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EXCERPT – BCHD ALLCOVE FUNDING AGREEMENT WITH STATE

PROGRAM FUNDING AGREEMENT

SUMMARY COVER SHEET

Program Funding
Agreement ID

7469-CA BHCIP-B4 209 Allcove-01

Program Agreement
Effective Date:

5/13/2023

Sponsor:

**Beach Cities Health District, formerly known as South Bay Hospital District,
a governmental agency
ATTN: Monica Suua
Address: 514 N. Prospect Avenue, Redondo Beach, CA 90277-3040**

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**

\$6.3M Construction Grant

-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.

BCHD ADDED ALL OF SPA8

A. DHCS oversees the Behavioral Health Continuum Infrastructure Program ("BHCIP"), which was established by California Assembly Bill No. 133 (Chapter 143, Statutes of 2021), and which is governed by Welfare and Institutions Code section 5960-5960.45. Under 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, peer respite, community and outpatient behavioral health services, and other clinically enriched longer term treatment and rehabilitation options for persons with behavioral health disorders in the least restrictive and least costly settings;

30 YEAR REQUIRED OPERATION

From Measure BC: \$9 million more to complete construction of the allcove Beach Cities Building

From BCHD March Finance Meeting, Annual 2025-26 cost of ALLCOVE is \$2,308,133.21

BCHD ALLCOVE SUMMARY FACTS

SPA8 = 1.4M Total Population

HB/RB/MB = 120K pop (9%)

Obligation for BCHD to pay for 30 years of both ALLCOVE PROGRAM AND ALLCOVE BUILDING COSTS for all of SPA8. NO OPERATING FUNDING PROVIDED – BUILDING GRANT ONLY.

We estimate total 30 year cost at \$170M

Using a detailed model of building and utility costs as well as BCHD historic cost escalation rates.

Even with NO INFLATION and NO BUILDING OPERATIONS COSTS the 30-year cost of ALLCOVE is $30 \times \\$2.3\text{M} = \\69M	\$69M
The ALLCOVE building costs \$9M more than the grant	\$ 9M
Inflation at 2% is \$24M, at 3% it's \$40M	\$24M

The absolute LOWEST EXPOSURE TO TAXPAYERS IN THE DISTRICT IS \$102M FOR SERVICING ALL OF SPA8 WITH NO FUTURE OPERATING GRANTS

THIS FINANCIAL FIASCO IS THE RESULT OF BCHD SEEKING AND ACCEPTING A MERE \$6.3M GRANT!

BCHD Healthy Living Campus

FACT SHEET: JULY 2025

Beach Cities Health District

Beach Cities Health District (BCHD) has served the people who live and work in Hermosa Beach, Manhattan Beach and Redondo Beach since 1955. Today, BCHD offers more than 40 free community health programs and services that promote health and wellness across the lifespan.

BCHD has been working closely with the community since 2017 to reimagine our medical campus – home to our 65 year-old former hospital building located at 514 North Prospect Avenue. Since May 2017, BCHD has held more than 60 meetings, drawing more than 1,000 comments regarding ways to modernize its property.



Healthy Living Campus Overview



extending from Diamond to Beryl and Prospect to Flagler



and former hospital site faces escalating maintenance costs and is in need of a seismic upgrade



has been identified as the target date for vacating the 514 building

Positive Steps Forward

Progress is underway on several components of the Healthy Living Campus Master Plan.



Diamond Street Bike Path

Completed in 2023, the bike and pedestrian path project installed a Class I bike path with new lighting, pavement, bicycle traffic signal sensors and landscaping.



510 N. Prospect + Green Space

Finalizing plans to retain the 510 building and preserve adjacent green space along Diamond St.—addressing neighbor concerns.



Center for Health & Fitness Relocation

A lease has been signed to relocate the Center for Health & Fitness (CHF) to the 510 Building in 2027.



