



Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: FEBRUARY 26, 2014**

**FROM: EXECUTIVE OFFICE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVE HARBOR COMMUNITY BENEFIT FOUNDATION'S HEALTHY HARBOR GRANTS PROGRAM, ROUND 3 AND THE TRANSFER OF PORT COMMUNITY MITIGATION TRUST FUNDS**

**SUMMARY:**

The Port Community Mitigation Trust Fund (PCMTF) was established by the City of Los Angeles Harbor Department (Harbor Department) for the purpose of funding appropriate mitigation projects and grants addressing port-related impacts for the communities of Wilmington and San Pedro. The Harbor Community Benefit Foundation (HCBF), a nonprofit organization established to operate the PCMTF, is responsible for identifying qualifying projects to receive grant funding from the PCMTF to be approved by the Board of Harbor Commissioners (Board), in addition to providing a progress report of HCBF's grant programs.

The HCBF Board of Directors has confirmed its selection of recipients for the organization's third round of health grant awards and has requested that the Board approve a transfer of funds from the PCMTF. A total of 9 organizations were selected to receive Healthy Harbor Grant funds. Proposed projects will address the Port's impact on the community by providing access to health services, supplies and educational resources for Wilmington and San Pedro. Upon approval, HCBF will award 9 grants totaling \$550,000 for the 2014 calendar year under the Healthy Harbor Grants program.

Staff has reviewed the proposal submitted by the HCBF and recommends Board approval in accordance with the Operating Agreement and the TraPac Memorandum of Understanding.

**RECOMMENDATION:**

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

1. Approve Harbor Community Benefit Foundation's request to use the Port Community Mitigation Trust Fund to grant awards to fund 9 Healthy Harbor Grants totaling \$550,000 for programs addressing the Port's health-related impacts in the San Pedro and Wilmington communities;

**DATE: FEBRUARY 26, 2014**

**PAGE 2 OF 6**

**SUBJECT: APPROVE HCBF HEALTHY HARBOR GRANT, ROUND 3 AND TRANSFER OF FUNDS**

2. Authorize the Executive Director or his designee to execute a joint letter with the Harbor Community Benefit Foundation to approve the distribution of funds in one lump sum payment of \$550,000 from J.P. Morgan Private Bank to the Harbor Community Benefit Foundation to be used in accordance with Harbor Community Benefit Foundation's request; and
3. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background/Context - On December 6, 2007, the Board certified the Final Environmental Impact Report (EIR)/Environmental Impact Statement for the Berth 136-147 (TraPac) Container Terminal and approved the TraPac project. Subsequent to project approval, certain entities, individuals, and organizations (TraPac Appellants) appealed the certification/project approval to the City Council under the provisions of the California Environmental Quality Act (CEQA). On April 2, 2008, the Board approved the Memorandum of Understanding (TraPac MOU) between the City of Los Angeles Harbor Department (Harbor Department) and the TraPac Appellants, which provides for the settlement of the appeal and the creation and funding of a Port Community Mitigation Trust Fund to be administered by a nonprofit entity. HCBF is the nonprofit organization established to provide oversight and administration of the PCMTF, which was established for the purpose of funding projects that will mitigate past, present, and future off-port impacts from port operations for the communities of Wilmington and San Pedro.

On October 20, 2011, the Board approved the Operating Agreement to the TraPac MOU (Operating Agreement), between the Harbor Department, TraPac Appellants, and HCBF, which provided specific details regarding the PCMTF and the role and responsibilities of HCBF. While the TraPac MOU has expired, the terms of the Operating Agreement will remain in effect for projects designated on TraPac MOU Exhibit B that have EIRs certified by May 19, 2016. Moreover, HCBF will continue to administer the PCMTF until it is completely spent. As stated in the Operating Agreement, use of the PCMTF by HCBF shall be subject to rules, restrictions, compliance, and monitoring imposed by the TraPac MOU, Operating Agreement, and Tidelands Trust Doctrine and the approval of PCMTF-funded projects and transfer of funds from the PCMTF to HCBF is subject to review and concurrence by the Board of Harbor Commissioners as well as approval as to form and legality by the Office of the City Attorney.

