

# **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 AUGUST 2, 2022**

J.1 PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

### **PUBLIC COMMUNICATIONS**

August 1, 2022

Mayor Bill Brand  
City Council Members  
City of Redondo Beach  
415 Diamond Ave.  
Redondo Beach, CA 90277

AUG 2 2022 PM2:05  
RECD CITY CLERKS OFF.

Dear Mayor/Mayor Pro tem and District Council Members:

This letter is to call your attention to what I believe was a substantial violation of the Ralph M. Brown Act and Article I, Section 3 of the California Constitution.

The nature of the violation is as follows. The action taken on July 19<sup>th</sup> was not in compliance with the Brown Act and Article I, Section 3 of the California Constitution because there was **no adequate notice to the public on the posted agenda for the meeting that the matter acted upon would be discussed.**

On July 19<sup>th</sup>, Councilmember Nils Nehrenheim presented a resolution and eleventh-hour motion to hold a Special Election on October 19<sup>th</sup> which was not properly agendized. Councilmember Todd Loewenstein supported the motion which yielded a 3-0 vote including Councilmember Zein Obagi Jr. weighing in cahoots with the South Redondo representatives.

This action has launched the City of Redondo Beach into yet another political quagmire and raises serious concerns over violations of state transparency laws as it was NOT properly agendized and goes against recommendations of both the City Clerk and City Attorney cautioning the panel about the potential violations, but was rebuffed by Councilmember/Mayor Pro Tem Nehrenheim.

Councilmember Christian Horvath announced his reason for departure from Chambers was in protest of this Brown Act violation and his unwillingness to stand for his colleagues' bastardization of democracy to serve their own special interests. Councilmember Laura Emdee also left Chambers objecting to the Special Election citing concerns of wasteful spending of \$270K on an election just 3 weeks prior to a statewide election, confusion and suppression of voters, as well as violations of the Brown Act.

Fortunately, the Brown Act allows citizens the legal remedy of judicial invalidation of illegally taken action. Pursuant to Government Code Section 54960.1, I demand that the City of Redondo Beach cure or correct the illegally taken action as follows:

1. Properly agendize the Oct. 19<sup>th</sup> Special Election item for full transparency allowing public participation to redress the illegality by providing the public with access to the information acquisition, deliberative process, and opportunity to comment of which it was deprived.
2. Formally and explicitly withdraw the Oct. 19<sup>th</sup> Special Election commitment, coupled with a disclosure of the reasons why individual members of the legislative body took the positions that they did, with the full opportunity for informed comment by members of the public at the same meeting, notice of which to be properly included on the posted agenda.
3. Provide public access to any and all documents related to the action taken, with copies available to the public on request at the City Clerk's office and also at the meeting at which reconsideration of the matter is to occur.

As provided by Section 54960.1, you have 30 days from the receipt of this demand to either cure or correct the challenged action, or inform me of your decision not to do so. If you fail to cure or correct as demanded, I am entitled to seek judicial invalidation of the action pursuant to Section 54960.1, in which case I would seek the award of court costs and reasonable attorney fees pursuant to Section 54960.5.

Sincerely,



Lisa Rodriguez  
Redondo Beach resident

cc: City Attorney, Mike Webb  
City Clerk, Eleanor Manzano  
City Treasurer, Steve Diels

**From:** [niki77@verizon.net](mailto:niki77@verizon.net)  
**To:** [CityClerk](#)  
**Subject:** Blue folder, non-agenda item 8/2/22  
**Date:** Tuesday, August 2, 2022 2:19:28 PM  
**Attachments:** [MetroROWdisparities.pdf](#)  
[Metro Multimodal Objectives.pdf](#)  
[Multimodal pitch for cc 8222.pages](#)

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Dear City Clerk,

Please find attached documents for the blue folder. I plan to speak in person during non-agenda about them and will include that pitch in writing as well.

Can you please make sure all 5 cm's and the mayor each get a copy of my docs so they can review and know what I'm talking about?

Let me know if there is anything else you need from me.

Thank you so much!

Niki Negrete-Mitchell  
District 3 resident homeowner  


## **ATTACHMENT A**

### **Metro Objectives for Multimodal Highway Investment**

1. Advance the mobility needs of people and goods within LA County by developing projects and programs that support traffic mobility and enhanced safety, economic vitality, equitable impacts, access to opportunity, regional sustainability, and resiliency for affected local communities and the region.

2. Recognizing LA County's history of inequitable highway investment policies and construction, work with local communities to reduce disparities caused by the existing highway system and develop holistic, positive approaches to maintain and improve the integrity and quality of life of those communities during the implementation of highway improvements.

3. Ensure that local and regional investment in LA County's highway system— particularly the implementation of Measures R and M priorities—is considered within the context of a countywide multimodal, integrated planning vision that reflects a holistic approach to meeting the needs of local communities, reducing disparities, creating a safer and well-maintained transportation system, and fostering greater regional mobility and access to opportunity.

4. Develop early, constructive, and meaningful public engagement processes and planning tools with subregional partners that foster engagement with a wide range of stakeholders, specifically people most directly impacted, with the goal of informing the planning, development, and implementation of subregional corridor investment strategies in LA County's highway system aligning with local and subregional needs and priorities.

5. Partner with Caltrans and regional stakeholders to create an LA County multimodal highway strategic plan that is developed through a collaborative planning approach to improve the overall regional mobility of people and goods throughout the county, safely and equitably, while taking action to reduce the negative environmental and climate impacts of car and truck travel.

6. Support the optimization of existing highway facilities by using technology and innovation that maximizes the throughput and travel time of people and goods, while supporting sustainable, resilient, and healthy outcomes, including reducing air pollutants and greenhouse gas emissions generated from the use of the facilities.

**Based on Metro Board's conclusions for the I-710 South Corridor Widening Project, 710 "Stub" SW Pasadena connector to 210 Frwy pivot to NO-BUILD.**

Metro Objectives for Multimodal Highway Investments for major transportation projects, while recognizing past inequities, are saying the aim is to preserve the integrity and Quality of Life for the communities along major transportation projects with residential safety, equity and sustainability without causing disparities.

Community engagement is critical. Thorough outreach to directly affected and neighboring households must be a priority and considered urgent.. Empathetic, respectful and meaningful consideration while taking in public input about their private homes is essential. Community trust erodes as Metro staff suggest bandaid mitigations which are never satisfactory. Any level of critical thinking leads to the conclusion that these are only meant to persuade stakeholders into an agreement which will lead to life altering irreversible problems.

Once the decision is official to use the community preferred alternative Hawthorne Blvd route, the ROW property acquired by Metro in the past, prior to any meaningfully thorough environmental study, should either be well maintained or sold to best suit the community and the city. The problematic composition of the dirt all along the ROW not only has a serious history of 30' deep sinkholes as documented by others, but also making it impossible to maintain a healthy level of cleanliness both outside and inside homes. The latter needs to be addressed and brought to a healthier standard if Metro's intentions are to retain that property rather than sell.

The Metro C (Green) Line extension to Torrance should be a project that promotes traffic mobility with enhanced safety, economic vitality, produces positive equitable impacts, increases access, regional sustainability, and resiliency for the affected local community. Taking into account LA's history of inequitable transportation investment policies and construction, Metro and the county must work with our local community to reduce similar potential disparities caused by implementing a new rail system and develop holistic, positive approaches to maintain and improve the integrity and Quality of Life for our community.

We need to ensure that investment in LA County's transportation system to this locality is considered within the context of a localized planning vision that reflects a holistic approach to meeting the needs of our local community, eliminating potential disparities, creating a safer and well-maintained transportation system, while fostering greater regional mobility and access to opportunity.

Metro and LA County must meaningfully and constructively take to heart the community's wishes for processes and planning that foster needs for stakeholders, specifically people most directly impacted, with the goal of planning and implementation of strategies that serve the local and subregional needs and priorities.

Metro and LA County should consider partnering with the city and local stakeholders to create a

strategic plan for public transportation. A plan should be developed through collaborative planning efforts to enhance the overall regional mobility of people throughout the county, safely and equitably, while taking action to reduce the negative environmental and Quality of Life impacts that directly affect the property line sharing stakeholders, a diverse private household community consisting of retirees and young families with children.

LA County along with Metro must support sustainable, resilient, and healthy outcomes for the Greenline project without compromising the safety and quality of life for our community at risk for disparities while at the same time providing access to opportunity and maintaining the integrity of the unique local landscape.

**From:** [Glen and Nancy Yokoe](#)  
**To:** [CityClerk](#); [cityclerk@torranceca.gov](mailto:cityclerk@torranceca.gov); [Stop BCHD](#)  
**Subject:** BCHD HLC Project  
**Date:** Wednesday, July 27, 2022 5:28:05 PM

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To Whom It May Concern,

I have written and spoken up against the BCHD HLC multiple times. I continue to do so as a concerned, long-time resident of west Torrance.

The HLC(Healthy Living Campus), as designed, is an expansive behemoth. It towers over and is out of character with the surrounding neighborhoods and businesses. The excavation, demolition, concrete grinding and transport of debris is a 24/7 health hazard to all that live and work nearby. Most concerning are the effects of 5+ years of airborne pollution of irritants and carcinogens on our most vulnerable school children at Beryl Heights Elementary School in RB and Towers Elementary School in west Torrance.

Noise will be beyond acceptable standards for residential areas. It will have an unbearable effect on those nearby and noise itself has been shown to have deleterious effects on one's wellbeing.

Heavy truck trips will add to an already congested traffic situation. Just ask any parents who take and pick up children going to and from the two elementary schools mentioned, about a quarter of a mile apart.

The CEO and BoD of BCHD seem to have forgotten what the "H" stands for in their acronym. They have lost touch with the negative effects of their HLC, and that will have on the surrounding community.

Respectfully, Glen H. Yokoe, PharmD

**From:** [M. Nava](#)  
**To:** [Info@lalafco.org](mailto:Info@lalafco.org)  
**Cc:** [CityClerk](#); [cityclerk@torranceca.gov](mailto:cityclerk@torranceca.gov)  
**Subject:** BCHD Public Comment for September 2022 LALAFCO Board Meeting  
**Date:** Tuesday, August 2, 2022 10:02:27 AM

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

Dear Board Members of LALAFCO:

This is a comment for your September 2022 Board meeting where you will be considering the BCHD Municipal Service Review report.

BCHD should be dissolved because it is not operating for the benefit of, or in the best interest of the residents of the District.

If BCHD's project proceed, District residents will lose 3 acres of our land for up to 95 years when BCHD signs a lease with a private developer/owner/operator and if BCHD receives the needed permits from the Cities of Redondo Beach and Torrance. The developer plans to build a \$12,000+/month assisted living facility for people with \$200,000 and above incomes. The private facility is being built for 80% non-residents of the District.

BCHD will have no ownership in the project.