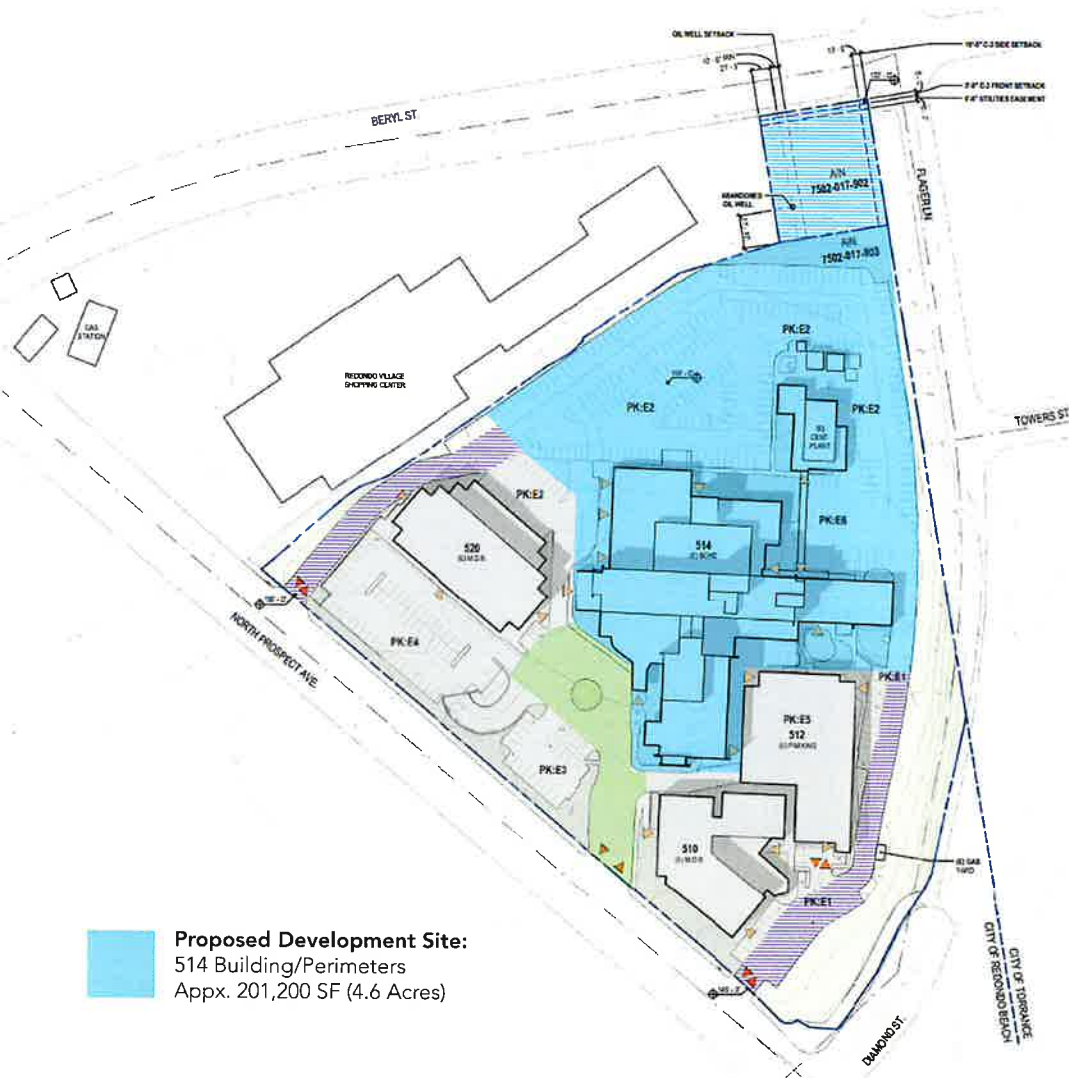
Program of All-Inclusive Care for the Elderly (PACE)

BCHD is working to secure space on the campus for a PACE program, aiming to provide services for older adults and establish a long-term tenant in the 510 Building.



allcove Beach Cities

56% of funding secured for construction of a permanent allcove Beach Cities location. Approximately \$6 million remains to be raised to fully fund the project.



Former South Bay Hospital Redevelopment

Beach Cities Health District (BCHD) is launching a Request for Expression of Interest (RFEOI) to explore innovative and community-aligned uses for the site.

Goals:

- Align with BCHD's mission to enhance health and wellness
- Generate sustainable revenue to fund community health programs
- Improve safety by addressing outdated seismic infrastructure
- Reflect community feedback gathered since 2017

Key RFEOI Dates

The RFEOI was issued June 30, with responses due by August 7. During the selection process, a BCHD Advisory Working Group will evaluate the submissions, including community engagement opportunities for public input. The Advisory Working Group will then deliver its recommendation(s) to the Board for approval and to determine next steps.

What Could the Site Become?

Potential future uses could include Residential Care for the Elderly (RCFE), affordable senior housing, or medical office and wellness services – all options that align with the scope of services BCHD is authorized to provide under California Healthcare District law.