

Memorandum

To: Board of Directors

From: Leslie Dickey, Executive Director of Real Estate

Date: October 27, 2021

Subject: Approval of Alternative 3 in the Environmental Impact Report with specified minor modifications as the Healthy Living Campus Master Plan, and direction for staff to prepare a resolution for approval of the modified Master Plan at 514 N Prospect Ave, Redondo Beach for adoption by the Board.

Recommended Action

Staff recommends that the Board approve Alternative 3 in the Environmental Impact Report (EIR) with specified minor modifications as the Healthy Living Campus Master Plan, and direct staff to prepare a resolution for approval of the modified Master Plan for adoption by the Board.

Public Outreach and Noticing

The following is a summary of the noticing for this meeting:

- Notice of Public Meeting, Site Notice & Legal Ad - Legal ads were published in the Daily Breeze, Easy Reader and Beach Reporter on October 21, 2021.
- Social media posts - Meeting information will be shared via Facebook, Instagram, NextDoor and LinkedIn the week of October 25, 2021.
- Email Newsletters – Notice of the meeting was included in BCHD’s email newsletters going to more than 30,000 people on October 14, 2021 and will be included in another newsletter the week of October 25, 2021.

Background

An EIR was prepared for the Healthy Living Campus Master Plan with extensive public outreach and participation ([see 9/8/21 Staff Report](#)). The Board certified the Final EIR by adopting Resolution No. 565 at its September 8, 2021 meeting.

Discussion

For more than 60 years, Beach Cities Health District (BCHD) has helped improve and promote the health of our community. As the District evolves to meet the shifting preventive health needs of all residents, our next phase – the Healthy Living Campus – is designed as a comprehensive, modern resource that advances wellness throughout the lifespan.

Since 2017, BCHD has worked to reimagine the former South Bay Hospital, originally constructed in the 1950's. Collaborating with numerous residential, business and community groups as well as consulting with financial, architectural and structural consultants, BCHD has embarked on a massive community-focused process to advance ideas and concepts to upgrade the 11- acre Redondo Beach campus. The vision was driven by the below project pillars and objectives:

Healthy Living Campus Project Pillars



Health

- Build a center of excellence focusing on wellness, prevention & research
- Leverage the campus to expand community health programs & services



Livability

- Focus on emerging technologies, innovation & accessibility
- Create an intergenerational hub of well-being, using Blue Zones Project principles



Community

- Actively engage the community & pursue partnerships
- Grow a continuum of programs, services & facilities to help older adults age in their community

Project Objectives

1. Eliminate seismic safety and other hazards of the former hospital building (514 Building).
2. Generate sufficient revenue through mission-derived services to replace revenues that will be lost from discontinued use of the former hospital building and support the current level of programs and services.
3. Provide sufficient public open space to accommodate programs that meet community health needs.
4. Address the growing need for assisted living with onsite facilities designed to be integrated with the broader community through intergenerational programs and shared gathering spaces.
5. Redevelop the site to create a modern Healthy Living Campus with public open space and facilities designed to meet the future health needs of residents, including a Community Wellness Pavilion with meeting spaces for public gatherings and interactive education.

6. Generate sufficient revenue through mission-derived services and facilities to address growing future community health needs.

A master plan to create a contemporary Healthy Living Campus anchored in Health, Livability and Community was prepared based on this iterative community-driven process. To continue providing preventive health and wellness programs to Beach Cities' residents of all ages, and to address escalating maintenance costs and seismic issues, the Healthy Living Campus Master Plan accommodates community needs and concerns. The project includes programs specifically designed for residents of the Beach Cities, with intergenerational programs that range from a Youth Wellness Center focused on mental health for ages 12-25, all-inclusive medical and social services for older residents to help them age in place, and Residential Care for the Elderly (RCFE) that serves seniors who have no option other than living in assisted living.

As a result of the iterative process, the Healthy Living Campus Master Plan includes innovative services and programs, as well as adjustments to reduce the project footprint and project impacts, including:

- Construction phasing has reduced construction time from nine to five years, now in two phases rather than three
- Minimizing impacts to the adjacent neighborhood by shifting buildings from the eastern perimeter to the northern boundary of the campus
- Decreasing density by reducing the number of senior living units from 420 to 217
- Adding more than two acres of programmable public green space
- Creating a Youth Wellness Center, which includes mental health services and programs to reduce substance use
- Establishing a Program of All-Inclusive Care for the Elderly (PACE) to provide comprehensive medical and social services for older adults

BCHD has worked side-by-side with the community to support the development of the Healthy Living Campus. The District has encouraged community participation at every step of the process, including conducting open houses, establishing a community working group, hosting study circles, providing community speaking engagements, and creating public speaking opportunities through Board meetings, public hearings, Board study sessions, and EIR scoping meetings. As of the time of the preparation of the Draft EIR, the process to develop the Master Plan had involved more than 60 meetings hosted over a 3-year period and attended by more than 550 community members. BCHD has also included consistent updates for the community in outreach materials, including newsletters, social media, annual reports, eblasts, and media outreach. The goal, per Board direction, has been to keep the public engaged in all Healthy Living Campus activities and milestones.

On September 8, 2021, the Board met and unanimously approved Resolution 565, which certified the EIR for the Healthy Living Campus Master Plan.

