNITIES

Athens, Carson, Gardena, Harbor City, Hawthorne, Inglewood, Lawndale, Lennox, Rancho Dominguez, San Pedro and Wilmington are all disadvantaged communities by Cal Enviro Screen/SB 535 criteria. Those communities represent only 12.9% of the allcove enrollees/participants per BCHD.

DEMOGRAPHIC NEED BASED ON RELATIVE SHARE OF COMMUNITY YOUTH

The US Census metric for fraction of population under age 18 was available and of consistent quality across cities. Using the intersection of Mental Health Provider Shortage Areas and Disadvantaged Communities, we found that <u>Athens, Harbor City, Hawthorne, Inglewood, Lawndale, Rancho Dominguez, and Wilmington</u> all had youth populations above the average share for SPA8. By virtue of their lack of mental health providers, community disadvantage, and high population fraction of use, these seven communities qualify as a priority prospects for allcove services and should receive a disproportionate share of services, effects, and expenditures. This group represents on 10.1% of the allcove enrollees/participants per BCHD data.

TRADITIONALLY UNDERSERVED GROUPS

US Census measures of gender preference and identity are not available currently. As a proxy, we used fraction of non-white population. <u>Athens, Carson, Gardena, Hawthorne, Inglewood, Lawndale, Lennox, Long Beach, Rancho Dominguez, and Wilmington</u> all rank above the average non-white % of SPA8 and should be considered priority prospects for BIPOC and other marginalized groups. This group represents on 12.4% of the allcove enrollees/participants per BCHD data.

ECONOMICALLY DISADVANTAGED COMMUNITIES

Household income was used to identify economic disparity among SPA8 communities. There is an enormous disparity in income levels between the wealthier coastal and Palos Verdes Peninsula communities and the rest of SPA8. The following communities all have household income below the SPA8 average: <u>Athens, Avalon, Gardena, Harbor City, Hawthorne, Inglewood, Lawndale, Lennox, Long Beach, Rancho Dominguez, San Pedro and Wilmington</u>. This group represents on 12.4% of the allcove enrollees/participants per BCHD data.

PRIORITY TARGETING IN THE allcove APPLICATION AND AGREEMENT

The priority groups were set out in both the allcove application and agreement. Further, the intent of the program as stated in the application included: "Priority will be given to applicants serving communities

with higher demonstrated need (e.g., mental health professional shortage areas, socio-economically disadvantaged communities, communities with populations of focus) or those which propose to reduce disparities between racial/ethnic/marginalized groups in the community."

The only reasonable conclusion to draw based on the allcove Beach Cities results is that BCHD ignored the various factors of disparity and and inequity and provided the service primarily to higher income, better served, local areas without regard to appropriate targeting.



RFA Youth-Driven Programs-001Addendum 1 Youth-Driven Programs

5. Grant awards will be calculated based on multiple factors, including but not limited to: number of total applications received, number of applications received by track and practice model type, and, number of total individuals expected to be impacted (i.e., served) by grant applicant as a result of the grant award. Priority will be given to applicants serving communities with higher demonstrated need (e.g., mental health professional shortage areas, socio-economically disadvantaged communities, communities with populations of focus) or those which propose to reduce disparities between racial/ethnic/marginalized groups in the community.

State of California Mental Health Services Oversight and Accountability Commission (MHSOAC) Beach Cities Health District Agreement: 19MHSOAC059 Exhibit A, Scope of Work

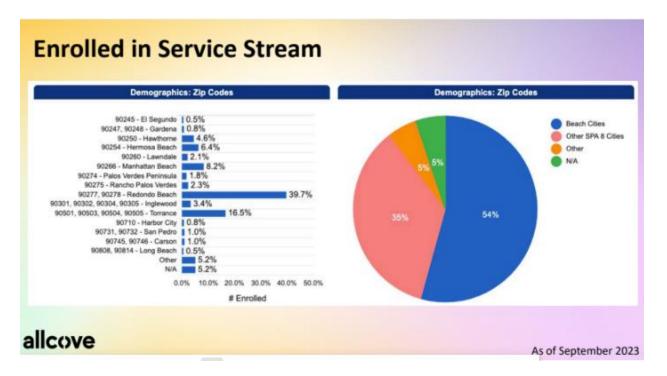
EXHIBIT A SCOPE OF WORK

1. GENERAL:

A. The Beach Cities Health District, hereafter referred to as Grantee, enters into this Agreement with the Mental Health Services Oversight and Accountability Commission (MHSOAC) to establish an allcoveTM model youth drop-in center, hereafter referred to as Program, which offers integrated health and wellness services as outlined in the RFA_YDC_001 (Appendix 1 –Core Implementation Components). The target group for this effort is youth and young adults between the ages of 12 to 25 with a focus on vulnerable and marginalized youth and disparity populations including, but not limited to, LGBTQ, homeless, and indigenous youth.