HCBF Progress - Since its inception, HCBF has successfully implemented an Off Port Impact Land Use Study, a Noise Assessment, and launched two grant programs: Community Benefit Grants and Healthy Harbor Grants. To date, HCBF has distributed \$1,341,000 in grants to fund projects designed to address Port impacts on aesthetics,

**DATE: FEBRUARY 26, 2014**

**PAGE 3 OF 6**

**SUBJECT: APPROVE HCBF HEALTHY HARBOR GRANT, ROUND 3 AND TRANSFER OF FUNDS**

air quality, biological resources, cultural resources, health risk and land use for San Pedro and Wilmington through community benefits in beautification, education/training, safety, employment opportunities, and/or community initiatives.

Details regarding the success of previous Health Grant projects are included in HCBF's first annual Community Benefit Report (Transmittal 1). This report is currently published on an annual basis and will eventually be updated on a quarterly basis.

Healthy Harbor Grants – In 2011 the HCBF launched their Health Care Grant Program, and awarded \$350,000 in grant funding, approved by the Board in July 2012, to four organizations focused on addressing health impacts from air pollution from port-related sources. On June 6, 2013, the HCBF selected and the Board approved \$450,000 in Health Care Grants, Round 2, for projects also aimed at addressing health impacts from port-related sources. On September 20, 2013, the HCBF Board of Directors approved the announcement of the availability of \$550,000 for a third round of grants and approved the renaming of the grant program to Healthy Harbor Grants.

On November 22, 2013, HCBF received a total of 13 grant applications with requests ranging from \$6,000 to \$300,000 for Healthy Harbor Grants, Round 3. An ad-hoc Grant Selection Committee (Selection Committee) was appointed by the HCBF Board of Directors, consisting of Director Peter Peyton, Treasurer Silvia Prieto, and Secretary Jesse Marquez, all of whom worked with HCBF staff to review and evaluate the grant applications.

All grant applications underwent a critical review process using grant evaluation criteria specified in the HCBF 2013-2016 Strategic Plan and the Healthy Harbor Application Guide. An initial review of applications was performed by the Selection Committee, to determine eligibility and responsiveness. Grant proposals were grouped into three major themes: 1) Comprehensive Mobile Diagnosis & Treatment, 2) Access and Medical Supplies, and 3) Education, Empowerment, and Training. A second review was performed by the Selection Committee and HCBF staff, where each proposal was reviewed and evaluated based on criteria listed in HCBF's Grant Proposal Evaluation form. In a final review by both the Selection Committee and HCBF staff, 9 program applicants were selected for recommendation to receive a Healthy Harbor Grant award.

On January 17, 2014, the HCBF Board of Harbor Directors approved the selection of 9 organizations to receive funding for their proposed projects (Transmittal 2). Of the projects selected to receive a grant award, 8 out of the 9 organizations will also receive matching funds from other sources totaling \$888,175.

HCBF is proposing a selection of grantees that represent a wide array of health clinics and service providers that will offer services to the communities of San Pedro and Wilmington to address the health impacts of port-related operations. A comprehensive

**DATE: FEBRUARY 26, 2014**

**PAGE 4 OF 6**

**SUBJECT: APPROVE HCBF HEALTHY HARBOR GRANT, ROUND 3 AND TRANSFER OF FUNDS**

list of projects is attached as Transmittal 3. The distribution of grant funding for San Pedro and Wilmington is relatively equitable, as seven awards will serve both San Pedro and Wilmington, and two awards will expand the availability of health services into Wilmington.

Each Healthy Harbor Grant recipient will be required to complete and execute a Grant Agreement with HCBF (Transmittal 4). Grant awards will be distributed in two disbursements as program thresholds are met. The first disbursement will occur 30 days after the Grant Agreement is executed and the second disbursement will occur after HCBF receives the respective organization's mandatory 6 month progress report. Any funds that have not been fully expended shall be returned to the PCMTF so that it may be allocated for future project proposals.

In accordance with the Operating Agreement, HCBF is requesting Board approval of the specific Healthy Harbor Grants, Round 3 projects, and a transfer of PCMTF funds to HCBF for such purpose. This program funding request is separate and in addition to the Board approved Calendar Year 2014 HCBF Operating Budget and Community Benefit Grants Program. Upon Board approval of the Healthy Harbor Grant, Round 3 grant awards and the funds transfer, \$550,000 will be transferred from the PCMTF to HCBF, for a total allocation of \$2,041,000 towards combined programs for Noise Mitigation (\$185,000), Healthy Harbor Grants (\$1,350,000) and Community Benefit Grants (\$506,000) to date.

