



Executive Director's
Report to the

Board of Harbor Commissioners

DATE: APRIL 1, 2021

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVE MEMORANDUM OF UNDERSTANDING BETWEEN THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES AND THE CITY OF LOS ANGELES HARBOR DEPARTMENT FOR THE HARBOR BOULEVARD PARKWAY IMPROVEMENTS PROJECT

SUMMARY:

Staff requests approval of a Memorandum of Understanding (MOU) with the Housing Authority of the City of Los Angeles (HACLA) to coordinate on the Harbor Boulevard Parkway Improvements Project (Project). The Project consists of the improvement of 15,600 square feet of underutilized rail right-of-way into park space that expands upon the LA Waterfront's Harbor Boulevard Parkway and provides direct access to the community and HACLA's Rancho San Pedro Housing Development (Ranch San Pedro), currently being redeveloped by One San Pedro into a mixed-use, mixed-income urban village. Project concept amenities include a bike loop, new seating and recreation equipment, and new shade trees and plants.

Approval of this MOU obligates the Department and HACLA to cooperate in the completion of the United States Department of Housing and Urban Development (HUD) Choice Neighborhoods Initiative (CNI) grant funding approval process and environmental review of the Project. Upon approval of the Project funding by HUD, the parties will renegotiate an amended and restated MOU, subject to full review and approval by the Board. The broad concept for Harbor Department responsibilities, subject to the future amended and restated MOU, is to clear the site for construction and provide ongoing maintenance following Project completion. Harbor Department costs to prepare the site are approximately \$1,430,000 and ongoing maintenance will be estimated as design is finalized. HACLA would be responsible for all other costs, currently estimated at \$1,400,000.

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 from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the Memorandum of Understanding with the Housing Authority of the City of Los Angeles;

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3. Authorize the Executive Director to execute and the Board Secretary to attest to the Memorandum of Understanding on behalf of the Board; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background - HACLA is in planning stages to redevelop Rancho San Pedro, with their selected developer, One San Pedro. The existing 478 public housing units are to be redeveloped into a new mixed-income and mixed-use urban village. Rancho San Pedro is located directly west of the LA Waterfront across Harbor Boulevard. In 2018, HACLA was awarded a HUD CNI Grant. The purpose of the grant is to improve communities with distressed public or HUD-assisted housing. Grant funding would be used toward planning activities and limited physical improvements to benefit Rancho San Pedro and the surrounding community.

HACLA conducted a year-long process of community input to solicit ideas and select projects to be submitted to HUD. Call for Ideas included a “Shark Tank” exercise at a Community Workshop and two “Idea Clinics” to assist with applications. Applications for ideas were promoted via: Neighborhood Council meetings; HACLA website; Next-door; Facebook; 1st Thursdays; One San Pedro office; Council District 15; Rancho San Pedro Management Office, and; One San Pedro Alliance Meeting. A total of 26 project ideas were received.

A Selection Panel of 14 members was formed. They rated and scored project ideas received. Panelists consisted of 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 the top four project ideas received and submitted them to HUD for grant funds, which included the Project. HUD ranked the Project first. The proposed MOU (Transmittal 1) between HACLA and the Harbor Department identifies the roles and responsibilities of HACLA and the Harbor Department in relation to the Project, as required by HUD for final project approval and release of HUD funds for completion of the Project.

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Project Concept – Located on Harbor Department property, pending CEQA/NEPA determination, the Project would 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. There are no plans to reinitiate the Red Car Trolley as originally designed due to feasibility limitations including capacity, functionality, and potential designations. The long-term vision for public transportation intended to connect various amenities on the LA Waterfront will be analyzed in the coming year as larger developments, including West Harbor; AltaSea; Cabrillo Way Marina; Outer Harbor Cruise Terminal; Warehouse One; and Crafted, are built and/or stabilized. As these developments come online, vehicular and pedestrian movement patterns around the LA Waterfront will solidify, allowing for better public transportation modal development decisions to be made. Regardless of this proposed open-space Project and other open-space and commercial projects, the Harbor Department continues to maintain right-of-way throughout the LA Waterfront to adequately address future transportation and connectivity needs as this waterfront development district matures.

The Project concept is designed as an extension of the existing Harbor Boulevard Parkway. Improvements include the creation of a bike loop circling the three blocks to provide a safe cycling space and a link to existing bike lanes, new seating and recreation equipment to provide a park-like gathering space for families, and new shade trees and plants to bring additional green space to the community. The renovated space also includes the addition of a refurbished shipping container that will serve as a potential small business pop-up kiosk.

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.

MOU Responsibilities – General Harbor Department responsibilities under the proposed MOU are to coordinate on environmental review and finalize documents for final HUD approval and release of HUD funds. Upon HUD approval, an amended and restated MOU would be submitted to the Board for action. Under this amended and restated MOU, it is anticipated that Harbor Department responsibilities would be to (1) clear the site for construction and (2) maintain the project after completion. Internal estimates for the cost to remove existing rail, clear the site, and prepare the site for construction is approximately \$1,430,000. The Harbor Department provides maintenance for the existing Harbor Boulevard Parkway and would assume maintenance responsibilities for the new extension area under the MOU. If the Project moves forward, final elements and materials will be coordinated with Harbor Department staff to help further successful and efficient maintenance.

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Under the restated and amended MOU, it is anticipated that HACLA would be responsible for all other costs related to the Project. Anticipated HACLA costs to develop the Project are approximately \$1,400,000, which is inclusive of hard and soft costs. HACLA proposes to use \$950,000 in HUD funds leveraged with \$250,000 in Community Development Block Grant funding from the City of Los Angeles and at least \$200,000 from HACLA to fund the entire Project cost.

Process - Upon Board approval and execution of the MOU and if final Project approval is received by HUD, the Harbor Department would renegotiate an amended and restated MOU, subject to full review and approval by the Board. The intent is that the amended and restated MOU would address project construction cost responsibilities and incorporate the Project terms as approved by HUD, including the final scope of work, budget, schedule, Harbor Department access permits necessary for construction work by HACLA and its contractors, insurance and indemnification requirements, and a plan for ongoing maintenance of the Project after construction.

The terms of the MOU provide that the Harbor Department or HACLA may terminate the MOU via 30 days advance written notice setting forth the reason for the termination.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a proposed MOU between the Harbor Department and HACLA to coordinate on the Harbor Boulevard Parkway Improvements Project, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed MOU formalizes the Harbor Department and HACLA process in proceeding toward the development of the Project, including environmental review, estimated to be \$150,000, and finalizing documents for submission to HUD. Pending Board approval of this MOU, the environmental and total Project costs would be presented to the Project Development Committee in May 2021. Staff has proposed that \$12,000,000 be included within the Fiscal Year 2022 Budget for unanticipated capital spending within Project # 1900000. Pending Board approval of the Fiscal Year 2022 Budget, and pending project approval by the Project Development Committee, staff anticipates \$150,000 in Fiscal Year 2022 environmental costs being incurred as part of the proposed Project, funding for which is expected to be sourced from the unanticipated capital spending Project # 1900000.

It is anticipated that under a subsequent amended and restated MOU, presented to the Board at a later date, the Harbor Department would take on responsibility for clearing the site for construction and providing ongoing maintenance following Project completion. Harbor Department estimated costs to prepare the site are currently expected to be \$1,430,000. Ongoing site maintenance will be estimated and budgeted as design is finalized.

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CITY ATTORNEY:

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

TRANSMITTAL:

1. Memorandum of Understanding

FIS Approval: *MB*
CA Approval: *JS*

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APPROVED:

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