

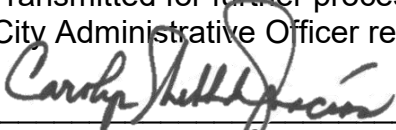
0220-00540-1694

TRANSMITTAL

TO The Council	DATE 6/20/2024	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT Citywide	

**Proposed Second Amendment to Contract No. C-142621
with the Housing Authority of the City of Los Angeles (HACLA)
for continued provision of professional environmental services**

Transmitted for further processing.
See the City Administrative Officer report attached.



MAYOR
(Carolyn Webb de Macias for)

MWS:CV:0224016c

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 5, 2024

CAO File No. 0220-00540-1694

Council File No. 22-1011

Council District: Citywide

To: The Mayor

From: *Yplenda Chavez*
for Matthew W. Szabo, City Administrative Officer

Reference: Los Angeles Housing Department transmittal dated May 15, 2024; Received by the City Administrative Officer on May 16, 2024; Additional information received through May 28, 2024

Subject: **REQUEST FOR AUTHORITY TO EXECUTE A SECOND AMENDMENT TO THE INTER-AGENCY AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES FOR THE PROVISION OF PROFESSIONAL ENVIRONMENTAL SERVICES**

RECOMMENDATION

That the Council, subject to the approval of the Mayor, authorize the General Manager of the Los Angeles Housing Department (LAHD), or designee, to execute a second Amendment to City Contract No. C-142621 with the Housing Authority of the City of Los Angeles (HACLA), to increase the compensation paid by HACLA to the LAHD by \$300,000, for a new total of \$900,000 and to extend the contract term by one year from June 30, 2024 through June 30, 2025, in substantial conformance to the draft amendment attached to the LAHD Report, subject to the approval of the City Attorney as to form and legality, and compliance with City contracting requirements.

SUMMARY

The Los Angeles Housing Department (LAHD) requests authority to execute a second amendment to City Contract No. C-142621 (Contract) between LAHD and the Housing Authority of the City of Los Angeles (HACLA) for the LAHD's continued provision of professional environmental services pursuant to the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA), and other relevant federal, State, and local land use and environmental laws and regulations for HACLA. The proposed amendment would increase the compensation amount payable to the LAHD by \$300,000 for a total compensation amount of \$900,000, and extend the term by one year from June 30, 2024 through June 30, 2025 as follows:

Housing Authority of the City of Los Angeles (HACLA) City Contract No. C-142621		
Contract Activity	Contract Term	Contract Amount
Initial Contract	July 1, 2022 – June 30, 2023	\$300,000
First Amendment	July 1, 2022 – June 30, 2024	\$300,000
Second Amendment	July 1, 2022 – June 30, 2025	\$300,000
Total		\$900,000

On October 7, 2022, the Mayor and City Council authorized LAHD to negotiate and execute an inter-agency agreement between LAHD and HACLA (C.F. No. 22-1011). The original contract was for a term of one year, beginning on July 1, 2022 through June 30, 2023, with a compensation amount not to exceed \$300,000. The first amendment increased the amount by \$300,000 to \$600,000 and extended the contract term by one year through June 30, 2024.

The U.S. Department of Housing and Urban Development (HUD) 24 Code of Federal Regulations (CFR) Part 58 and the related federal laws and authorities obligate the LAHD to undertake environmental review responsibilities for all HUD-funded activities in the City. The environmental services performed by LAHD staff under the proposed second amendment will be reimbursed by HACLA proceeds and will be deposited into the Municipal Housing Finance Fund as applicable credit to offset labor costs associated with the HACLA environmental reviews.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Payments received under the proposed second amendment to the inter-agency agreement between the Los Angeles Housing Department and the Housing Authority of the City of Los Angeles will be deposited into the Municipal Housing Finance Fund.

FINANCIAL POLICIES STATEMENT

The recommendations stated in this report comply with the City's Financial Policies in that the proposed contract includes the reasonable cost of providing the service for which they are charged, including the operating (direct) and appropriate projected future costs.

MWS:CV:02240162c

Attachments

Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

City of Los Angeles



Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.808.8808

housing.lacity.org

May 15, 2024

Council File: 22-1011
Council Districts: Citywide
Contact Persons: Craig Arceneaux: (213) 808-8967
Jinderpal Bhandal: (213) 808-8558

Honorable Karen Bass
Mayor, City of Los Angeles
Room 303, City Hall
200 N. Spring Street
Los Angeles, CA 90012

Attention: Heleen Ramirez, Legislative Coordinator

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT REQUEST FOR AUTHORITY TO EXECUTE A SECOND AMENDMENT TO THE INTER-AGENCY AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES FOR PROVISION OF PROFESSIONAL ENVIRONMENTAL SERVICES (C-142621) TO INCREASE THE CONTRACT COMPENSATION BY \$300,000 AND EXTEND THE CONTRACT TERM TO JUNE 30, 2025

SUMMARY

The General Manager of the Los Angeles Housing Department (LAHD) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration. Through this transmittal, LAHD requests authority to execute a second amendment to extend the term of the inter-agency agreement (City contract no. C-142621) with the Housing Authority of the City of Los Angeles (HACLA) by an additional twelve months to avoid a gap in services, and to increase the compensation to LAHD by \$300,000.