Even though BCHD will receive a rent payment of \$1.5M per year for the land, BCHD will have to pay more than half of that back to the developer in rent for BCHD's new offices and facilities in the developer's building.

BCHD has already signed a deal for a youth wellness program called "allcove" where BCHD will provide services as far away as Long Beach. 91% of the service area for BCHD's program will be non-residents of the District.

BCHD plans to offer an adult daycare program called PACE. BCHD refuses to say how many PACE participants they think will be from the District. National statistics show that the District should expect only 16 out of its 400 person planned capacity to come from the three beach cities. 96% of PACE enrollees will be non-residents of the District.

When South Bay Hospital District was voted into existence, it was for the benefit of the residents of the District. It is bond and property tax funded by the residents.

BCHDs proposed future project, the HLC, is for over 80% non-residents of the District. Even during Covid, BCHD tested nearly 85% non-residents and left District taxpayers with several million dollars in costs for out-of-District services and overheads.



If BCHD prefers to serve non-residents of the District, then it should be dissolved and the District's property tax funding put to better health uses inside the District. Please add my comment to the Municipal Service Review record at the September Board meeting as a formal comment in favor of opening a proceeding to dissolve BCHD.

Thank you.

Marcio N

**From:** [Deb Whitcas](#)  
**To:** [Info@lalafco.org](mailto:Info@lalafco.org)  
**Cc:** [CityClerk](#); [cityclerk@torranceca.gov](mailto:cityclerk@torranceca.gov)  
**Subject:** BCHD Public Comment for September 2022 LALAFCO Board Meeting  
**Date:** Monday, August 1, 2022 8:01:23 PM

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

Dear Board Members of LALAFCO:

This is a comment for your September 2022 Board meeting where you will be considering the BCHD Municipal Service Review report.

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Thank you.

Deborah J Whitcas

cc: City Councils of Torrance and Redondo Beach

StopBCHD.com ([StopBCHD@gmail.com](mailto:StopBCHD@gmail.com)) 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)  
 To: info  
 Cc: CityClerk; CityClerk; cityclerk@manhattanbeach.gov; cityclerk@hermosabeach.gov  
 Subject: LALAFCO Board Comments for August 2022 Meeting  
 Date: Thursday, July 28, 2022 5:47:40 PM  
 Attachments: image.png  
 image.png

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To Board Members and Alternates of LALAFCO (Non-Agenda Public Comment)  
 CC: Mayors, Councils, Planning Commissions of Redondo, Hermosa, Manhattan Beach and Torrance (Non-Agenda Public Comment)

BCHD has inked and spent communications resources on a deal to provide "allcove" services to a supermajority non-residents of the District, and to a supermajority of non-residents of the SOI. BCHD made no application to LALAFCO that has been disclosed, and I fail to see how providing SUPERMAJORITY service outside of the SOI is allowable.

LOCATIONS SERVED BY BCHD PROGRAM	POPULATION	POPULATION FRACTION	ALLOCOVE	SAFE IN THE SOUTH BAY	RCFE	PACE	COVID TESTS	AVERAGE BCHD PROGRAM ACTIVITY	ALLOCOVE
Source	US Census	Computed	BCHD Press Releases	BCHD Press Releases	BCHD MDS Consultant Report	NPAOnline estimator	LACDPH	Computed	
Non-Resident Share		81.3%	81.3%	83.6%	85.9%	86.7%	84.0%	83.1%	81.3% NON-RESIDENTS OF DISTRICT
BCHD Resident Share		8.7%	8.7%	36.4%	19.4%	4.3%	16.0%	16.9%	8.7% RESIDENTS OF DISTRICT
									23.9% TOTAL SOI WITH DISTRICT
									77.0% NON-RESIDENTS OF DISTRICT AND SOI
Athens	9,000	0.6%	0.6%	0.0%	0.0%	0.0%			
Aviation	3,700	0.3%	0.3%	0.0%	0.0%	0.0%			
Carson	90,000	6.4%	6.4%	0.0%	0.0%	0.0%			
Catalina Island	300	0.0%	0.0%	0.0%	0.0%	0.0%			
El Segundo	17,000	1.2%	1.2%	5.1%	2.9%				
Gardena	60,000	4.3%	4.3%	0.0%	0.0%				
Harbor City	25,000	1.8%	1.8%	0.0%	0.0%				
Hawthorne	87,000	6.2%	6.2%	0.0%	0.0%				
Inglewood	110,000	7.8%	7.8%	0.0%	0.0%				
Lawndale	33,000	2.3%	2.3%	0.0%	0.5%				
Lennox	22,000	1.6%	1.6%	0.0%	0.0%				
Long Beach	467,000	33.1%	33.1%	0.0%	0.0%				
Hermosa	19,000	1.3%	1.3%	5.7%	2.9%	0.7%			
Manhattan	36,000	2.6%	2.6%	10.7%	8.4%	1.3%			
PVE	13,000	0.9%	0.9%	0.0%	10.5%				
Rancho Dominguez	15,000	1.1%	1.1%	0.0%	0.0%				
RPV	42,000	3.0%	3.0%	12.5%	19.5%				
Redondo Beach	67,000	4.8%	4.8%	20.0%	8.1%	2.4%		1.0%	
Rolling Hills	1,500	0.1%	0.1%	0.4%	1.2%				
RHE	8,000	0.6%	0.6%	2.4%	6.5%				
San Pedro	86,000	6.1%	6.1%	0.0%	0.0%				
Torrance	145,000	10.3%	10.3%	43.2%	10.1%				
Wilmington	53,000	3.8%	3.8%	0.0%	0.0%				
Beyond Listed Cities		0.0%	0.0%	0.0%	30.0%				
Total Population	1,409,500								
BCHD Cities	122,000								
BCHD Residents as Fraction Total Population or Benefits		8.7%	8.7%	36.4%	19.4%	4.3%	16.0%	16.9%	

1) BCHD kept no records of testing city of residence. LACDPH offered total fraction data of BCHD vs Non-Residents  
 2) MDS report states 30% of RCFE tenants will be from outside listed zipcodes  
 3) Palos Verdes Peninsula Cities disaggregated by population shares  
 4) RCFE data based on BCHD MDS Consultant report  
 5) Covid testing based on LA County Dept of Public Health after BCHD responded that it was not tracking resident vs non-resident  
 6) PACE is based on National PACE Association data of 1 in 1,000 seniors utilizing PACE. BCHD is proposing a 400 enrollee program with 17 residents

Furthermore, BCHD will be paying between an annual lease rate for this supermajority of non-residents between \$250K-\$370K annually to rent space for "allcove", with 91% of the cost for non-residents of the District and 100% of future obligations and risk accruing to District residents.

Annual Lease Rate	PACE	\$392,165	\$535,899	\$572,012
	Youth Wellness	\$254,853	\$351,468	\$371,808
	Community Service	\$175,651	\$120,120	\$256,180
	Total	\$822,669	\$1,007,487	\$1,200,000

I can easily understand how incidental use could extend to Long Beach. I have no conception of how BCHD is planning for 75% non-residents of the SOI and 91% non-residents of the District without any formal hearings or analysis by LALAFCO.

I am requesting a formal investigation of BCHD practices in this matter.

Mark Nelson  
 Former 3+ Year BCHD Volunteer  
 Redondo Beach Taxpayer-Owner of BCHD

**From:** [Dan Smith](#)  
**To:** [Paul Novak](#); [Al.Muratsuchi@asm.ca.gov](#); [Ben.Allen@sen.ca.gov](#); [HollyJMitchell@bos.lacounty.gov](#); [Bill Brand](#); [cityclerk@hermosabch.org](#); [cityclerk@manhattanbeach.gov](#); [CityClerk](#); [Nils Nehrenheim](#); [Laura Emdee](#); [Christian Horvath](#); [Todd Loewenstein](#); [Zein Obagi](#)  
**Cc:** [Tom Bakaly \(he/him/his\)](#); [Cristan Higa](#); [Kevin Cody](#); [Lisa Jacobs](#); [Noel Chun](#); [Michelle Bholat](#); [Martha Koo](#); [Jane Diehl](#); [Vanessa I. Poster](#); [letters@dailybreeze.com](#); [letters@latimes.com](#); [Monica Suua \(she/her/hers\)](#)  
**Subject:** More Facts (and a news release) about BCHD and the Healthy Living Campus Project  
**Date:** Tuesday, July 26, 2022 7:00:35 PM  
**Attachments:** [HLC\\_mythsfact\\_Round4\\_072622.pdf](#)  
[HLC developer lessee process final.pdf](#)

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Hello,

In addition to the attached July edition of “Myth v. Fact” from Beach Cities Health District, today’s message also includes a news release with information about an agenda item for the BCHD Board of Directors meeting tomorrow night (July 27): the recommendation of a developer / lessee for the Residential Care for the Elderly facility that is part of the Healthy Living Campus revitalization plan.

If you’re interested in participating in Wednesday’s BCHD Board meeting, the agenda, meeting link and more is available at <https://www.bchd.org/board-directors-meetings>.

Here’s one more “myth v. fact” item, with multiple facts provided by BCHD’s Chief Financial Officer, Monica Suua:

**Myth:** “The BCHD project is bad for taxpayers.” (paraphrasing e-mails that have previously been sent to you as a public official)

**Facts:**

- The plan calls for a Public Private Partnership (P3) – which doesn’t use taxpayer money
- Taxpayers will get more return on their investment
- The developer/operator/lessee will pay the City of Redondo Beach property taxes for the land and building
- There is a local market demand for Assisted Living/Memory Care
- Units offered at 10% below market rate is part of the development plan
- District Cities, Schools will continue to receive funds from BCHD

If you have any questions, please reach out to me or our CEO, Tom Bakaly (cc’d), anytime. We look forward to working with you.

**Dan Smith**

*(he/him)*

*Director of Communications*

Beach Cities Health District

1200 Del Amo St., Redondo Beach, CA 90277

Ph: 310-374-3426, x156

[www.bchd.org](http://www.bchd.org)

[www.facebook.com/beachcitieshealth](https://www.facebook.com/beachcitieshealth)

## Protect Yourself and Others from COVID-19



Get Vaccinated and Boosted • Upgrade Your Mask • Wash Your Hands • Stay Home and Test When Sick



## **Developer-Lessee Recommended for Beach Cities Health District's Campus Revitalization Project**

***Proposed Residential Care for the Elderly facility to be part of modern campus that serves as  
hub for preventive health***

**Media Contact:** Dan Smith, BCHD, (310) 374-3426, x. 8156 or [dan.smith@bchd.org](mailto:dan.smith@bchd.org)

**REDONDO BEACH (July 26, 2021)** – As part of a rigorous selection process, a Beach Cities Health District (BCHD) subcommittee has recommended PMB LLC, a San Diego-based real estate developer & Watermark, a Tucson-based senior living operator, to build and operate a Residential Care for the Elderly (RCFE) facility at the BCHD Campus. The recommendation has been submitted to the district's Board of Directors for consideration at their meeting Wednesday night.

