

BLUE FOLDER ITEM

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CITY COUNCIL MEETING JULY 15, 2025

K.1 PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

- **PUBLIC COMMUNICATIONS**

From: [Mark Nelson \(Home Gmail\)](#)
To: [CityClerk](#); [James Light](#); [Paige Kaluderovic](#); [Brad Waller](#); [Chadwick B. Castle](#); [Scott Behrendt](#); [Zein Obagi](#)
Subject: Public Comment - RBCC Meeting 7-15-25, Non-Agenda Items
Date: Tuesday, July 15, 2025 1:14:37 AM
Attachments: [BCHDs allcove - a \\$6.3M Grant with a \\$172M Cost.pdf](#)

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

BCHD has signed an agreement for \$6.3M in funding for an ALLCOVE building. Unfortunately, according to the failed Measure BC, the building will cost \$15M although BCHD seems to be manipulating the amount.

BCHD included all of SPA8 in its bid proposal to reduce the average income and increase the diversity of their bid package. As a result, BCHD accepted a 30-year obligation to provide ALLCOVE to all of SPA8s 1.4M population while also operating the building. All this with no LONG TERM FUNDING.

That is an enormous, \$170M burden on resident taxpayers of the 3 beach cities.



stopbchd 3 minutes ago 1 min read

BCHDs allcove - a \$6.3M Grant with a \$172M Cost

BCHD applied for a \$6.3M grant for an allcove building. Allcove is currently housed in an ocean-view, purpose-remodeled suite on 4th floor of 514 N Prospect.

In order to get the \$6.3M, BCHD had to agree to the two key terms:

- Operate the new allcove building for a MINIMUM of 30 Years
- Provide allcove services to the Priority Populations of LA County SPA8 for a MINIMUM of 30 Years

BCHD's acceptance of the terms expanded the service area for allcove from 120,000 population of the District Cities to the 1.4M population of SPA8. The District is 9% of SPA8 on a population basis. On a Priority Population basis, the District Cities are likely no more than 2% of the allcove service area's target population.

BCHD conducted NO FINANCIAL ANALYSIS of the 30-year liability of operation for 1.4M population SPA8. Based on credible estimation, that 30-year liability is \$172M in return for a \$6.3M grant.

<https://www.stopbchd.com/post/details-of-the-170m-bchd-district-taxpayer-liability-for-allcove-all-caused-by-bchd-accepted-a>

The document below highlights the key terms of the BCHD allcove grant deal for \$6.3M.

EXCERPTS FROM BCHD's ALLCOVE CONSTRUCTION GRANT

PROGRAM FUNDING AGREEMENT

SUMMARY COVER SHEET

Program Funding
Agreement ID

7469-CA BHCIP-B4_209_Allcove-01

Contract Type: Deliverable Based Program Funding Agreement

Period of Performance: Effective Date through June 30, 2027

Consideration/Budget: BHCIP Children and Youth (Round 4) Infrastructure Program Funding
Not to Exceed \$6,336,702.00

This Program Funding Agreement (the "Agreement") is entered into as of May 13, 2023 (the "Effective Date") by and between **ADVOCATES FOR HUMAN POTENTIAL, INC.**, a Massachusetts corporation, with offices located at **490-B Boston Post Road, Sudbury, MA 01776** ("AHP"), and **Beach Cities Health District, formerly known as South Bay Hospital District, a governmental agency with offices at 514 N. Prospect Avenue, Redondo Beach, CA 90277-3040** ("**Beach Cities Health District, formerly known as South Bay Hospital District, a governmental agency**" or the "Sponsor"). AHP and the Sponsor may be referred to separately as a "Party" or collectively as "Parties."

-Priority populations to be served are youth between the ages of 12-25 from Service-Planning Area 8, including 16 cities and communities of the city of Los Angeles. This population will receive mental and physical health resources, education and employment counseling, peer and family support, and substance use prevention programs. Service-Planning Area 8, in the 16 cities and communities of the City of Los Angeles, includes more than 1,000,000 people. Allcove Beach Cities will be able to provide services to those 12-25 years old, including 49% Latino population, followed by 26% white, 15% Asian, 8% African American and 2% other.

BHCIP, DHCS awards competitive grants to qualified entities to construct, acquire, and rehabilitate real estate assets to build new capacity or expand existing capacity for facilities that will operate for a minimum of thirty (30) years to provide short-term crisis stabilization, acute and subacute care, crisis residential, community-based mental health residential, substance use disorder residential, community and outpatient behavioral health services, and other

Since the District is only 9% of SPA8, yet bears 100% of the 30-year cost, it's unclear why BCHD would foist such a negative NPV deal onto Taxpayers of the District only. There is no long term funding.