RECOMMENDATIONS

- I. That the Mayor review this transmittal and forward to the City Council for further action;
- II. That the City Council, subject to the approval of the Mayor:
 - A. AUTHORIZE the General Manager of LAHD, or designee, to execute a second amendment to City contract number C-142621 with HACLA to increase the compensation to be paid to LAHD by HACLA by \$300,000, for a new total compensation amount not to exceed \$900,000, and extend the term by twelve months for a contract term ending June 30, 2025.

BACKGROUND

On October 7, 2022, the Mayor and City Council authorized LAHD to negotiate and execute an inter-agency agreement between LAHD and HACLA for an amount not to exceed \$300,000, effective for one year, with two additional one-year renewal options, for LAHD to provide environmental review, clearance, and certification for HACLA projects that are funded through U.S. Department of Housing and Urban Development (HUD) programs. These professional services are provided pursuant to the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA), and other relevant federal state and local land-use and environmental laws and regulations. The current agreement, C-142621 (C.F. No. 22-1011), will expire on June 30, 2024.

Prior to the current contract's expiration, LAHD is requesting authority to execute a second amendment to the inter-agency agreement to extend the contract term and add funds, so that the department can continue to assist HACLA with the HUD-mandated environmental reviews prior to drawing down HUD funds. This is part of the City's collaborative efforts to combat the homelessness crisis, ensuring that federal funds and vouchers necessary for preserving, enhancing, and expending affordable and supportive housing are in compliance with the noted regulations.

On January 12, 2021, the Mayor and City Council adopted a motion (C.F. No. 21-0046, the "Motion"), which requested that the HACLA, in coordination with LAHD, create a strategy to expand HACLA's acquisition program to 1,500 units by 2022, 5,000 units by 2025, and 10,000 units by 2030. In alignment with the Motion and HACLA's 25-year Vision plan, "Build Housing, Opportunity, People, Excellent (HOPE)", HACLA has begun to expand the number of income- and rent-restricted affordable housing units within the City.

HACLA's annual budget exceeds \$1 billion, and is comprised primarily of HUD's annual operating subsidy, annual Capital Fund, Section 8 rental subsidies, public housing rent, and other HUD grants to provide public housing assistance. All planned activities assisted or to be assisted by HUD and the use of all HUD funds, including operating funds, are subject to CEQA, NEPA, and environmental review requirements as found in 24 CFR Part 58 and the related federal laws and authorities. In other words, every project must receive an environmental clearance from the designated responsible entity (RE) or HUD, before HACLA may begin work on the proposed activities.

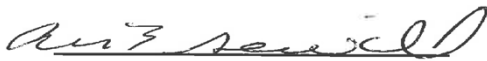
Pursuant to 24 CFR Part 58, LAHD, as the local RE, is tasked to assume HUD Environmental Responsibilities to perform environmental reviews for all HUD funded activities within the City of Los Angeles; hence, is obligated to perform such environmental review services for HACLA.

To avoid a gap in service, LAHD and HACLA wish to extend the term of the Agreement for twelve months with a new expiration date of June 30, 2025. HACLA will contribute \$300,000 to this agreement to increase the total compensation amount from \$600,000 to \$900,000 throughout the period of validity of the agreement. HACLA will reimburse LAHD for related expenses through payment of invoices issued by LAHD on a project-by-project basis. The services provided by LAHD under this Agreement will be funded by HACLA's proceeds from HUD. Execution of this agreement will enable cost recovery for LAHD professional services provided to HACLA and expedite the processing for the environmental review and approval of HACLA's Comprehensive Grant-funded and related projects, subject to the requirements of NEPA.

FISCAL IMPACT

There is no fiscal impact to the General Fund. This agreement is funded by HACLA's federal grant funds. LAHD environmental staff assigned to HACLA projects are paid by a combination of local, federal, and state funds. Payments received from HACLA under this contract will continue to be deposited into Fund 815-Municipal Housing Finance Fund as an applicable credit to offset direct labor cost associated with HACLA projects.

Approved By:

A handwritten signature in dark ink, appearing to read "Ann Sewill", written over a horizontal line.

ANN SEWILL
General Manager
Los Angeles Housing Department

ATTACHMENT:

Attachment 1 - HACLA_C-142621-2_DRAFT

SECOND AMENDMENT
TO AGREEMENT NUMBER C-142621 OF CITY CONTRACTS
BETWEEN
THE CITY OF LOS ANGELES
AND
THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

THIS SECOND AMENDMENT to INTER-AGENCY AGREEMENT ("Amendment") C-142621 is made and entered into by and between the City of Los Angeles ("City"), a municipal corporation acting by and through its Los Angeles Housing Department ("LAHD") (also referred herein as "Responsible Entity"), and the Housing Authority of the City of Los Angeles, an incorporated public housing authority ("HACLA") (collectively, "Parties" or individually, "Party").