BCHD PERFORMANCE FOCUS IS ON WEALTHIER AND WHITER AREAS OF LA COUNTY SERVICE PLANNING AREA 8

BCHD is currently stating in a June 4, 2024 California Public Records Request (CPRA) response that allcove Beach Cities is servicing the following with allcove:



Further, BCHD highlights in its CPRA response "In addition, please find the attached slide that shows the allcove Beach Cities residents' enrollment is 54.3% and with Torrance is 70.8% (September 2023.)"

From:	Stop BCHD
То:	CityClerk; cityclerk@manhattanbeach.gov; cityclerk@hermosabeach.gov
Subject:	Fwd: Request for Formal Investigation of MHSOAC, it's Technical Advisor, and BCHD''s allcove Program
Date:	Monday, June 24, 2024 8:04:37 PM
Attachments:	allcove Beach Cities Non-Performance.pdf

Public Comment HB/RB/MB City Councils and Attorneys as the BCHD "Beach Cities"

------ Forwarded message ------From: **Stop BCHD** <<u>stop.bchd@gmail.com</u>> Date: Sun, Jun 23, 2024 at 11:42 AM Subject: Request for Formal Investigation of MHSOAC, it's Technical Advisor, and BCHD's allcove Program To: <<u>MHSOAC@mhsoac.ca.gov</u>>, <<u>Toby.Ewing@mhsoac.ca.gov</u>>, <<u>Mark.Ghaly@chhs.ca.gov</u>> Cc: Kevin Cody <<u>kevin@easyreadernews.com</u>>

Following extensive analysis, we have determined that the results of the BCHD allcove Beach Cities program exacerbates the health resource disparities between disadvantaged, non-white, provider deficient communities and the wealthy, generally white, provider rich areas of SPA8 - the allcove Beach Cities service area. In short, this is an abject failure of the objectives of the MHSOAC and MHSA.

A full investigation is required.

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StopBCHD.com (<u>StopBCHD@gmail.com</u>) is a Neighborhood Quality-of-Life Community concerned about the quality-of-life, health, and economic damages that BCHDs 110-foot above the street, 800,000 sqft commercial development will inflict for the next 50-100 years. Our neighborhoods have been burdened since 1960 by the failed South Bay Hospital project and have not received the benefit of the voter-approved acute care public hospital since 1984.Yet we still suffer 100% of the damages and we will suffer 100% of the damages of BCHDs proposal.

From:	Mark Nelson (Home Gmail)
То:	rmiller@hooperlundy.com; Robert W. Lundy; CityClerk; cityclerk@manhattanbeach.gov; cityclerk@hermosabeach.gov; Garth Meyer; tliu@scng.com; info; Michael Webb
Subject:	Public Comment - Correction of Misleading BCHD Proposed Bond Language - Item XIA, BCHD BoD 6/26/24
Date:	Thursday, June 20, 2024 8:58:01 PM

Public Comment - City Councils of the Beach Cities, BCHD, LALAFCO Board

BCHD's proposed language is wildly misleading to the voters of the 3 beach cities of Hermosa, Manhattan, and Redondo Beach that founded, funded and own the BCHD. The corrections are mandatory to provide non-deceitful disclosure of the non-resident use of funding and the voluntary nature of taxpayer asset demolition.

To complete the 91% non-resident service area allcove youth mental health center; install water and energy conservation systems in the 91% nonresident service area allcove building; and create up to 2 acres of accessible, public outdoor space for youth and older adult community wellness programs by electively and voluntarily removing outdated, taxpayer-owned medical buildings with 25 years of remaining life based on best practices in seismic ordinances, shall Beach Cities Health District's measure authorizing \$30,000,000 in bonds, at legal rates, levying approximately \$3.00 per \$100,000 of assessed valuation, generating approximately \$1,700,000 annually while bonds are outstanding, with financial oversight and accountability requirements, be adopted?

