

STAFF REPORT
City of Lancaster

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12/10/2024
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Date: December 10, 2024

To: Mayor Parris and City Council Members

From: George N. Harris II, Senior Director/Treasurer – Administrative Services
Chenin Dow, Assistant Director

Subject: Behavioral Health Continuum Infrastructure Program Grant Application.

Recommendation:

1. Adopt Resolution No. 24-XX, authorizing the City Manager, or his designee, to submit an application for, and participate in, the California Department of Health Care Services Behavioral Health Continuum Infrastructure Program (BHCIP).
2. If the application is approved, authorize the City Manager, or his designee, to enter, execute, and deliver a Program Funding Agreement for the total award amount, and all other documents required or deemed necessary or appropriate to secure the BHCIP grant funds and participate in the program.
3. If funds are awarded, appropriate all BHCIP grant funds to an account, to be created by Finance, and authorize expenditure in accordance with the BHCIP guidelines.
4. Authorize the City Manager or his designee to execute all associated documents.

G.C. Section 84308: No

Fiscal Impact:

No immediate fiscal impact is associated with the application. If approved, the City of Lancaster would receive up to \$73,800,000 in grant funding for the purpose of constructing a behavioral health facility and would utilize two vacant City-owned parcels valued collectively at \$2,825,000 for the project.

Background:

The Lancaster City Council has long recognized and worked to address various challenges regarding accessing high-quality health care in our community. One such obstacle is a dearth of behavioral health facilities to address mental health concerns, including both inpatient and outpatient services.

To this end, the City of Lancaster has sought to establish a public-private partnership with Palmdale Regional Medical Center (PRMC). PRMC is owned and operated by a subsidiary of Universal Health Services, Inc., one of the largest healthcare management companies in the nation.

Through this public-private partnership with PRMC, the City is seeking to apply for grant funds under the California Department of Health Care Services Behavioral Health Continuum Infrastructure Program (BHCIP). Utilizing grant funds of up to \$73,800,000, the public-private partnership will work to develop a 96-bed behavioral health hospital. Envisioned services would include an acute psychiatric hospital, outpatient community mental health clinic, crisis stabilization unit, outpatient treatment for substance use disorder, and a partial hospitalization program.

The project would be developed on two parcels of City-owned land at the northeast corner of Avenue K and Division Street (APNs: 3140-017-902 and 3140-017-900). PRMC would serve as the developer and operator of the project. The City would contribute the land, appraised at \$2,825,000, while PRMC will provide the remainder of the required 10% local match.

Through this public-private partnership, the City of Lancaster can facilitate the development of a new, state-of-the-art health care facility to serve local residents and create new jobs. Additionally, the location of the proposed project will provide these services on the East side of Lancaster, which has historically been underserved in terms of health care options.

Attachment:

- Resolution No. 24-XX
- Applicant's Certification of Funding Terms
- Applicant's Certification of Prevailing Wage