BCHD is in the midst of revitalizing its 60-year-old, 11-acre Redondo Beach campus, which will include the proposed 217-unit RCFE facility to provide assisted living and memory care.

"The RCFE will serve as a centerpiece for our campus, a modern, environmentally sustainable complex that will serve older adults, local youth and everybody in between," says BCHD CEO Tom Bakaly.

"Housing is a health need, and with Baby Boomers turning 66 years old by 2030, we're creating space for Beach Cities older adults to age gracefully while receiving assistance including healthcare, housing, and activities of daily life (ADLs). So, after a thorough review process with input from citizens, we've identified a highly qualified senior living partner."

BCHD management and Cain Brothers, a healthcare investment banking firm, prepared a Request for Qualifications, a Request for Proposal and established a framework and schedule to solicit, evaluate and recommend qualified firms to develop and operate the proposed RCFE.

One of the key components of the process has been community participation. An RCFE Advisory Working Group (AWG) was formed as a subcommittee of BCHD's Property Committee. The AWG, comprised of three BCHD community members and four members of BCHD Management, provided public participation in the selection process by assisting with the evaluation of RFQ & RFP proposals and transaction structure and terms. The AWG was unanimous in their selection of PMB LLC & Watermark.

This recommendation next goes before the BCHD Board of Directors at Wednesday's meeting (July 27), when the process, scoring methods and results will be presented. The board will review the staff recommendation, then will consider finalizing the selection and terms of the deal at a special meeting to be scheduled for August.

The other finalists are: RhodesMoore Development, based in Cardiff; and Senior Resource Group, based in Solana Beach.

The energy-efficient, seismically compliant redeveloped campus will include a youth wellness center, out-patient programs that help people age in their homes, community activities ranging from Yoga to



cooking classes that promote preventive health, and two acres of green space and bike/walking paths replacing acres of asphalt.

The finance model for the campus revitalization is a public-private partnership, which utilizes private investments in public projects to bolster taxpayers' return on investment. This philosophy enabled BCHD to provide a \$3.01-to-\$1 return on investment for tax revenues received in fiscal year 2020-21.

The agenda and board packet for Wednesday's meeting is available at <https://www.bchd.org/board-directors-meetings>.

### **About Beach Cities Health District**

Beach Cities Health District (BCHD) is a healthcare district focused on preventive health and serves the communities of Hermosa Beach, Manhattan Beach and Redondo Beach. Established in 1955 as a public agency, it offers an extensive range of dynamic health and wellness programs, with innovative services and facilities to promote health and prevent diseases across the lifespan. BCHD also operates AdventurePlex, a health and fitness facility where kids play their way to good health, and the Center for Health & Fitness, a comprehensive fitness center that is the only Medical Fitness Association-certified facility in California. BCHD was named the 2021 "Special District of the Year" by the Association of California Healthcare Districts. Visit [www.bchd.org](http://www.bchd.org) or call (310) 374-3426 for more information.

###

# Beach Cities Health District's HEALTHY LIVING CAMPUS



## MYTH vs FACT

With Beach Cities Health District's Healthy Living Campus in the Conditional Use phase, we're here to help separate myths from the facts.

For more information, visit [www.bchdcampus.org](http://www.bchdcampus.org)

MYTH	FACT
<p>"We were told that the building size was reduced in order to keep market rents high and not saturate the market." (M. Nelson e-mail to elected officials, June 16, 2022)</p>	<p>Pants on fire false. The building size was reduced to restrict its height as a response to neighbors' concerns about units overlooking the Torrance neighborhood. When the plan was reconfigured, moving the RCFE building to the northern border of the property, the overall size was reduced – from 461,000 sf in the 2019 plan to 283,070 sf in the 2020 design – in an effort to restrict the building's height.</p>
<p>"According to statute, even if BCHD is allowed to participate in either class of venture (PACE or RCFE), it would be a de novo service and would require activation of a latent power, if, that latent power can be demonstrated by BCHD to be allowable." (M. Nelson to city clerks and LA LAFCO, June 23, 2022)</p>	<p>He's looking at the wrong statute, referencing a case involving an Irrigation Special District. "The Local Health Care District Law" (California Health Care District Law, section 32000; amended by Stats. 1994, Ch. 696, Sec. 1.) went into effect January 1, 1995 and enumerates various powers granted to health care districts including, but not limited to:</p> <ul style="list-style-type: none"> <li>• Operating health care facilities such as hospitals, clinics, skilled nursing facilities, adult day health centers, nurses' training schools, retirement facilities and childcare facilities.</li> <li>• Operating programs that provide chemical dependency services, health education, wellness and prevention, rehabilitation and aftercare.</li> <li>• Carrying out activities through corporations, joint ventures or partnerships.</li> <li>• Establishing or participating in managed care.</li> <li>• Contracting with and making grants to provider groups and clinics in the community.</li> <li>• Other activities that are necessary for the maintenance of good physical and mental health in communities served by the district.</li> </ul>
<p>"This property was acquired by eminent domain/condemnation for the specific public purpose of building and operating a hospital at the site. The hospital closed many years ago, as your records presumably show. BCHD has not, as far as I know -- and as far as BCHD has stated to me in email -- taken any steps, pursuant to a Resolution of Necessity, to establish any new public use or uses." (T. Ozenne email to City of Redondo Beach officials, July 5, 2022)</p>	<p>To keep pace with the health care changes and give local health care and hospital districts greater latitude, in 1994, the legislature began amending the original state law. Section 32121 of the Health and Safety Code provides Special Districts the power "to do any and all things that are necessary for, and to the advantage of" any type of health promoting service or health care facility. In short, the law generally allowed for anything that is 'necessary for the maintenance of good physical and mental health in the communities served by the districts.'</p> <p>(Source: <a href="https://www.chcf.org/wp-content/uploads/2017/12/PDF-CaliforniaHealthCareDistricts.pdf">https://www.chcf.org/wp-content/uploads/2017/12/PDF-CaliforniaHealthCareDistricts.pdf</a>)</p> <p>Section 32121, item J, also includes the following: To establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to, outpatient programs, services, and facilities; retirement programs, services, and facilities; chemical dependency programs, services, and facilities; or other health care programs, services, and facilities and activities at any location within or without the district for the benefit of the district and the people served by the district. "Health facilities," as used in this subdivision, may also include those facilities defined in subdivision (d) of Section 15432 of the Government Code.</p> <p>(Source: <a href="https://www.achd.org/wp-content/uploads/sites/6/2015/12/ACHD-HCD-Code-12.15-FINAL.pdf">https://www.achd.org/wp-content/uploads/sites/6/2015/12/ACHD-HCD-Code-12.15-FINAL.pdf</a>)</p>

# MYTH vs FACT

## CONTINUED

MYTH	FACT
BCHD cannot be allowed to build on the perimeter of the site, maximizing the invasion of privacy, mass and visual impacts... BCHD cannot be allowed to build a nearly 800,000 sqft development that is larger than all of the Beryl Heights homes combined." (copied and pasted by multiple residents at the urging of a "community group.")	Section 32121 of the Health and Safety Code provides Special Districts the power "to do any and all things that are necessary for, and to the advantage of" any type of health promoting service or health care facility. In short, the law generally allowed for anything that is "necessary for the maintenance of good physical and mental health in the communities served by the districts." (Source: <a href="https://www.chcf.org/wp-content/uploads/2017/12/PDF-CaliforniaHealthCareDistricts.pdf">https://www.chcf.org/wp-content/uploads/2017/12/PDF-CaliforniaHealthCareDistricts.pdf</a> )
BCHD is selecting a "DEVELOPER /OWNER/ OPERATOR" (BCHD board meeting quote) that will be the owner (and developer/ operator). BCHD has not indicated that it will have any ownership." (M. Nelson email to Mayors, City Councils and Planning Commissions of Redondo Beach and Torrance, June 29, 2022)	Just like other lessees that do business with BCHD, the selected lessee(s) for the Healthy Living Campus project will develop the land, own the business and operate the business. BCHD will retain ownership of the land and will continue to have significant control over the use and operation of the property. At the conclusion/termination of the lease, the property - including the building - will be retained by BCHD.

Beach Cities Health District, one of the leading preventive health agencies in the nation, is working with the community to reimagine our aging, former hospital site to better reflect our mission and meet the current health needs of Hermosa Beach, Manhattan Beach and Redondo Beach residents. In pursuit of this vision, since May 2017 we've collected feedback from the community, consulted with experts and publicly vetted numerous designs and concepts for the 11-acre site with our board of directors.

This once-in-a-generation project is our community's unique opportunity to chart the future of health in the Beach Cities by purposefully building a vibrant campus where people of all ages can engage in healthy behaviors, form meaningful connections and be well ... for many years to come.

**From:** Mark Nelson (Home Gmail)  
**To:** info@lalafco.org; Holly Mitchell@bos.lacounty.gov; Paul Novak  
**Cc:** Ben.Allen@sen.ca.gov; Al.Muratsuchi@asm.ca.gov; CityClerk; Kevin Cody; Lisa Jacobs; CityClerk  
**Subject:** Public Comment - LALAFCO Board Members and Alternates  
**Date:** Saturday, July 23, 2022 7:42:26 PM  
**Attachments:** image.png  
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Brown Act Non-Agenda Item Comment for LALAFCO Board and Alternates, RB and Torrance Councils and Planning Commissioners:

BCHD released a report after close of business on July 22 2022 regarding their proposed Healthy Living Campus project. The project will be 100% third-party Developer/Operator/Owner and BCHD will only lease land to the D/O/O. 75% of D/O/Os bidding withdrew, citing poor economics of the project and a poor design by BCHD. BCHD has never developed a project and it should be no surprise that they spent \$10M of taxpayer funds on a poor and non-functional design. BCHD will only receive about \$500,000 annually in rents from 3 acres of land after BCHD leases back space in the building.

**The report clearly demonstrates that BCHD is not a viable enterprise whether or not it obtains the required Redondo Beach conditional use permit, planning commission design review and residential design guideline compliance. BCHD's report from investment bankers Cain/KeyBanc shows only a \$500,000 net annual payment for encumbering 33% of the site for 50-99 years and is insufficient to meet BCHD's CEO and Board's expenditure appetite.**

A \$500,000 annual rent does not replace the unnecessary demolition of the 514 Hospital, a building that Youssef Assoc. engineers states has 25 years of continued use without seismic retrofit under all existing best practices and ordinances.

