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8.25.22

RECOMMENDATION APPROVED;
RESOLUTION 22-10055 ADOPTED; AND
AGREEMENT 22-9799-B APPROVED;
BY THE BOARD OF HARBOR COMMISSIONERS



Executive Director's
Report to the

Board of Harbor Commissioners

August 25, 2022

DATE: AUGUST 11, 2022


Amber M. Klesges
Board Secretary

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. 22-10055 - APPROVE A SECOND
MEMORANDUM OF UNDERSTANDING AGREEMENT NO. 21-9799
BETWEEN THE HOUSING AUTHORITY OF THE CITY OF LOS
ANGELES AND THE CITY OF LOS ANGELES HARBOR DEPARTMENT

SUMMARY:

Staff requests approval of a Second Memorandum of Understanding Agreement No. 21-9799 (Second MOU) with the Housing Authority of the City of Los Angeles (HACLA) for the Harbor Boulevard Parkway Improvements Project (Project). The Project will improve approximately 15,600 square feet of underutilized rail right-of-way into park space that expands upon the LA Waterfront's Harbor Boulevard Parkway.

The Second MOU is required at this time in order to incorporate final permits and approvals, Project design and remaining party responsibilities. Under the Second MOU, the Harbor Department will agree to provide on-going maintenance for the Project upon construction completion. If the proposed Second MOU is approved, then the Harbor Department will be financially responsible for estimated incremental maintenance costs of \$20,000 per year after the Project is completed.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt and has been previously evaluated pursuant to the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) and Section 2(i) of the Los Angeles City CEQA Guidelines;
2. Approve the Second Memorandum of Understanding Agreement No. 21-9799 with the Housing Authority of the City of Los Angeles;
3. Direct the Board Secretary to transmit the Second Memorandum of Understanding Agreement No. 21-9799 to the City Council for approval pursuant to Section 373 of the City Charter;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the Second Memorandum of Understanding Agreement No. 21-9799 upon approval by City Council; and
5. Adopt Resolution No. 22-10055.

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Background - HACLA is redeveloping the 478 unit Rancho San Pedro public housing complex, with their selected developer, One San Pedro, into a new mixed-income and mixed-use urban village with a much higher unit density than the current development. Rancho San Pedro is located directly west of the LA Waterfront across Harbor Boulevard. In 2018, HACLA was awarded a HUD Choice Neighborhoods Initiative (CNI) grant. The purpose of the grant is to improve communities with distressed public or HUD-assisted housing. Grant funding will be used toward planning activities and limited physical improvements that benefit Rancho San Pedro and the surrounding community.

HACLA conducted a year-long process of community input to solicit ideas and select projects to submit to HUD for funding. Community outreach included a “Shark Tank” style idea pitch exercise at a Community Workshop and two “Idea Clinics” to assist with applications. Applications for ideas were promoted via: Neighborhood Council meetings; HACLA’s website; the Next-door App; Facebook; at 1st Thursday events; One San Pedro office; Council District 15; Rancho San Pedro Management Office, and; One San Pedro Alliance Meetings. HACLA received a total of 26 project ideas for HUD funding.

HACLA formed a 14-member Selection Panel that rated and scored the 26 project ideas. Selection Panelists included the following community representatives:

Rancho San Pedro

- Resident Advisory Committee (RAC) Member – 2 slots
- Resident (Non-RAC, Non-Community Coach) – 2 slots
- Resident (Community Coach) – 2 slots
- Youth Resident – 2 slots

Community

- Barton Hill Neighborhood – 2 slots
- Mt. Sinai Church – 1 slot
- OSP Alliance Member – 1 slot
- PBID Member – 1 slot
- Central San Pedro Neighborhood Council – 1 slot (unfilled)

The Selection Panel ranked projects and HACLA submitted the top four ranked project ideas to HUD for grant funds, which included the Project. HUD ranked the Project first.

Harbor Boulevard Parkway Improvements Project – Located on Harbor Department property, the Project will develop approximately 15,600 square feet of underutilized land between 1st Street and 3rd Street along the eastern side of Harbor Boulevard into park space. The site currently contains inactive rail previously used by the suspended Red Car Trolley. The rail has been removed under the Harbor Department’s obligation to clear the site for construction, as described in the Initial MOU.

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The Project (Transmittal 1) is designed as an extension of the existing Harbor Boulevard Parkway. Final design, elements, and materials were coordinated (Transmittal 2) with Harbor Department Engineering and Construction and Maintenance staff. Improvements consist of a flex space, multi-purpose lawn, children's play area, adult exercise area, picnic areas, and game tables arranged in a linear fashion. The flex space area on the north end of the park space is equipped to provide access and space for food trucks or pop up services. The adjacent shaded picnic area with tables and benches will maximize the appeal and use of this flex space. A shade structure with swinging benches and circular sitting benches is placed centrally along the site as it provides a place to relax and watch the activities on the multipurpose lawn area and/or children's play area. The children's play area will have separate play structures for 3 to 5 and 5 to 12-year-old kids, boulders, wood stumps, and benches to provide seating areas for adults or kids. A fence for this children's play area is provided along the Harbor Boulevard sidewalk as a safety measure based on community input. The adult exercise equipment, picnic/sitting area with chess tables, ping pong table, and circular benches create a very vibrant and active atmosphere in the Palm Court Area towards the south end of this park space.