From: To:	<u>Mark Nelson (Home Gmail)</u> <u>rmiller@hooperlundy.com; Robert W. Lundy; Michael Webb; info; CityClerk; cityclerk@hermosabeach.gov;</u> cityclerk@manhattanbeach.gov; Garth Meyer; tliu@scng.com
Subject:	Public Comment - Fwd: BCHD has no data demonstrating CAUSALITY between BCHD and health outcomes
Date:	Friday, June 21, 2024 1:18:37 AM

BCHD has been well aware for several years that Witter's survey cannot evaluate any BCHD programs, because the research design does not contain any control group. As such, nothing Witter's surveys have concluded reflect the individual actions of any BCHD program or offering. Quite simply, read Witter's own words.

----- Forwarded message ------

From: Mark Nelson (Home Gmail) <

Date: Wed, May 24, 2023 at 6:27 PM

Subject: BCHD has no data demonstrating CAUSALITY between BCHD and outcomes To: Communications <<u>communications@bchd.org</u>>, Noel Chun <<u>noel.chun@bchd.org</u>>, Vanessa I. Poster <<u>vanessa.poster@bchd.org</u>>, Jane Diehl <<u>jane.diehl@bchd.org</u>>, Martha Koo <<u>martha.koo@bchd.org</u>>, Michelle Bholat <<u>michelle.bholat@bchd.org</u>>, info <<u>info@lalafco.org</u>>, Monica.Suua <<u>Monica.Suua@bchd.org</u>>

Perhaps the best possible testimony to BCHD's lack of appropriate program causality research are the direct words o Dan Witter of Gallup

BCHDs GALLUP SURVEY PROVIDES NO PROGRAM EVALUATION BENEFIT AND SHOULD BE REPLACED

The cost for Gallup should be eliminated. BCHD conducts no community health benefits evaluation at the program level due to lack of "mission", "funding" and "ability". As such, BCHD has no benefit-cost or net benefit analysis of programs. Gallup's director stated clearly in the clip attached from January 2021 Board meeting that Gallup's research has never been about evaluating programs or individual service delivery. As a result BCHD's argument to keep the Gallup survey instrument is invalid.

BCHD needs research that with control groups that conclusively demonstrates public health community value of programs for use in funding priorities - not Gallup's generalized survey that has no control groups and no ability to validate causality.

Per Transcript of Dan Witter, Gallup:

... it's true that we don't try and evaluate

1:51:47

individual programs or offerings that's never been a part of uh the well-being 1:51:52

index survey what we're about is measuring the movement of well-being over time"

From:	Mark Nelson (Home Gmail)
То:	CityClerk; cityClerk@hermosabeach.gov; cityClerk@manhattanbeach.gov; Garth Meyer; tliu@scng.com; Robert W.
	Lundy; rmiller@hooperlundy.com; info
Subject:	Public Comment: Warning that BCHD may be planning to misrepresent Gallup results
Date:	Thursday, June 20, 2024 9:21:34 PM

City Councils of the Beach Cities, LALAFCO Board:

Gallup has been extremely clear that none of its work assesses BCHD's programs. That is, no causality can be associated with the results.

The language below from the BCHD CEO report appears to signal that BCHD is planning to falsely claim financial credit for the health-related savings seen in the Beach Cities since 2010. If BCHD makes such a statement, a complaint to the State Attorney General will be required for false advertising.

From the CEO Report "Gallup Well-Being Index follow-up: Following the presentation of the Gallup Well-Being Index results, the board requested information to help quantify details of the high stress levels reported. The Community Health Committee reviewed the BCHD community survey scheduled for this summer. The board also requested more information on health-related savings in workplace absenteeism due to the reduction in obesity and smoking seen in the Beach Cities since 2010. Staff has requested these calculations from Gallup and will report them when they are received."

From the transcript of BCHD BoD meeting 2021-02 Feb https://youtu.be/MSeWzzXMSJo

Contains BCHD's agreement that use of Gallup data to imply BCHD causality of benefits would constitute a violation of violate the state of California business and professions code section 17500.