## LA RETROFIT ORDINANCE (CONT'D)

### Compliance Timeline

- 3 years – Submit checklist to determine if building is subject to ordinance
- 10 years – Submit detailed evaluation
  - Comply w/ordinance requirements
  - Plans for seismic upgrade to comply w/ordinance
  - Plans for demolition
- 25 years – Complete all retrofit or demolition work

Ordinance represents "Best Practice"

City of Redondo Beach has not adopted ordinance, yet

Any seismic retrofit work for BCHD towers considered voluntary at this time



**BCHD will be only a real estate manager, as it currently is with other properties.**

### Change in Transaction Structure

- Concurrently, during late summer and Fall 2021, District Management, in coordination with its Consultants and with the approval of the Board, as well as the Finance and Property Committees, explored changing the transaction structure for the RCFE development from a JV (*in the form of Limited Partnership (LP)*) to a Land Lease. The latter will enable the District to achieve its objectives with less project risk, and is an attractive structure to developers

**Nine of the 12 bidders (75%) withdrew, citing the poor economics and poor planning/design of BCHD's proposal.**

## RCFE RFQ & RFP Process

Reasons Cited by Bidders to Withdraw from RFP Process

Reasons for Withdrawal	No. of Times Cited by Bidders
<b>Financial Feasibility</b> <ul style="list-style-type: none"> <li>• <i>Prevailing Wage Requirements</i></li> <li>• <i>High Pre-Dev. &amp; Construction Costs</i></li> <li>• <i>Non-RCFE Space</i></li> <li>• <i>Construction bonding requirement</i></li> </ul>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<b>RCFE Building Design</b> <ul style="list-style-type: none"> <li>• <i>Entrance Location &amp; Hallway Length – not resident friendly</i></li> <li>• <i>Impact of 514 Building Demo.</i></li> <li>• <i>Rooftop / Open Space vs resident security</i></li> <li>• <i>Unit Mix (lack of IL)</i></li> <li>• <i>Parking</i></li> <li>• <i>EIR Design Team</i></li> </ul>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>

The Approximate Rent from Any of the 3 Remaining D/O/O's will be ~\$1.5M annual to BCHD

Land Lease	PMB Watermark	RhodesMoore Frontier	SRG
Payment Methodology	Land Value X Lease Rate = Lease Payment	Base Rate at \$1.5 million + Negotiated Rate for Pre-Development Cost Reimbursement Based on a 15 Year Amortization	Fair Market Value X 3.5% (Cap of 120% of immediately prior year lease payment)
Land Value	\$25,000,000	[\$30,000,000]	\$38,000,000
Lease Rate	6%	[5%]	3.5%
Lease Payment	\$1,500,000	\$1,500,000 (\$10 / month until stabilization)	\$1,000,000; first 2 years after COP \$1,350,000; next 3 years NOTE: Rent Cap of 10% of NOI

BCHD Will Have to Pay the D/O/O Rent of about \$1M Annually

Fee				
Annual Lease Rate	PACE	\$392,165	\$535,899	\$572,012
	Youth Wellness	\$254,853	\$351,468	\$371,808
	Community Service	\$175,651	\$120,120	\$256,180
	Total	\$822,669	\$1,007,487	\$1,200,000

**From:** [Stop BCHD](#)  
**To:** [CityClerk](#)  
**Cc:** [Sheila Lamb](#); [scottbehrendt@yahoo.com](mailto:scottbehrendt@yahoo.com); [ghazeltine@verizon.net](mailto:ghazeltine@verizon.net); [dougboswell@gmail.com](mailto:dougboswell@gmail.com); [rob.gaddis@gmail.com](mailto:rob.gaddis@gmail.com)  
**Subject:** Public Comment Non-Agenda Planning Commissioners  
**Date:** Tuesday, July 26, 2022 7:01:13 PM  
**Attachments:** [Comments of StopBCHD to LALAFCO regarding BCHD MSR Draft.pdf](#)

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

Attached are the comments to StopBCHD.com to LALAFCO regarding the BCHD MSR. Please forward to any missing commissioners on the cc list.

StopBCHD.com will be making further comments to the LALAFCO Board and Board of Supervisors following release of the final document.

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StopBCHD.com ([StopBCHD@gmail.com](mailto:StopBCHD@gmail.com)) 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.

## **Comments to LALAFCO Draft BCHD MSR**

### **BCHD's HLC is in Violation of the Enabling Legislation for Healthcare Districts**

California Code requires BCHD to provides services for the benefit of residents, not a supermajority of non-residents or the general public at large. BCHD's development of facilities to serve 80-96% non residents provides residents with only de minimis use and creates "negative benefits."

### **Unlike SBHD that Built Owned and Operated SBH for Incidental and Hill-Burton Use of Non-Residents, BCHD is building a Development for the Incidental Use of District Residents**

BCHD is deliberately allowing a private Developer/Owner/Operator to build facilities for 80-96% non-residents of the District, leaving only 4-20% incidental resident use.

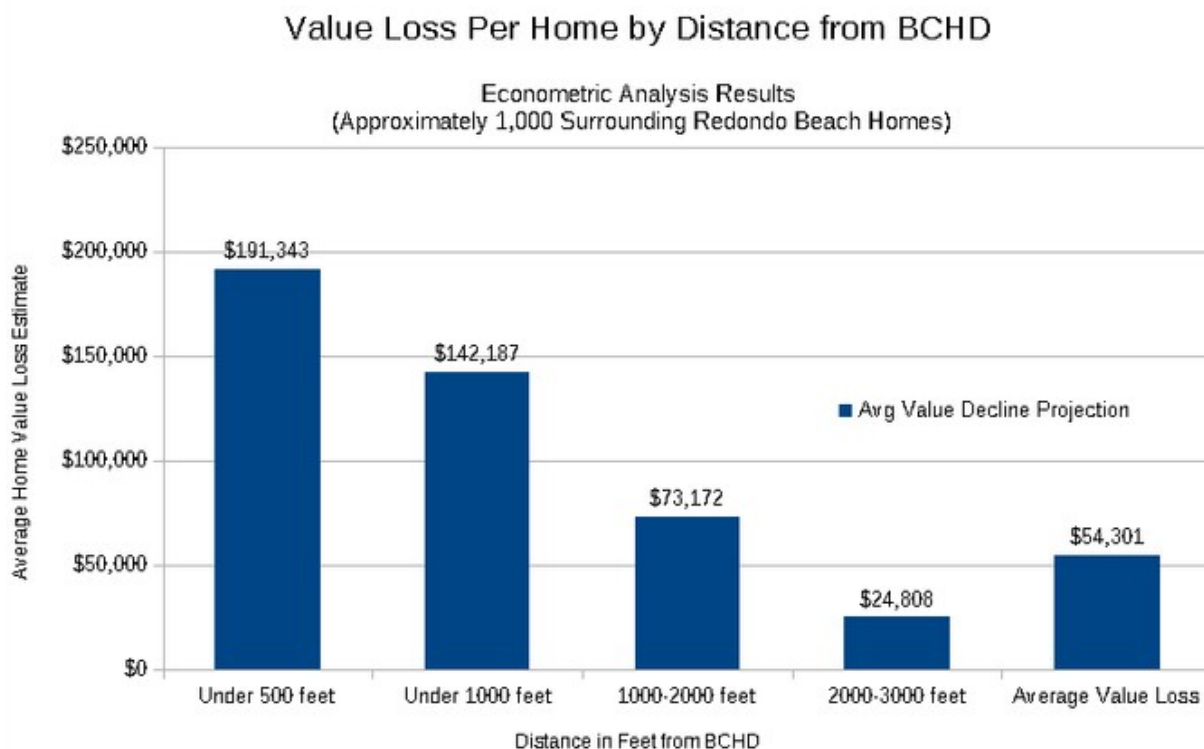
**BCHD is actively seeking 3<sup>rd</sup> party Developer/Owner/Operators to develop commercial business for 80-96% beneficial use of non-residents of the District:** Limitation on (i) To do any and all things that an individual might do that are necessary for, and to the advantage of, a health care facility and a nurses' training school, or a child care facility **for the benefit of** employees of the health care facility or **residents of the district**. (Cal. Health & Saf. Code § 32121) BCHD is operating for the incidental use of residents, not their benefit.

**BCHD HLC requires developing facilities for 80-96% non-residents of the District:** (j) To establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to, outpatient programs, services, and facilities; retirement programs, services, and facilities; chemical dependency programs, services, and facilities; or other health care programs, services, and facilities and activities at any location within or without the district **for the benefit of the district and the people served by the district**. (Cal. Health & Saf. Code § 32121) BCHD is developing for primary benefit of non-residents.

### **BCHD, Its Site and Buildings, have been a Significant Dis-benefit to Surrounding Property Values and District Residents**

Properties surrounding BCHD in Redondo Beach are collectively worth \$50M less than they otherwise would be according to econometric modeling of home values using home characteristics and distance from the former South Bay Hospital site. The Redondo Beach homes either pre-existed the development of the site entirely, or, they were built prior to the Hospital expansion from 100,000 to 150,000 sqft. The site buildings are currently 312,000 sqft and BCHD is proposing nearly 800,000 sqft. Any benefits provided by BCHD programs (benefits that BCHD does not rigorously or quantitatively evaluate due to mission conflict and lack of abilities) must be netted by the damages incurred by the District residents.

BCHD acknowledges that it damages surrounding neighborhoods, yet, refuses to downsize the buildings or even evaluate their damages.



BCHD wrongly equates its damages to a local Vons store or a fire station, both of which serve the local neighborhood. In the case of BCHD, the HLC will serve 90-98% non-residents of Redondo Beach, while Redondo Beach receives 100% of the dis-benefits. Further, BCHD denies the decades of neighborhood complaints about noise, traffic, excess nighttime lighting and parking. Parking eventually led to “Resident Only” restrictions for blocks around the compound when South Bay Hospital District refused to deal with the causes of neighborhood disruption. Clearly this is attempted BCHD PR spin, however BCHD clearly identifies its damages, however it attempts unsuccessfully to “blame the victims.” The record shows that the majority of Beryl Heights neighborhood was built out in the early 1950s prior to the hospital. Further, all of Beryl Heights was built out prior to the expansion of the hospital in 1967 or the construction of the two rental commercial office buildings on the site.



▼ HAS BCHD CAUSED DAMAGE TO THE SURROUNDING NEIGHBORHOODS?

BCHD has not denied there are effects on neighbors from our operations, similar to other organizations, schools or businesses located near residences.

Further, the draft Environmental Impact Report currently being prepared will assess and analyze any impacts associated with the proposed Healthy Living Campus upgrade.

Since BCHD's Campus opened in 1960, neighbors were certainly aware the campus was nearby before they moved in, especially if they lived adjacent or across the street and could see campus activity. The South Bay Hospital was operating through 1998 in addition to medical office space on the campus at 510 and 520 buildings -- yet neighbors still made the decision to accept the normal activities of a functioning hospital across the street from or near their property. Only now has this become an issue.

BCHD also refuses to evaluate its damages – a clear sign it is attempting to cover them up.

Subject: RE: CPRA - Surrounding property values

Please see below for the District's response (in red) to your public records request received 9/29/21 that reads:

Provide all studies demonstrating the impact of the current BCHD on surrounding property values. No documents responsive.

