

APPROVED  
JUN 15 2011

REPORT OF GENERAL MANAGER

NO. 11-195

DATE June 15, 2011

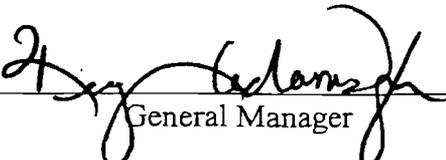
BOARD OF RECREATION  
and PARK COMMISSIONERS

C.D. 6, 8, 9, 15

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PRELIMINARY AUTHORIZATION TO PROCEED WITH THE ACQUISITION OF TWELVE LOS ANGELES HOUSING DEPARTMENT PROPERTIES FOR THE DEVELOPMENT OF PARKS

R. Adams \_\_\_\_\_ K. Regan \_\_\_\_\_  
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General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board:

1. Grant preliminary authorization to the Department of Recreation and Parks (RAP) to initiate the process for the possible acquisition, through property transfers, of twelve parcels totaling approximately 1.45 acres, located at various sites in the City of Los Angeles and further described in the Summary of this Report for the development of park sites;
2. Authorize staff to coordinate acquisition activities with the Department of General Services (GSD), Los Angeles Housing Department (LAHD) and any other Departments as necessary, and to obtain the necessary environmental and funding clearances and to expedite the transfer of said property; and,
3. Upon the completion of the preliminary acquisition activities, direct staff to return to the Board of Recreation and Park Commissioners (Board) with a report and recommendation on either the purchase or finding that a particular site is not appropriate for purchase.

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SUMMARY:

The LAHD through the Neighborhood Stabilization Program (NSP) of the U.S. Department of Housing and Urban Development has purchased over one hundred fifty (150) distressed or foreclosed properties within the City of Los Angeles. The NSP was established for the purpose of stabilizing communities that have suffered from foreclosures or abandonment. The program allows States and selected Cities to purchase properties with the intent of rehabilitation or redevelopment. Of the 150 or so properties acquired, LAHD has proposed to transfer or convey twelve (12) sites to RAP for conversion into parks. The only costs to RAP are the due diligence and development costs for those transfers moving forward.

The following chart provides information on the subject twelve LAHD properties:

	ADDRESS	Assessor's Parcel No.	CD	Size (acres)	Development Partner
1	13116 West Kagel Canyon Street	2623-020-014	6	0.14	TBD
2	1608 & 1609 ½ West 51 <sup>st</sup> Street	5003-006-003	8	0.11	LANI
3	1200 West 74 <sup>th</sup> Street	6019-008-024	8	0.10	RAP
4	833 West 76 <sup>th</sup> Street	6020-007-024	8	0.12	TBD
5	554 West 97 <sup>th</sup> Street	6054-025-013	8	0.12	TBD
6	609 West 105 <sup>th</sup> Street	6061-017-027	8	0.10	TBD
7	4600 South Orchard Avenue	5018-004-021	9	0.14	TBD
8	670 Ease 49 <sup>th</sup> Street	5108-011-008	9	0.19	RAP
9	4916 & 4916 ½ South McKinley Avenue	5108-019-028	9	0.10	TBD
10	139 & 141 East 61 <sup>st</sup> Street	6006-007-024	9	0.12	TBD
11	230 & 230 ½ East 70 <sup>th</sup> Street	6011-006-015	9	0.11	TBD
12	207 East 111 <sup>th</sup> Place	6073-018-017	15	0.10	LANI

The table above lists the subject twelve (12) properties by address, Assessor's Parcel No. (APN), and Council District. Information on the size of the parcel and known partners or entities which will be performing the development of the parks is also provided. At this time, RAP staff will complete improvements for properties at 1200 West 74<sup>th</sup> Street and 670 East 49<sup>th</sup> Street. The Los Angeles Neighborhood Initiative (LANI) will be submitting Proposition 84 grant applications for properties at 1608 & 1609 ½ West 51<sup>st</sup> Street and 207 East 111<sup>th</sup> Place.

Due to funding deadlines established by the NSP, LAHD requires that RAP determine no later than January 2012, whether it will be able to convert the subject properties into parks. So, it is imperative that RAP staff be able to begin the review process to make this determination.

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With the Board's Preliminary Authorization, RAP staff will perform the necessary due diligence work and begin outreach efforts and/or meetings to determine whether there is community support for the proposal to convert the subject properties into parks. The due diligence work shall include, but not be limited to, title review by GSD and an Environmental Phase I site assessment which looks into the historic use of the property in order to know whether there could have been past uses that could be potential sources of contamination. It should be noted that this cost could be up to \$130,000 depending on community support. No work will be authorized unless funding is available. Staff will also begin the design process for the development of the parks.

Concurrently, LAHD will be undergoing the required processes under the National Environmental Protection Act (NEPA) to obtain approval for the demolition of the structures on the properties and conversion into parks. When it has been determined that there is community support for the park development and funding for the development becomes available, RAP staff will return to the Board to obtain final approval for the acquisition and development of the site(s).

As indicated above, the National Environmental Protection Act (NEPA) and the Phase I Environmental Site Assessment are currently being completed. Both the NEPA and the Phase I Environmental Site Assessment will be completed and made available for review prior to making a determination on the possibility of acquiring each property.

### FISCAL IMPACT STATEMENT:

It is expected that the conveyance and development of the LAHD sites will have an impact to the Department's General Fund.

#### Acquisition Costs:

The estimated cost for Escrow and Title Insurance Fees, Environmental Phase I Site Assessments, and related due diligence activities necessary for the acquisition of the subject properties could reach up to \$130,000, if the conveyance of the twelve sites are to move forward. The Planning, Construction, and Maintenance (PC&M) division is seeking funds for these due diligence costs. None will go forward without the available funds. At this time, two are to be funded from PC&M account, Fund 302 Department 88 Account 603.

#### Development Costs:

The estimated cost for the design, development, and construction of park improvements at the subject properties will likely not exceed approximately \$3,000,000. Staff is activity engaged in efforts to identify and secure private funding and resources for the development of the subject properties.

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### Operation and Maintenance Costs:

The total estimated cost to operate and maintain the subject properties - once they have been developed into new parks - is approximately \$150,000 annually. The small size of each park, and the use of sustainable, low-maintenance, design and construction practices, will limit the amount of maintenance required at each park. However, as it is likely that supplemental funding will not be available for these new facilities and RAP staff is anticipating that the subject properties will need to be added to existing maintenance routes, which will reduce the ability of staff to perform daily core maintenance functions (i.e. maintenance of children's play areas, restroom cleaning, litter and debris removal, irrigation repair and inspection, picnic area maintenance, hardscape and sports court cleaning, and building maintenance) at each facility on that maintenance route. In order to try to minimize these impacts, RAP staff will review the daily core maintenance functions performed at each facility on the maintenance route to identify capital improvements that can be implemented to reduce the level of daily maintenance required at each facility.

This Report was prepared by Cid Macaraeg, Senior Management Analyst II, Real Estate and Asset Management.