

From: Jamie Hall [mailto:jamie.hall@channellawgroup.com]
Sent: Tuesday, October 4, 2022 3:10 PM
To: CityClerk <CityClerk@longbeach.gov>
Cc: Greg Wittmann <greg@channellawgroup.com>; warren blesofsky <warrenblesofsky@gmail.com>
Subject: File No. 22-1164; Opposition to Declaring City-Owned Property at 1720 and 1760 Termino Avenue and 4111 Wilton Street (“Property”) as Surplus

-EXTERNAL-

Honorable Mayor Garcia and Council Members,

This firm represents Warren Blesofsky, a resident and taxpayer of the City of Long Beach. Mr Blesofsky objects to the proposed declaration of surplus property and sale of the Property to MWN Community Hospital, LLC (“MWN”) as it is in violation of the City Charter, the State Surplus Land Act and the California Environmental Quality Act (“CEQA”). The Property was the site of the Community Hospital of Los Angeles and remains necessary for public use as a hospital, or else it must be put to bid for affordable housing development. As explained in the attached letter, we respectfully request that the City Council reject the declaration of surplus property and ensure the Property will remain publicly owned and dedicated to public use for the benefit of all Long Beach residents.

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October 4, 2022

VIA ELECTRONIC MAIL

Long Beach City Council
411 W. Ocean Boulevard
Long Beach, CA 90802
By email: cityclerk@longbeach.gov

Re: File No. 22-1164; Opposition to Declaring City-Owned Property at 1720 and 1760 Termino Avenue and 4111 Wilton Street ("Property") as Surplus

Honorable Mayor Garcia and Council Members,

This firm represents Warren Blesofsky, a resident and taxpayer of the City of Long Beach. Mr Blesofsky objects to the proposed declaration of surplus property and sale of the Property to MWN Community Hospital, LLC ("MWN") as it is in violation of the City Charter, the State Surplus Land Act and the California Environmental Quality Act ("CEQA"). The Property was the site of the Community Hospital of Los Angeles and remains necessary for public use as a hospital, or else it must be put to bid for affordable housing development. We respectfully request that the City Council reject the declaration of surplus property and ensure the Property will remain publicly owned and dedicated to public use for the benefit of all Long Beach residents.

I. The Declaration of Surplus Land and Proposed Sale Violate the Surplus Land Act

The Surplus Land Act requires that any declaration of surplus property shall be accompanied by a finding that the property is no longer necessary for the City's use. Here, the Land Use Element of the General Plan designates Regional Serving Facilities including the Port of Long Beach, Long Beach Airport, various colleges and universities and hospitals. Map LU-3

identifies Community Hospital Long Beach as a Regional Serving Facility. As such, the Property is used, and is planned to be used, as a hospital for the agency's use within the meaning of the Surplus Land Act.

Yet, the record before the City is replete with evidence that the Property's operation as a hospital is necessary for providing essential medical and emergency services to residents both Citywide and regionally. The loss of a hospital on the site was demonstrated to result in longer travel times to reach emergency services, loss of availability of emergency services in east Long Beach, loss of disaster preparedness resources, loss of critical care beds and increased utilization of 9-1-1 for patients to access services. To date, the City has failed to identify any evidence that would support a finding that the Property is not necessary to provide essential medical services as a hospital. Rather, the primary justifications underlying the proposed declaration of surplus land are that (1) the existing structure requires expensive seismic upgrades, and (2) MHN unilaterally determined it would be more profitable to cease operations as a general acute care hospital. However, the required seismic upgrades have no bearing on the suitability of the Property to accommodate a hospital, as the existing structure could be demolished and the Property redeveloped in conformance with existing Building Codes and state laws. Moreover, MHN's unilateral decision to cease general acute care hospital operations and provide services as a mental health and wellness campus does not provide the range of emergency medical services which the City itself acknowledged were essential when it approved the negotiating agreement with MHN. Therefore, the City's finding that the Property is not necessary for City use lacks substantial evidence and the declaration of surplus property is unlawful.

Furthermore, the City has severely underestimated the fair market value of the Property, allowing MHN to receive the Property for a price of zero dollars to compensate for its expenditures. City Charter section 803 requires: "The City Auditor shall be the general auditor of the City and of every department, commission and office thereof." Yet, in violation of the City Charter, the fair market evaluation was completed by a third party auditor who arrived at an estimate so close to MHN's estimate that it reeks of conspiracy. Moreover, the City failed to investigate the value of oil and mineral rights on the Property, despite the presence of dozens of active and profitable wells in the immediate vicinity of the Property.¹ Finally, the City failed to conduct a geotechnical investigation including boring and trenching to evaluate seismic risks to the Property, and therefore improperly discounted fair market value without justification. The City therefore is offering the Property for less than fair market value, yet the Property is not being developed with affordable housing as required by the Surplus Land Act.

¹ City of Long Beach Oil and Gas Department, March 2, 2017, "Response to Request for Information on Current Oil and Gas Operations in Long Beach." Available at: <https://www.longbeach.gov/globalassets/city-manager/media-library/documents/memos-to-the-mayor-tabbed-file-list-folders/2017/march-2--2017---information-on-current-oil-and-gas-operations-in-long-beach>

Finally, the Project is not exempt from AB 1486 because the exclusive negotiating agreement was not a legally binding agreement to dispose of the Property. Rather, the City's obligation to reimburse MHN was capped at the fair market value of the Property, allowing the City to satisfy those obligations by selling the Property to MHN. As such, the Property is subject to AB 1486 and the Property must be put to bid for development of affordable housing.

II. THE DECLARATION OF SURPLUS LAND IMPLEMENTS A CHANGE OF USE AND CANNOT BE CATEGORICALLY EXEMPT

The City has prepared a Notice of Exemption asserting that the declaration of surplus land is categorically exempt pursuant to CEQA Guidelines Section 15312, which exempts sales of surplus government property. However, the City's own negotiating agreements and numerous approvals demonstrate that the removal of the deed restriction to allow a mental health and wellness campus was part of the same "project" as the declaration of surplus land and sale for CEQA purposes. As such, the City has improperly segmented the Project into bite-size pieces to render each of them exempt from meaningful environmental review. The City must properly define the scope of the Project and conduct CEQA review accordingly.

III. CONCLUSION

On behalf of Mr. Blesofsky, this office respectfully requests that the City Council reject the declaration of surplus land and sale of the Property. I may be contacted at 310-982-1760 or at jamie.hall@channellawgroup.com if you have any questions, comments or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Jamie T. Hall". The signature is fluid and cursive, with the first name "Jamie" being the most prominent part.

Jamie T. Hall