Provide all studies demonstrating the impact of the proposed BCHD self-certified project on surrounding property values. No documents responsive.

**Any Claims of Program Benefits by BCHD are Unfounded and Must be Discarded.**

Per BCHD's own statements, it is neither required nor capable of evaluating the benefits or net benefits of its health programs. BCHD commonly makes claims of program benefits. However, when probed in California Public Record Act (CPRA), requests the public has found that BCHD claims it has no responsibility or capability to assess the public health benefits of its programs.

From the CPRA response of BCHD: "The Districts [SIC] is currently preparing the FY22-23 Budget for next fiscal year and will also be update applicable performance, benefits and cost metrics. Please note that the District has previously explained that calculating a dollar community benefit for each program is beyond the scope of the District's mission, financial resources and abilities." April 2022

BCHD clearly states under CPRA questioning that computing community benefits for its programs is beyond its "mission" and "abilities." Therefore, no individual BCHD program, such as PACE, RCFE, "allcove", LiveWell, etc. can be considered a benefit (more importantly a NET benefit beyond the program's costs and damages) because BCHD does not have the "abilities" for evaluation. It is ludicrous to assume that a program can provide gross benefits and net damages and be assumed to meet the requirement of being a benefit to district residents.

**From District Inception in 1993, BCHD has Failed to Budget or Assess Program Costs**

From a BCHD CPRA response, BCHD acknowledged from inception through current, it has not budgeted nor conducted cost accounting of its programs. Thus, it has no foundation to assert any program is beneficial.

“2. Provide the 2018-19 budget for each of the 40 programs **No documents responsive; the District is working on setting up a system**” August 2020

“5. Provide all cost-benefit analysis and ratios of the aforementioned 40 programs. **No documents responsive**” August 2020

**The Results of BCHD’s “Priority Based Budgeting” Process are Invalid and Must Be Discarded.**

BCHD’s selected budgeting system of Priority Based Budgeting (PBB) is a popularity contest dominated by the Board, Executives, Staff, Board-approved Committee Members and affiliated volunteers. Less than 10% of PBB Voters are the Unaffiliated Public. Furthermore, it is wholly unethical for BCHD Board, CEO and executives to expect staff to oppose them openly, by name, in public. Below is an example of attendance at a BCHD meeting. Other meetings had even fewer unaffiliated public attempting to voice their concerns as they were clearly outvoted.

Affiliated			61	92.40%	96.60%
Unaffiliated Public			5	7.60%	3.40%

Corrected Affiliation	Average Participant Minutes	Total Participant Minutes	Count	% Participants	% Time Participation
Committee	102.1	715	7	10.60%	6.40%
Community Partner	169.8	679	4	6.10%	6.10%
Consultant	202	404	2	3.00%	3.60%
Former Committee	138	276	2	3.00%	2.50%
Media	147	294	2	3.00%	2.60%
Political Supporter	10	10	1	1.50%	0.10%
Staff	192.1	6917	36	54.50%	61.90%
Volunteer	213.7	1496	7	10.60%	13.40%
Unaffiliated Public	76	380	5	7.60%	3.40%
Total	1250.7	11171	66		
Affiliated			61	92.40%	96.60%
Unaffiliated Public			5	7.60%	3.40%

**Instead of Relying the Public Health Value of Programs, BCHD Conducts Popularity Contests with the Public**

BCHD conducts open, non-selective, non-statistically valid surveys of the public to assess health needs. These needs are not subjected to any rigorous analysis to determine if public funding is warranted. BCHD even gives PRIZES for the PR motivated process.

BCHD has developed a new community and individual-level questionnaire to capture additional zip code-specific information along with the unique perspective of healthcare providers and community stakeholders. This information will be used to compile the 2022-2025 Community Health Report and guide the selection of BCHD's Health Priorities.

Please complete the following survey. Your opinions are greatly valued! When you have completed the survey, you will have the option to enter an opportunity drawing for a chance to win two tickets to the BeachLife Festival or gift cards to Blue Zones Project Approved restaurants. Winners will be selected after the survey closes and notified by Friday, September 3.

**BCHD's Community Health Committee Conducts Non-scientific, Non-Statistically Valid Surveys as Well and It Cannot Validly Assess Program Benefits**

## Community Health Survey

- August 2, 2021 and August 30, 2021 via Survey Monkey
- promoted through BCHD's communication channels, through the cities' newsletter and social media updates, and promoted by elected officials, Chambers of Commerce, and community organizations

### **The SOI Appears Non-Applicable to the Health District and Must be Evaluated**

The BCHD owns seven (7) properties in Redondo Beach (2114 Artesia Boulevard; 1272 Beryl Street; 601 So. Pacific Coast Highway; 510, 512, 514, and 520 No. Prospect Avenue); and one property each in Hermosa Beach (1837 Pacific Coast Highway) and Manhattan Beach (1701 Marine Avenue).<sup>18</sup> These various properties are developed with multiple health-related uses, such as the Beach Cities Health Center; the Center for Health and Fitness (a fitness center with

The jurisdictional boundary of the BCHD includes the cities of Hermosa Beach, Manhattan Beach, and Redondo Beach. In addition to those three (3) cities, the SOI includes the cities of El Segundo, Gardena, Hawthorne, Lawndale, Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills, and Rolling Hills Estates, as well as several unincorporated communities (Del Aire, West Alondra Park, Westfield, and others). The jurisdictional and SOI boundaries of the BCHD are shown as Exhibit 5 on Page 33.

The BCHD Sphere of Influence appears to be an artifact of hospital service and not of health district service. Hospital service, especially Hill Burton Act service, is a mandatory, emergency public service, while health districts provide elective, non-emergency, preventative services. As a result, BCHD's SOI appears inapplicable and a full analysis needs to be completed, along with widespread public dissemination. Other areas are capable of developing their own special districts if they wish, or requesting annexation. The automatic expansion of the area to contiguous political units is unneeded and unsubstantiated.

Provide the 2008 update and every 5 year update as required by law as attachments or inline text. Optional health districts should not automatically be granted the SOI of a Hill-Burton hospital.

Also provide any applications, memos or other SBHD or BCHD correspondence that is used in SOI determinations as attachment or in-line text.

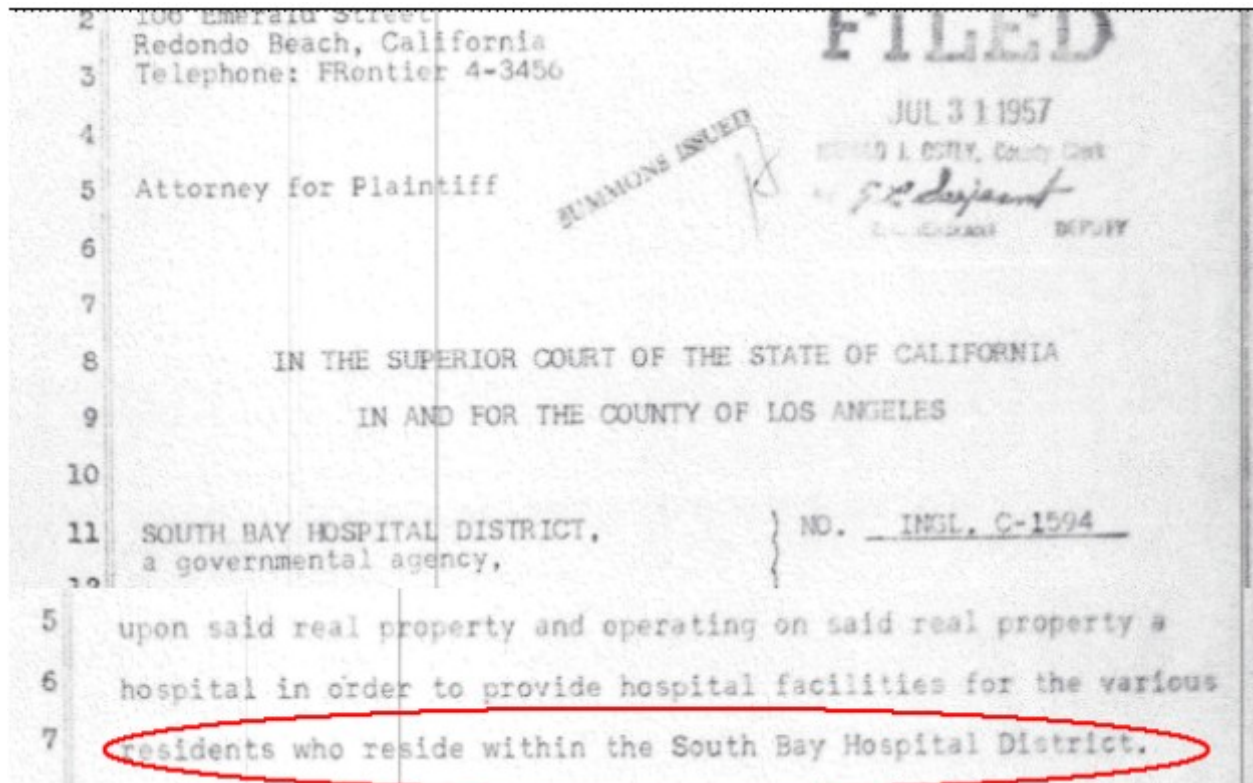
Cal. Gov. Code § 56425

(g) **On or before January 1, 2008, and every five years thereafter**, the commission shall, as necessary, review and update each sphere of influence.

(h) In determining a sphere of influence, the commission may assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies when reorganization is found to be feasible and if reorganization will further the goals of orderly development and efficient and affordable service delivery. **The commission shall make all reasonable efforts to ensure wide public dissemination of the recommendations.**

(i) When adopting, amending, or updating a sphere of influence for a special district, the **commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts.** (emphasis *added*)

### **The District was Formed for the Benefit of It's Residents – BCHD is Ignoring that Legal Action by Its Board**



**A Supermajority of BCHD Services During Covid Were for Non-Residents/Non-Taxpayers of the District**

Although BCHD failed to track Covid testing by city, by zip code, or by residency, the County of Los Angeles Department of Public Health did conduct such accounting. In a California Public Records Act (CPRA) response, BCHD disclosed that LACDPH records showed that 84% Covid tests administered by BCHD were for non-resident/non-taxpayers of the District. BCHD conducted over 150,000 tests and BCHD exposed taxpayers to significant potential losses of taxpayer funding and assets. It appears that BCHD cost recovery is still over \$2M short of supermajority non-resident costs incurred for Covid, and that taxpayers have lost \$2M in services due to BCHDs CEO and Board's poor judgment.