Project benefits include providing the local community and residents of the redeveloped Rancho San Pedro with additional open-space and direct access to LA Waterfront amenities. Currently, access to the existing Harbor Boulevard Parkway from 1st Street and 3rd Street is impeded by fencing.

Initial MOU – On April 15, 2021, the Board approved the Initial MOU Agreement No. 21-9799 for the Project. Following approval, the Harbor Department completed all of its responsibilities under the Initial MOU to coordinate on environmental review and permits, clear the site for construction, and assist HACLA in finalizing documents for final HUD approval and release of HUD funds. Completed tasks included the following:

- On October 21, 2021, the Board, via Resolution No. 21-9915, authorized an Addendum to the September 29, 2009, San Pedro Waterfront Project Final Environmental Impact Report/Environmental Impact Statement, finding that the proposed Project would not result in significant environmental impacts.
- On April 5, 2022, the Executive Director issued Level I CDP No. 22-02 to HACLA for the Project as it is located in Planning Area 1 of the Port Master Plan and is consistent with the open space land use designation.
- On April 20, 2022, the Harbor Department completed its obligation to prepare the Project property for construction through demolition and remediation work. The original estimated total cost was \$1,430,000. Actual Harbor Department costs incurred were \$712,226.
- On July 1, 2022, the Harbor Department issued Harbor Engineer's Permit 2022-36 to HACLA for the Project.

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Second MOU – HACLA received final approval from HUD on June 15, 2022. The Initial MOU provided that upon HUD approval, a subsequent MOU would be submitted to the Board for consideration. The Second MOU (Transmittal 3) incorporates final permits and approvals, project design, and remaining party responsibilities. Under the Second MOU, the Harbor Department is agreeing to provide on-going maintenance for the Project, following construction completion of the Project by HACLA and its subcontractors. Maintenance costs for the project are estimated at \$20,000 a year.

HACLA is responsible for all other costs related to the Project. HACLA entered into a contract with Lucas Builders Inc., pursuant to an invitation-for-bids competitive procurement process, for a total contract award amount of \$2,300,000, for construction of Project. Under a separate Board item, a Temporary Entry and Use Permit, will allow HACLA's contractor to enter the Project site and construct the Project improvements.

HACLA Funding Sources – In addition to the Harbor Department's commitments, HACLA has secured a total of \$2,850,000 in grants for the planning, design, and construction of the Project. The total funding consists of \$950,000 from HUD, \$700,000 in Community Development Block Grant funding from the City of Los Angeles; \$700,000 from a Los Angeles County Safe, Clean Neighborhood Parks and Beaches Measure A grant funds from the Los Angeles County Regional Park and Open Space District (RPOSD); and \$500,000 from HACLA.

ENVIRONMENTAL ASSESSMENT:

The proposed action is for the approval of an Second MOU with HACLA for the Project, which is an administrative activity and an activity for which the underlying project has been previously assessed in the Addendum to the San Pedro Waterfront Project Final Environmental Impact Statement/Environmental Impact Report for the Harbor Boulevard Parkway Improvements Project (SCH# 2005061041), certified by the Board on October 21, 2021. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt and has been previously evaluated pursuant to CEQA in accordance with Article II Section 2(f) and Section 2(i) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the Second MOU will ultimately result in the Harbor Department incurring maintenance expenses estimated to be \$20,000 per year upon Project completion. Approval of the proposed MOU will have no impact on Harbor Department funding obligations related to construction of the Project.

HACLA will continue to be responsible for Project design and construction costs estimated to be \$2,850,000, while the Harbor Department was financially responsible for site remediation and preparation costs. The Harbor Department incurred \$712,226 in costs to remediate and prepare the site and does not anticipate any further remediation and site preparation costs if the proposed actions are approved.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed Second MOU as to form and legality.

TRANSMITTALS:

1. Site Plan
2. Harbor Engineers Permit
3. Second Memorandum of Understanding

FIS Approval: MB
CA Approval: SO

Michael J. Galvin
MICHAEL J. GALVIN
Director of Waterfront & Commercial Real Estate

Michael DiBernardo
MICHAEL DIBERNARDO
Deputy Executive Director

APPROVED:

Marla Bleavins For
EUGENE D. SEROKA
Executive Director

ES:MD:MG:MC:raw
Author: Michael Cham
BL951raw HACLA Second MOU