Factors to be Considered by the Board of Harbor Commissioners - The Operating Agreement of the TraPac MOU sets forth the relationship between the HCBF and the Board. The Board remains the trustee of the Tidelands assets at issue, the funds in the PCMTF, and must exercise "its independent judgment to determine that [proposed HCBF] projects mitigate a direct or indirect impact from Port or Port-related operations and are consistent with the Tidelands Trust and the [TraPac] MOU." (Operating Agreement, Section 5.A)

In accordance with Section 5.C of the Operating Agreement, the Board shall consider the following factors in voting on an HCBF requested project:

- a) consistency with the TraPac MOU and the Tidelands Trust;
- b) whether the identified impact is attributable to Port or Port-related operations;
- c) whether the proposed project reasonably and appropriately mitigates, addresses, reduces, or eliminates the identified impact;
- d) that the budget and schedule for funding draw-downs from the PCMTF is appropriate for the type of project; and

**DATE: FEBRUARY 26, 2014**

**PAGE 5 OF 6**

**SUBJECT: APPROVE HCBF HEALTHY HARBOR GRANT, ROUND 3 AND TRANSFER OF FUNDS**

- e) the substantial form of contracts which the Nonprofit proposes to enter into if the project is approved.

The Board may not arbitrarily or unreasonably decline to fund a project. Should the Board decline to fund a project recommended by the HCBF, it shall provide written findings relating to the reasons for the rejection based on the factors above.

Staff has reviewed the request submitted by the HCBF and recommends the Board's approval of the 9 proposed HCBF Healthy Harbor Grants based on these factors.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval to transfer PCMTF funds to the HCBF to award Healthy Harbor Grant funds to nine health clinics and health service providers within the communities of San Pedro and Wilmington. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2 (f) of the Los Angeles City CEQA Guidelines.

**ECONOMIC BENEFITS:**

This Board action will have no employment impact.

**FINANCIAL IMPACT:**

The PCMTF balance was \$6,793,554 as of December 2013. Upon Board approval, \$550,000 will be transferred from J.P. Morgan Private Bank to HCBF and the new PCMTF balance will be \$6,243,554, with a total \$3,549,400 transferred to date.

The requested \$550,000 for Healthy Harbor Grant, Round 3 awards is in addition to previously approved PCMTF transfers for the HCBF 2014 Calendar Year Operating Budget (\$475,000) and the Community Benefit Grant Program (\$506,000). The entirety of the \$550,000 will be transferred to grantees as required program thresholds are met.

Given the recent change in independent financial manager of the fund, HCBF will be requested to include in their annual report back to the Board, a complete status of the PCMTF.

DATE: FEBRUARY 26, 2014

PAGE 6 OF 6

SUBJECT: APPROVE HCBF HEALTHY HARBOR GRANT, ROUND 3 AND TRANSFER OF FUNDS

**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the requested transfer of funds from the PCMTF as to form and legality including compliance with the TraPac MOU and Operating Agreement.

**TRANSMITTALS:**

1. HCBF Community Benefit Report
2. HCBF Healthy Harbor Grant and PCMTF Transfer Request
3. HCBF Healthy Harbor Grant Summaries
4. HCBF Healthy Harbor Grant Agreement

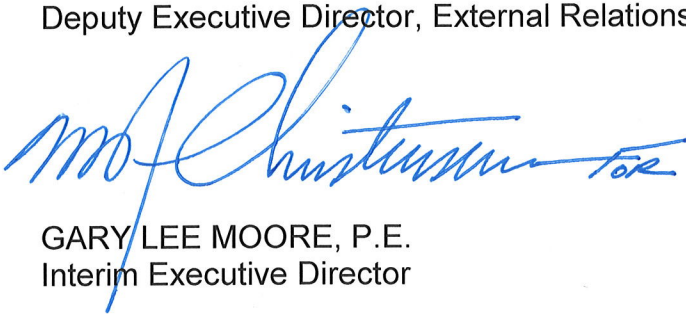
FIS Approval: WR (initials)

CA Approval: gmc (initials)

APPROVED:



CYNTHIA M. RUIZ  
Deputy Executive Director, External Relations



GARY LEE MOORE, P.E.  
Interim Executive Director

CMR/EZ/JC:ez