**A Supermajority of BCHD Services with the Healthy Living Campus will be for non-taxpayer/non-residents using publicly owned and zoned land.**

According to BCHD press releases, marketing studies and trade association data, BCHD plans to have 80% non-resident tenants in the RCFE, 91% non-residents served in the "allcove" program and 96% non-resident enrollees in the PACE program. Notwithstanding the roughly \$2M in lease fees that BCHD will receive, 100% of the damages from these three programs will accrue in 90277 Redondo Beach and all of the District residents will only reap approximately 10% gross

benefit and after adjusting for damages and costs, District residents will clearly have negative net benefits (aka losses) from BCHD's activity.

### **Summary of BCHDs Supermajority of Services Outside the Residents of the Beach Cities**

LOCATIONS SERVED BY BCHD PROGRAM	POPULATION	POPULATION FRACTION	ALLCOVE	SAFE IN THE SOUTH BAY	RCFE	PACE	COVID TESTS	AVERAGE BCHD PROGRAM ACTIVITY
Source	US Census	Computed	BCHD Press Releases	BCHD Press Releases	BCHD MDS Consultant Report	NPAOnline statistics	LACDPH	Computed
<b>Non-Resident Share</b>		<b>91.3%</b>	<b>91.3%</b>	<b>63.6%</b>	<b>80.6%</b>	<b>95.7%</b>	<b>84.0%</b>	<b>83.1%</b>
<b>BCHD Resident Share</b>		<b>8.7%</b>	<b>8.7%</b>	<b>36.4%</b>	<b>19.4%</b>	<b>4.3%</b>	<b>16.0%</b>	<b>16.9%</b>
Athens	9,000	0.6%	0.6%	0.0%	0.0%			
Avalon	3,700	0.3%	0.3%	0.0%	0.0%			
Carson	90,000	6.4%	6.4%	0.0%	0.0%			
Catalina Island	300	0.0%	0.0%	0.0%	0.0%			
El Segundo	17,000	1.2%	1.2%	5.1%	2.9%			
Gardena	60,000	4.3%	4.3%	0.0%	0.0%			
Harbor City	25,000	1.8%	1.8%	0.0%	0.0%			
Hawthorne	87,000	6.2%	6.2%	0.0%	0.0%			
Inglewood	110,000	7.8%	7.8%	0.0%	0.0%			
Lawndale	33,000	2.3%	2.3%	0.0%	0.5%			
Lennox	22,000	1.6%	1.6%	0.0%	0.0%			
Long Beach	467,000	33.1%	33.1%	0.0%	0.0%			
Hermosa	19,000	1.3%	1.3%	5.7%	2.9%	0.7%		
Manhattan	36,000	2.6%	2.6%	10.7%	8.4%	1.3%		
PVE	13,000	0.9%	0.9%	0.0%	10.6%			
Rancho Dominguez	15,000	1.1%	1.1%	0.0%	0.0%			
RPV	42,000	3.0%	3.0%	12.5%	19.5%			
Redondo Beach	67,000	4.8%	4.8%	20.0%	8.1%	2.4%		8.0%
Rolling Hills	1,500	0.1%	0.1%	0.4%	1.2%			
RHE	8,000	0.6%	0.6%	2.4%	6.5%			
San Pedro	86,000	6.1%	6.1%	0.0%	0.0%			
Torrance	145,000	10.3%	10.3%	43.2%	10.1%			
Wilmington	53,000	3.8%	3.8%	0.0%	0.0%			
Beyond Listed Cities		0.0%	0.0%	0.0%	30.0%			
Total Population	1,409,500							
BCHD Cities	122,000							
BCHD Residents as Fraction Total Population or Benefits		8.7%	8.7%	36.4%	19.4%	4.3%	16.0%	16.9%
1) BCHD kept no records of testing city of residence, LACDPH offered total fraction data of BCHD vs Non-Residents 2) MDS report states 30% of RCFE tenants will be from outside listed zipcodes 3) Palos Verdes Peninsula Cities disaggregated by population shares 4) RCFE data based on BCHD MDS Consultant report 5) Covid testing based on LA County Dept of Public Health after BCHD responded that it was not tracking resident vs non-resident 6) PACE is based on National PACE Association data of 1 in 1,000 seniors utilizing PACE. BCHD is proposing a 400 enrollee program with 17 residents								

### **Redondo Beach Will Bear 100% of the Non-resident/Non-taxpayer Dis-benefits with Only 8% of the Benefits. Redondo Beach Has and Will Suffer NET DAMAGES from BCHD Programs**

RPV	42,000	3.0%	3.0%	12.5%	19.5%			
Redondo Beach	67,000	4.8%	4.8%	20.0%	8.1%	2.4%		8.0%

### **BCHD is Utilizing Non-Activated Powers**

The BCHD owns seven (7) properties in Redondo Beach (2114 Artesia Boulevard; 1272 Beryl Street; 601 So. Pacific Coast Highway; 510, 512, 514, and 520 No. Prospect Avenue); and one property each in Hermosa Beach (1837 Pacific Coast Highway) and Manhattan Beach (1701 Marine Avenue).<sup>18</sup> These various properties are developed with multiple health-related uses, such as the Beach Cities Health Center; the Center for Health and Fitness (a fitness center with exercise equipment that offers personal training, small group training, and exercise classes for the general public, and exercise classes tailored to senior citizens); Adventure Plex (an indoor recreation and exercise facility for young children); as well as lessees that provide urgent care, radiological services, and Alzheimer residential care. Amongst other programs, BCHD offers the following services:

- Children: exercise programs, obesity prevention education, mental health awareness, school-based gardens, and volunteer-assisted walk-to-school programs;
- Middle-School and High School Students: mental health collaboration and wellness councils, substance abuse prevention;
- Senior citizens and persons with disabilities: care management (companionship, errand assistance, in-home exercise, limited transportation assistance, and on-line volunteer support.
- Mental health programs;
- Substance abuse prevention;
- Parenting education; and
- Blue Zones Project: programs which promote healthy exercise, eating, and shopping<sup>19</sup>

The powers that BCHD appears to be declaring to be in use in the narrative are different than those of a hospital and associated buildings that were voter and Court approved at initiation of SBHD. Furthermore, BCHD has submitted no applications to LALAFCO to activate any of these powers. BCHD should NOT be rewarded for failing to comply with the law by grandfathering these powers. Instead, LALAFCO should enforce the law, and require BCHD to provide formal applications with net benefits analyses to demonstrate that these services should not be provided by the public sector and require taxpayer subsidy. For example, health clubs, childcare, and real estate rental are dominated by free market activity, as is assisted living, PACE, and mental health care.

As stated in *South San Joaquin v. the Superior Court*  
162 Cal.App.4th 146 (Cal. Ct. App. 2008)

In *Irrigation Dist.*, supra, 162 Cal.App.4th 146, this Court held that **Irrigation could not circumvent the requirement to obtain approval from Formation** before expanding its service to provide retail electric service.

**In June [2008], Assembly Bill No. 948 was amended in the Senate. This amendment added Article 1.5, entitled "New or Different Services" and deleted Article 3.5. An analysis by the**



Senate Local Government Committee explained current law allowed LAFCO's to adopt regulations to control services of special districts. "Assembly Bill 948 repeals the current provisions relating to LAFCOs' regulations controlling special districts' latent powers. Instead, *[Assembly Bill No.] 948 creates a new set of procedures that allow a special district to apply to a LAFCO for permission* to exercise new or different functions or services." (Sen. Com. on Local Gov., Analysis of Assem. Bill No. 948 (2001-2002 Reg. Sess.) as amended June 13, 2001, p. 2.)

Based on Public Record Act requests, neither BCHD nor its predecessor has complied with the law in effect at the time. Bluezones is clearly post-AB 948 and required an application, as did LiveWell in general and LiveWell Kids which are both post 2008 as well.

All of BCHD's current services must be reviewed and compared to their requests for activation. If no requests exist, BCHD is in violation of the law and all services require demonstration of net value to District residents.

### **BCHD and LALAFCO Misrepresent Material Facts of the Proposed HLC**

BCHD has proposed a Healthy Living Campus Project, which entails a complete redevelopment of the district's main campus in Redondo Beach. The project includes the removal of the former hospital building (514 building), which, according to District representatives, is in need of a costly and significant seismic upgrade were it to be maintained; and development of new facilities: a 417-unit residential care facility for the elderly (RCFE), BCHD programs and services (care management for seniors and persons with disabilities), youth wellness center, active open space, an aquatics center, a health and fitness center, a community wellness pavilion with space for community meetings and events, and parking. The BCHD Board of Directors approved and certified an Environmental Impact Report (EIR) on September 8, 2021. BCHD representatives submitted a pre-application for Master Plan, Conditional Use Permit (CUP), and Design Review applications to the City of Redondo Beach on February 22, 2022.<sup>20</sup> City representatives provided comments to BCHD; city staff further indicated that BCHD representatives are working to address these comments and submit the application to the City of Redondo Beach.<sup>21</sup>

significantly every year. Based upon reports from qualified engineers, BCHD representatives have stated publicly that the existing hospital is in need of a costly seismic upgrade. The district

FALSE: "is in need of a costly and significant seismic upgrade" and "is in need of a costly seismic upgrade"

BCHD's consultant, Youssef & Associates presented the following to a committee of BCHD where his firm's official position is that no RBMC requires retrofit, best practice does not require retrofit, and best practice allows up to 25 years to complete retrofit, if required. BCHD's CEO Bakaly told member Mark Nelson in a public meeting that the Board "wanted" to replace the building, notwithstanding that there was no requirement to do so.



FALSE: “417-unit residential care facility”

The facility is 220-units

**Work Product of Youssef Assoc. for BCHD Reveal No Current Best Practice Need for Seismic Retrofit on 514 N Prospect Ave Building – Any Work is VOLUNTARY**

## **LA RETROFIT ORDINANCE (CONT'D)**

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### Compliance Timeline

- 3 years – Submit checklist to determine if building is subject to ordinance
- 10 years – Submit detailed evaluation
  - Comply w/ordinance requirements
  - Plans for seismic upgrade to comply w/ordinance
  - Plans for demolition
- 25 years – Complete all retrofit or demolition work

Ordinance represents “Best Practice”

City of Redondo Beach has not adopted ordinance, yet

Any seismic retrofit work for BCHD towers considered voluntary at this time



### **LALAFCO Appears in Non-compliance with Cal. Gov. Code § 56425**

Because LAFCO did not identify active powers for the BCHD when LAFCO added special district representatives, nor when it adopted the Miscellaneous Government Services MSR and SOI Update in 2004, this MSR will identify those active powers which the BCHD is currently providing. All other services are considered to be latent powers; LAFCO approval (pursuant to Government Code Section 56824.10) would be required before the district could provide any new or different functions or classes of services.

It appears that LALAFCO has not identified active powers nor updated SOI as required. There is no reason that the voters, taxpayers and residents of the District should suffer from LALAFCOs

apparently failure that allowed expansion of BCHD in violation of State Law. Services must be evaluated de novo.