In October 2021, both the [Property](#) and [Finance](#) Committees participated in a presentation and discussion of a risk analysis report prepared by Image Cat Inc. on the seismic conditions in the existing 514 North Prospect Avenue building. The report showed that the risk of operating the existing building for up to 5 more years is equivalent to the risk of building a new building today to current codes and operating the new building for 50 years. Such a risk is within the standards that financial services companies use to determine if they will underwrite projects. However, if the existing 514 building is operated for more than 5 years the risk increases and becomes unacceptable. Please see the [seismic risk assessment](#) report. [The finance committee reviewed](#) the financial feasibility of Phase 1. Cain Brothers presented an updated report at their October 20, 2021 meeting. [The Strategic Planning Half Day](#) session on October 15, 2021 discussed [tradeoffs](#) related to the [six alternatives](#).

Staff Recommendation

Approval of Alternative 3 in the Final EIR, with Minor Modifications, as the Healthy Living Campus Master Plan

Based on the extensive amount of public outreach performed by BCHD for the design of the Healthy Living Campus, the findings of the risk analysis report for the 514 building, the positive results from [FM3 survey](#) presented on October 27, 2021 and the financial projections for the Healthy Living Campus corroborated by [Cain Brothers](#), Staff recommends that the Board:

- (1) Approve the Healthy Living Campus Master Plan, designating Alternative 3, the Revised Access Alternative, identified in the Final Environmental Impact Report (FEIR), with minor modifications consistent with the Staff recommendations below, as the preferred site plan (the “Project”); and
- (2) Direct Staff to prepare a resolution adopting CEQA Findings and a Statement of Overriding Consideration, adopting and incorporating into the Project all feasible mitigation measures identified in the Final EIR, adopting the Mitigation Monitoring and Reporting Program and approving the Project through formal adoption by the Board at its November 17, 2021 meeting.
- (3) Staff’s recommendations for modifications to Alternative 3, to be included in the Board Resolution for consideration on November 17, 2021, are as follows:
 - (a) To ensure impacts to scenic vistas are avoided through implementation of Mitigation Measure VIS-1, lower the elevation of the RCFE Building analyzed in the EIR by a minimum of 20 feet 3 inches.
 - (b) The Master Plan shall ensure implementation of the ‘alternative access and circulation design’ that avoids all project access on Flagler Lane as described in the Final EIR for Alternative 3 (Page 5-31 – 5-32).
 - (c) The Master Plan shall provide a maximum of 217 total assisted living dwelling units. With the implementation of MM VIS-1, this would result in a step-back on the top floor, creating a

terrace facing Beryl Street (clarify). This results in just the stepping of the top floor (clarify). In no case shall implementation of Alternative 3 result in an increase in the total number of units greater than 217 that results in the potential to substantially increase adverse environmental effects of the project or introduce new significant adverse environmental effects.

(d) The Master Plan shall provide approximately two acres of programmable open space on the campus.

(4) Direct Staff to prepare required submittals to all permitting agencies for the Project.

(5) Direct Staff to provide monthly updates on the implementation of the mitigation monitoring and reporting program.

(6) Direct Staff to evaluate Phase 2 in further detail to examine the potential programs, facilities, site plan, key trade-offs, potential timeframe and appropriate level of CEQA review and documentation for the potential implementation of Phase 2.

BENEFITS OF STAFF RECOMMENDATIONS

◆ Adoption of Alternative 3 includes benefits of the alternative access and circulation design, avoiding potential incompatibility with City of Torrance Municipal Code.

◆ Adoption of Alternative 3, with Staff-recommended parameters, will avoid significant effects related to scenic vistas that might otherwise result from the height of the RCFE Building.

◆ Although the Final EIR certified by the Board includes the assessment of a range of potential impacts associated with development of Phase 2, the Board has the option of postponing a decision related to the future pursuit of Phase 2 and its potential form, timing, and programs, until some later date, with the explicit acknowledgement that any future discretionary actions related to Phase 2 will require subsequent CEQA analysis. Implementation of Staff's recommended actions enables the Board to consider future options for Phase 2, thus maximizing flexibility for future planning of programs and facilities in response to future community needs.

◆ Adoption of Alternative 3, Phase 1 only achieves a high level of compatibility with BCHD's Mission and achieves four of the six Healthy Living Campus Project Objectives.

Project Objectives

1. Eliminate seismic safety and other hazards of the former hospital building (514 Building).
2. Generate sufficient revenue through mission-derived services to replace revenues that will be lost from discontinued use of the former hospital building and support the current level of programs and services.
3. Provide sufficient public open space to accommodate programs that meet community health needs.

4. Address the growing need for assisted living with onsite facilities designed to be integrated with the broader community through intergenerational programs and shared gathering spaces.

5. Redevelop the site to create a modern Healthy Living Campus with public open space and facilities designed to meet the future health needs of residents, including a Community Wellness Pavilion with meeting spaces for public gatherings and interactive education.

6. Generate sufficient revenue through mission-derived services and facilities to address growing future community health needs.

◆ The adoption of Alternative 3 would address long-term maintenance and seismic issues while also providing programmable open space, a continuum of much needed intergenerational programs and services, and other community public health benefits. These benefits would be further enumerated in a Statement of Overriding Considerations for the Board's consideration alongside the temporary, but prolonged construction related noise impacts identified in the Final EIR.

Key Attachment Links

[Tradeoff Matrix](#)

[Seismic Risk Assessment](#)

[Summary of Alternatives Analyzed in the Environmental Impact report](#)

[Summary of BCHD's Strategic Development Half-Day on October 15, 2021](#)

[Master Plan Information](#)

[October 20, 2021 BCHD Finance Committee](#)

[October 19, 2021 BCHD Properties Committee Meeting](#)

[Aquatics Report](#)

[Nabih Youssef Seismic Report](#)

[Cain Brothers Financial Analysis 2020](#)

[Market Feasibility Analysis 2019](#)