Dan Witter from Gallup gave the board 17:37 members lots of information and numbers so I want to bring into Focus some 17:43 important facts that we're communicated by Dr Witter related to the randomized Gallup 17:51 survey uh Dan told us we'd quote we don't try 17:58 to evaluate any particular programmer offering we are about measuring the 18:03 movement of well-being over time we've never tried to boil down individual 18:09 programs and the Blue Zone survey has never been about evaluating programs or 18:15 offerings this means that the survey does not report whether any bchd program or 18:23 service has had an impact on the community this survey reports respond and 18:29 subjective impressions of their well-being what the survey does not say is that 18:36 bchd is responsible for any change in an individual's or a collective beach 18:43 cities residents current health status or sense of well-being whether it's 18:49 smoking cessation increased exercise better nutrition 18:55 or decreased depression using the information in this survey to report the 19:01 impact of any bchd program or service would be misleading the public and may 19:09 violate the state of California business and professions code section 17500 19:16 as a board you might consider this could there be another reason beach 19:22 cities residents rank high on the Gallup well-being scale 19:28 there is reliable research excuse me there is reliable research evidence that 19:35 socioeconomic status SES affects an individual's health and life expectancy 19:43 higher SES may be correlated with better physical health and overall sense of well-being 19:49 this is the most likely explanation for Beach City's residents improved health 19:55 status and well-being especially given that 64 percent of beach cities 20:02 residents have no familiarity with blue zones whatsoever 20:07 and 26 percent of beach cities residents were only somewhat familiar with blue 20:14 zones per the Gallup study showing that beach cities residents physical health 20:19 and well-being occurs without the influence of blue zones 20:25 having said this the value of the survey is that it points to areas of program 20:32 development and strategic planning as Dr Witter pointed out in his presentation 20:39 this is how the survey may be useful to you as a board not as an indication of 20:45 bchd's impact on the community hi Sheila your time's up there we go 20:53 um I would just like to add that I do have uh references for the research 20:59 thank you Sheila thank you so much we'll we'll uh heed those

From: To:	<u>Mark Nelson (Home Gmail)</u> <u>Communications; Robert W. Lundy; rmiller@hooperlundy.com; mdavis@davisfarr.com; jfarr@davisfarr.com; Jane</u> Diehl; Martha Koo; Michelle Bholat; Noel Chun
Cc:	<u>CityClerk; cityClerk@hermosabeach.gov; cityclerk@manhattanbeach.gov; City Council;</u> citycouncil@manhattanbeach.gov
Subject: Date:	Re: Public Comment - June 2024 - allcove Wednesday, June 26, 2024 6:40:55 PM

I have a 7PM meeting so I filed my comments in writing given the relatively slow pace of the meeting.

cc: Public Comment City Councils of Beach Cities

On Wed, Jun 26, 2024 at 6:27 PM Mark Nelson (Home Gmail) wrote:

BCHD Executive Management and Board have repeatedly failed reasonable due diligence on the allcove Beach Cities program. As a result, BCHD Executive Management and Board have exposed the taxpayers of the three Beach Cities to potential liability of 3-times the asset value of the District.

Unfortunately for District taxpayers, BCHD produced no financial analysis in CPRA responses to determine the full risk exposure of a 91% non-resident program. Presumably, when the CEO obligated District taxpayers to allcove and SPA8 area in the 12/9/2021 agreement, the expectation was to terminate the agreement for convenience if the financial burden on District taxpayers became too large. More likely, given the lack of financial analysis, BCHD failed to even consider the risk impact of allcove's non-residents on District taxpayers.

Fast forward to BCHD's decision to accept a \$6M state grant to construct the allcove building to service SPA8. Terms of the grant require continuous 30 year operation of the building and its ongoing mental health services. Further, the District taxpayer land at Flagler & Beryl (a \$5M parcel) will be encumbered for 30 years as a donation to allcove resulting in \$250,000 per year of lost rent based on Cain Bros estimates of land value leasing.

In November 2023, long after BCHD had already executed the 30-year obligation in return for \$6M in grant funding, the District responded in a CPRA response that it had never estimated the risk burden of 30 years operation on District taxpayers. As a result of BCHDs's failure, several of us computed the 30-year risk at nearly \$175M for allcove operations, building operations, repayment of the \$10M allcove portion of the bond, BCHD donated land, and BCHD donated overheads. Aside from the enormous liability if BCHD can't fill its allcove tin-cup regularly with grant funds, there's the issue that BCHD is accepting funding for SPA8 allcove, despite the fact that BCHD is redirecting the funding to 50% district residents and 70% district + Torrance residents per the BCHD CPRA response.

Due to BCHD's lack of due diligence, District taxpayers are hanging out with an enormous liability that liquidation of all District assets cannot cover.

Hooper Lundy and Davis Farr need to figure out how to get District taxpayers out of this mess caused by the fiduciary BCHD Executives and Board.

/