### **BCHD and LALAFCO Failed to Evaluate District Dissolution as an Option**

#### **Present and Planned Capacity of Public Facilities**

As district representatives publicly concede, the BCHD is at a turning point. The costs of maintenance, upkeep, and improvements on the existing former hospital building are escalating significantly every year. Based upon reports from qualified engineers, BCHD representatives have stated publicly that the existing hospital is in need of a costly seismic upgrade. The district is, therefore, faced with a choice: one, expend significant additional resources to improve the existing building; or two, demolish and replace the existing hospital building. Based upon the recommendations of its staff and outside consultants, the BCHD Board of Directors has decided to move forward with the second option, in the form of the proposed Healthy Living Campus described previously.

In this regard, it is fair to conclude that the present capacity of the existing public facilities on the main campus *is not* ideal for future utilization of the property. Whether or not the planned facilities will be ideal depends, almost entirely, on whether the Health Living Campus is approved by the City of Redondo Beach, and ultimately constructed by BCHD, or not; in that regard, it is not easy to answer the question, given that the outcome of the project is unknown.

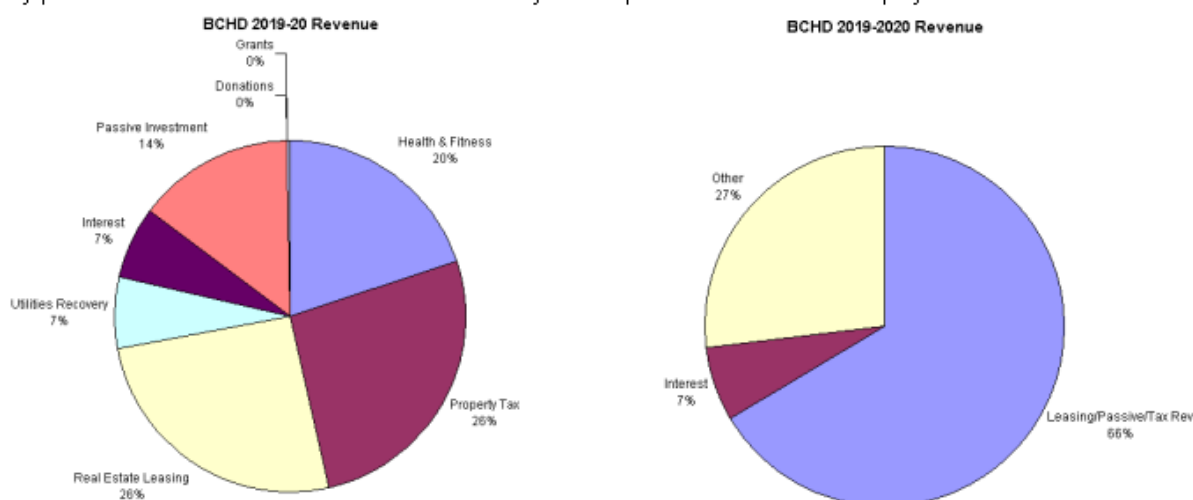
There are NOT only two choices, retrofit or demolish. BCHDs own contract engineering firm, Youssef Assoc. presented that there is no requirement for any seismic work and that the building has a 25 year remaining seismic life under best practices. BCHD intentionally misstates the record and LALAFCO is now fully aware of that misstatement.

Further, BCHD is primarily a real estate manager of taxpayer owned property and a passive investor in financial instruments. It operates its Health and Fitness at a significant loss, subsidizing residents of other cities who are non-taxpayers. The charts below demonstrate how BCHD revenues are in SUPERMAJORITY from passive investments and real estate management revenues. BCHD revenues from any direct involvement in health activities are de minimis.

## **As a Supermajority Real Estate Manager and Passive Investor – BCHD Should be Referred to a Civil Grand Jury for Dissolution**

It is empirically indisputable that BCHD is primarily a real estate management entity and passive investor in commercial projects. Neither function requires a Special District. Commercial RCFE such as Sunrise and the BCHD proposed \$12,500/month commercial RCFE and PACE exist in the absence of BCHD or public investment. Only 20% of the RCFE and only 4% of the PACE will directly serve District residents.

Therefore, both are merely passive investments of low value to the District residents and can easily be fulfilled by the market. In fact, since BCHD refuses to consider a cost-based set of services, the market can likely provide these services more cost effectively and a passive investor of taxpayer funds and real estate.



According to Cain Bros., BCHD's \$2M contracted investment banker, BCHD's leasing of land for development of the 110-foot tall, 300,000 sqft RCFE will net BCHD approximately \$2.5M per year of approximately \$80M per year of revenue to the commercial third party Developer/Owner/Operator. Materially, all services will be provided at market rates by commercial firms, and therefore, BCHD is unneeded in the process.

BCHD currently has no license for RCFE or PACE and plays no public health role in Sunrise Hermosa Beach. BCHD is a passive investor, paying over \$2M annually to its top ten executives – an amount equal to 50% of property tax revenues. In the event of dissolution, all commercial entities continue operating and the property taxes could be reassigned to local needs, thereby removing BCHD's 60% overall employee overhead.

### **BCHD's Commercial Development is Contested by Residents**

The decision to move forward with the Health Living Campus proposal is not without its critics, evidenced by the substantial public input on the matter provided to LAFCO. It is important to note, however, that the land-use issues—environmental impacts, General Plan and zoning requirements, neighborhood compatibility, and related matters—are entirely within the jurisdiction of the City of Redondo Beach, which has land-use authority over the BCHD campus.

The excerpt speaks for itself and fully explains why local quality of life groups focus on the Cities and provide no additional discussion with BCHD.

### **LALAFCO's Determination is Incorrect and Unsupported**

- It is clear that the BCHD Board of Directors must either expend significant additional resources to improve the existing hospital building, or to demolish and replace it.

The statement is FALSE. BCHD has 25 years of continued use in the 514 Building as demonstrated with factual evidence by BCHD's structural engineering firm. There is no urgent seismic issue as BCHD falsely claims. Furthermore, BCHD can be dissolved or downsized. There is NO REQUIREMENT to continue operations at the current level. As BCHD has replied in Public Records Acts, it asserts that it does not have the ability to conduct Benefit-to-Cost analysis and does not know if it is overall a public health benefit or liability as such. LALAFCO cannot make a determination without review of the facts, and BCHD has provided only biased information to LALAFCO.

### **BCHD's Assertion of being Compelled to Retrofit or Demolish is False**

- Should the Healthy Living Campus not move forward, the BCHD would very likely be compelled to revert to the "improvement" option.

This statement is FALSE. BCHD can operate the 514 building for 25 more years based on all applicable codes and standards. BCHD chooses to make the false declaration that it must revert. BCHD could also terminate or downsize. It provides no emergency services and the majority of its revenues are from commercial operation.

### **The Following Is Advertising of BCHD "Wins" in Paid Trade Associations**

The California Special District Association (CSDA) is a non-profit organization providing professional development, education, and advocacy on behalf of special districts. One of CSDA's programs is its Transparency Certificate of Excellence, which the CSDA awards to special districts which have documented implementation of a number of measures which promote transparency. On December 13, 2021, CSDA awarded Transparency Certificate of Excellence to the BCHD. Amongst other things, the certificate documents that the BCHD has met the following requirements:

Unless LALAFCO has audited the practices of CSDA, this statement is BCHD advertising and benefits received by BCHD in return for its membership dues. This must be removed.

**ACHD is a Self-declared Advocacy Organization**

As a paid trade association and advocate for its paid members, ACHD awards and recommendations are biased, tainted, and must be excluded from the MSR. Per their website, they have an Advocacy Team and provide advocacy services. On behalf of its members including BCHD, ACHD has opposed legislation supporting worker pay, accountability, and other measures that directly benefit consumers and those in health crisis in order to shield districts from accountability.

**All BCHD Promotion by LALAFCO of Paid Trade Association Awards Must be Removed from the MSR**

Unless LALAFCO has substantive knowledge of the processes, evaluations, and quality of the paid trade association awards, LALAFCO must remove said references from the MSR. Any awards from paid trade associations cannot be relied upon absent independent analysis of the association and processes that LALAFCO has not likely completed.

**CSMFO Awards are a Beauty Contest Judged by Other Members with Such Absurd Guidelines as “Does the Document Contain a Table of Contents and Are the Pages Numbered”**

**CSMFO MERITORIOUS AWARD SECTION  
Items Required For CSMFO Meritorious Award and Excellence Award  
For Capital Budgets Beginning July 1, 2017**

1. Is there a table of contents? Are the budget document's pages numbered?
2. Does the budget contain a transmittal letter or budget message?

Unless LALAFCO has direct knowledge of the processes and quality of the awards, ALL AWARDS not from State or Federal agencies must be removed from MSR. Paid trade associations and membership association awards are prizes for paid members, graded by paid members, and excluding all non-member organizations and government bodies.

**LALAFCO Contradicts Its Findings and Must Strike the First Sentence Below**

If LALAFCO asserts it cannot ascertain the accuracy of the facts of the statement in the second paragraph, then it has no reason to believe that BCHD has been diligent vs strategically denying and withholding information. The statement must be removed.

In LAFCO staff's opinion, the statistics provided by BCHD appear to reflect a diligent and concerted effort by BCHD representatives to reply to all public records requests.

Some members of the public nevertheless continue to email LAFCO, stating that the BCHD is not fully complying with all requests. Given the back-and-forth amongst these stakeholders and the BCHD, it is difficult, if not impossible, for LAFCO to ascertain the accuracy of the statements by all parties; further, the agency with jurisdiction to investigate Brown Act complaints is the Los Angeles County District Attorney. In staff's opinion, the complaints about the District's responsiveness to public records requests do not change an overall conclusion that the BCHD operates in a transparent manner.

**PACE Does NOT Provide Net Benefits to Residents or Employees**

	Program 115 Trust/
32121 (i) To do any and all things that an individual might do that are necessary for, and to the advantage of, a health care facility and a nurses' training school, or a child care facility for the benefit of employees of the health care facility or residents of the district.	<ul style="list-style-type: none"> <li>• Leap &amp; Bound Child Development Center</li> <li>• UCLA Health</li> <li>• Venice Family Clinic (Federally Qualified Health Center)</li> <li>• allcove youth wellness center</li> <li>• PACE (Program for All-Inclusive Care for the Elderly)</li> <li>• Beach Cities Surgery Center</li> </ul>

96% of BCHD's proposed PACE will service non-resident/non-taxpayers according to National PACE Assoc statistics. Therefore, 100% of the damages will with certainty exceed the 4% of residents in the District that will use PACE. The statement by BCHD is unsupported and FALSE and must be removed due to the 25-to-1 damages to benefits.