WITNESSETH

WHEREAS, the City and HACLA entered into an agreement wherein LAHD agreed to provide services related to HACLA's environmental review record with respect to HACLA's projects or activities as set forth in the conditions and provisions of the agreement, said agreement effective July 1, 2022, which together with all amendments thereto shall hereinafter be collectively referred to as the "Agreement"; and

WHEREAS, on August 8, 2023, the City and HACLA entered into the First Amendment which a) increased the contract amount by Three Hundred Thousand Dollars (\$300,000) for a new total of Six Hundred Thousand Dollars (\$600,000) and b) extended the term of the Agreement for an additional twelve (12) months to June 30, 2024; and

WHEREAS, the City and HACLA are desirous of further amending the Agreement as authorized by the City Council on XXXX ##, 2024, (Council File Number ##-####) which authorized the General Manager of LAHD, or designee, to execute an amendment to the Agreement for the purposes of: (a) increasing the total compensation by HACLA to the City in the amount of Three Hundred Thousand Dollars (\$300,000) for a new total compensation amount of Nine Hundred Thousand Dollars (\$900,000); (b) extending the contract term by twelve (12) months for a new ending date of June 30, 2025; and (c) making such other changes as are required in connection with the foregoing, all as detailed elsewhere in this Amendment; and

WHEREAS, this Amendment is necessary and proper to continue and/or complete certain activities authorized under the Agreement.

NOW, THEREFORE, the City and HACLA agree that the Agreement be amended as follows:

[Remainder of page intentionally left blank.]

SECOND AMENDMENT

- §1. Amend Section 201, "Time of Performance", by deleting the current ending date of "June 30, 2024", and replacing it with a new ending date of "June 30, 2025."

This amendment adds an additional twelve (12) months for a total contract term of thirty-six (36) months.

- §2. Amend Section 301, "Compensation and Method of Payment" by deleting it in its entirety and replacing it to read as follows:

"§301. Compensation and Method of Payment

- A. The Parties agree that the maximum cumulative compensation amount for all Projects under this Agreement shall be no more than Nine Hundred Thousand Dollars (\$900,000).
- B. HACLA shall pay to City as compensation, the following fees, based on the level of review and type of environmental clearance required for each project ("Compensation").

Level of Review	Cost	Cost Basis	Number	Total
NEPA Categorical Exclusion NST/ CEQA Exemption	\$ 1,250	Per Project	24	\$ 30,000
NEPA Categorical Exclusion ST/ CEQA Exemption	\$ 2,500	Per Project	42	\$105,000
NEPA Environmental Assessment (EA) FONSI/CEQA IS-ND	\$11,500	Per Project	30	\$345,000
NEPA Environmental Impact Statement (EIS)	\$40,000	Per Project	3	\$120,000
Total (Estimate Only)			99	\$600,000

- C. The Compensation shall be upfront, prior to the commencement of LAHD Services for a Project.
- D. The Compensation shall not include any fees to be paid to any party, other than City, in order to complete the LAHD Services. Any and all fees due and owing to any party other than City shall be paid separately to such party directly by HACLA. Any such fees are separate and in addition to the Compensation.
- E. If a project's level of review changes after fees are paid, LAHD will refund or bill the owner accordingly."

- §3. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.

§4. This Amendment is executed in three (3) duplicate originals, each of which is deemed to be an original. This Amendment includes four (4) pages, which constitute the entire understanding and agreement of the Parties. Alternatively, this Agreement may be executed with electronic signatures, resulting in an electronic final original, which shall be uploaded to the LACityClerk Connect website.

[Remainder of page intentionally left blank.]

[Signatures begin on next page.]

IN WITNESS WHEREOF, City and HACLA have caused this Second Amendment to be executed by their duly authorized representatives.

APPROVED AS TO FORM:

HYDEE FELDSTEIN SOTO, City Attorney

By _____
Assistant/Deputy City Attorney

Date: _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____

Date: _____

Executed this ____ day of _____, 2024

For: THE CITY OF LOS ANGELES

ANN SEWILL
General Manager
Los Angeles Housing Department

By: _____
Luz C. Santiago
Assistant General Manager

Executed this ____ day of _____, 2024

For: HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

By: _____
Marlene Garza
Chief Administrative Officer

APPROVED AS TO FORM:

By: _____
HACLA Legal Counsel
Name & Title: _____
Date: _____

Internal Revenue Service ID: 95-6001623

Council File/CAO File Number: ##-####; Date of Approval: xxxx ##, 2024

Said Agreement is Number: C-142621 of City Contracts Amendment 2