**PACE and RCFE are Full Market Cost Programs and BCHD Involvement Provides No Benefit to District Residents – In Fact, BCHD's \$2M Executive Payroll is an Excessive Overhead that Would Not Ordinarily Impact PACE or RCFE Costs.**

32121 (j) To establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services including outpatient, retirement programs and other healthcare programs for the benefit of the people served by the district	<ul style="list-style-type: none"> <li>• Care Management</li> <li>• Enhanced Care Management</li> <li>• Assistance, Information and Referrals Hotline</li> <li>• Covered California Enrollment</li> <li>• Medically accredited exercise fitness facility</li> <li>• AdventurePlex—youth fitness facility</li> <li>• allcove: youth wellness center</li> <li>• RCFE: Sunrise Assisted Living (Assisted Living and Memory Care)</li> <li>• RCFE: Healthy Living Campus (Assisted Living and Memory Care)</li> <li>• Beach Cities Surgery Center</li> <li>• PACE (Program for All-Inclusive Care for the Elderly)</li> </ul>
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Both PACE and RCFE fail the definition since both are full market rate programs and participants face increased costs from BCHD's overheads. In any event, BCHD provides no material assistance beyond that of the free market for PACE or RCFE.

**“Allcove” Fails the Definition As BCHD Published that 91% of the Target Market are Non-Resident/Non-Taxpayers of the District and It Will NOT Provide Net Benefits**



Allcove is clearly a latent service that requires a cost-effectiveness and benefit case to operate. BCHD services only 9% residents with the program, and as such, it has no NET benefit and in fact a NET COST to the District residents. As with all BCHD programs, BCHD asserts that public health benefit assessment is beyond the “Mission” and “Abilities” of BCHD and its staff (per CPRA response) so any assertion by BCHD that a program is beneficial to District residents cannot be supported by BCHD data or analysis.

**BCHD's Claims in 32121 j) Are Supermajority False**

BCHD Falsely Claims that it established, maintains, operates, or provides assistance in the operation of 1) business that pay fair market rent in the BCHD 514 N Prospect Bldg, and 2) businesses in the 3<sup>rd</sup> party owned and operated 510 and 520 N Prospect Commercial Office Buildings. This is a false representation by BCHD to inflate its services and must be thoroughly vetted at the business by business level for BCHD ownership or other material operational assistance. Furthermore, BCHD's ownership of the underlying land provides no claim to a tenancy in the Commercial Office Buildings, as they are owned and operated by 3<sup>rd</sup> parties.

Both sampled tenants and the building rental manager confirm that the Commercial Office Buildings have no BCHD relationship with tenants.

In addition, BCHD list prospective, non-operating services, such as “allcove” for 91% non-residents, RCFE for 80% non-residents, and PACE for 96% non-residents as active services. That is flatly false.

<p>32121 (j) To establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services including outpatient, retirement programs and other healthcare programs for the benefit of the people served by the district</p>	<ul style="list-style-type: none"> <li>• Care Management</li> <li>• Enhanced Care Management</li> <li>• Assistance, Information and Referrals Hotline</li> <li>• Covered California Enrollment</li> <li>• Medically accredited exercise fitness facility</li> <li>• AdventurePlex—youth fitness facility</li> <li>• allcove: youth wellness center</li> <li>• RCFE: Sunrise Assisted Living (Assisted Living and Memory Care)</li> <li>• RCFE: Healing Living Campus (Assisted Living and Memory Care)</li> <li>• Beach Cities Surgery Center</li> <li>• PACE (Program All-Inclusive Care for the Elderly) <ul style="list-style-type: none"> <li>○ Primary care</li> <li>○ Occupational and physical therapy</li> <li>○ Pharmacy</li> <li>○ Dental care</li> <li>○ Nutrition services</li> <li>○ Adult day care</li> <li>○ In-home supports</li> </ul> </li> <li>• Silverado Senior Living (Memory Care)</li> <li>• Home-based services</li> <li>• Counseling services</li> <li>• Youth mental health services</li> <li>• Easter Seal—adult day care</li> <li>• In-Home services (for care management clients)</li> <li>• UCLA Health</li> <li>• South Bay Home Health Care—durable medical equipment</li> </ul>
  	<ul style="list-style-type: none"> <li>• Venice Family Clinic (Federally Qualified Health Center)</li> <li>• Lisa Graziano, MFT</li> <li>• Community Psychiatry Management</li> <li>• Beach Cities Advanced Imaging</li> <li>• South Bay Children's Health Center</li> <li>• Advanced Urology</li> <li>• Advanced Oncology South Bay</li> <li>• Reproductive Partners Medical Group</li> <li>• Oceanside Acupuncture</li> <li>• Savantcare Mental Health Clinic</li> <li>• Labcorp—laboratory services</li> <li>• Torrance Memorial Women's Center</li> <li>• Providence Family Medical Center</li> <li>• Peak Orthopedic Physical Therapy</li> <li>• South Bay Pharmacy</li> <li>• South Bay Eye Institute</li> <li>• Beach Cities Dermatology</li> <li>• Quest Diagnostics—laboratory services</li> <li>• COR Healthcare Medical Associates—Cardiology</li> </ul>



## **CONCLUSIONS**

BCHD operated during Covid for the benefit of a SUPERMAJORITY of non-residents of the District.

BCHD plans to allow a 3<sup>rd</sup> party Developer/Owner/Operator to develop for a SUPERMAJORITY of non-residents of the District.

BCHDs proposed RCFE is for 80% non-residents.

BCHDs proposed PACE is sized for 96% non-residents.

BCHDs proposed “allcove” youth mental health services has a 91% non-resident service area.

BCHD has negative quality of life and financial property value impacts on surrounding neighborhoods

BCHD proposes to nearly triple the campus size from an original 100,000 sqft to the current 312,000 sqft to 793,000 sqft.

BCHD proposes to build at 110-feet above surrounding property that is zoned for 30-feet.

BCHDs expansion actions will further damage surrounding neighborhoods.

BCHD acknowledges it has damaged surrounding neighborhoods.

BCHD has made no effort to evaluate the value of its damages.

BCHD strategic planning half-day meetings are 90%+ board, executives, staff, consultants, contractors, committee members and affiliated volunteers and less than 10% public. As such, BCHD strategic plan and priority based budgets are insider documents without meaningful public participation.

BCHD damages to the community from 80-96% non-resident services swamp the benefits of 4-20% resident services.

BCHD’s unvetted “awards” from paid trade associations with colleagues as evaluators must be discarded.

BCHD’s is a passive investor and real estate manager and should be dissolved.

BCHD’s misstates the seismic findings. BCHD is in compliance with seismic best practices and the 514 building has 25-year seismic life under best practices according to BCHD’s engineering consultant (document included as evidence).

BCHD has no obligation or need to demolish the 514 building.

BCHD's Claims in 32121 j) Are Supermajority False and BCHD did not establish, operate, etc. the private businesses that are tenants.

BCHD claims in 32121 i) are false as PACE and other programs do not exist.

BCHD claims in 32121 c) are false as BCHD has no lessor relationship with any business or service in the 510 and 520 N Prospect Commercial Office Buildings yet falsely claims a direct relationship. BCHD has only a lessor relationship with the building owners of 510 and 520 COB.

BCHD claims in 32121 m) are unvetted and must be rejected.

BCHD claims in 32121 o) are unvetted and require provision of JV, partnership or corporation documents.

BCHD claims in 32121 r) are unvetted and contain false claims, such as PACE which does not exist at BCHD. BCHD must provide documents demonstrating its beneficial relationship with tenants beyond being a lessor as well. Merely leasing property does not establish any beneficial relationship. UCLA has other clinics in the Beach Cities leased from other vendors of real estate.

BCHD's existing RCFE CUP is void if the RCFE is located anywhere but in the 514 building.

BCHD's campus and 514 building zoning of P-CF does not allow PACE or adult daycare as a conditional use.

BCHD's C-2 zoned lot is the only location on the site with a conditional use for adult daycare subject to approval.

**From:** [Mark Nelson \(Home Gmail\)](#)  
**To:** [CityClerk](#)  
**Subject:** Public Comment on BCHD Project to BCHD BoD Meeting 7/25/22  
**Date:** Monday, July 25, 2022 2:39:13 PM

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

Non-Agenda Comment to City Council and Planning Commission

The following comments were made to the Board of BCHD and reflect citizen concerns about BCHD failed project planning to this point.

BCHD BoD 7-25-22 Ecomment VII.3) Properties Committee:

Nine of 12 BCHD potential Developer/Owner/Operators withdrew (75%) due to stated concerns about poor BCHD project economics and poor BCHD project design according to Cain Bros presentation. All three "finalists" have some form of alternative project proposed. It is s clear that BCHD and its designers and consultants have bungled the project until now and that the selected vendor will need to clean up BCHDs trail of errors. I oppose all recommendations of the non-objective committee that includes BCHD's project consultant Biro who has a conflict due to BCHD payment contract to his firm. I object to BCHD continuing to the CUP/PCDR/DRG phase due to its already demonstrated incompetence. The Developer/Owner/Operator needs to move ahead in an attempt to provide the fiduciary protection that BCHD refuses to implement.

BCHD BoD 7-25-22 Ecomment VII.3.A) INFORMATIONAL UPDATE REGARDING PHASE I OF HEALTHY LIVING CAMPUS AT 514 PROSPECT AVENUE, REDONDO BEACH AND SELECTION PROCESS FOR DEVELOPER/LESSEE/OPERATOR AND DESIGN-BUILD FIRM

Assuming Cain Bros handpicked the 12 potential Developer/Owner/Operators based on our taxpayer payment to them, and that 75% fell out, either they were sham bidders of the project is an abject failure under BCHD's so-called leadership and its \$16M army of consultants. 75% of potential D/O/Os withdrew due to stated poor economics and poor design. On average, the remaining three offer lease payments to BCHD of \$1.5M annual and a chargeback of \$1.1M for BCHD use of the facility for 91% non-resident allcove, 96% non-resident PACE and BCHD staff offices. Further, the RCFE is for 80% non-residents. It is clear this facility is for non-residents and in violation of both the formation of South Bay Hospital District and SBHD's court filings to develop a facility for the benefit of residents of the District. \$400,000 net for 3 acres of P-CF public owned and zoned land is a dereliction by BCHD.

BCHD BoD 7/25/22 eComment Item VII.3.B) HLC Land Survey Contract

BCHD should cease all expenditures on the Wealthy Living Campus project until such time as a competent economic and design team is on board.

BCHD BoD 7/25/22 eComment Item VII.3.C) Design Budget Increase

BCHD should cease all expenditures on the Wealthy Living Campus project until such time as a competent economic and design team is on board. Further, since 75% of Developer/Owner/Operator candidates' primary reason for abandoning the project was poor economics and design, BCHD should examine litigation against the design firm as part of BCHDs fiduciary responsibility to taxpayers.

BCHD BoD 7/25/22 eComment Item XA) Allcove

BCHD should cease all expenditures on the allcove project until such time as BCHD has a long term cost recovery mechanism in place. According to BCHD's Press Releases, 91% of the allcove target residents are non-residents of the district.