

TRANSMITTAL

To: **THE COUNCIL**

Date: **06/15/23**

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in black ink, appearing to read "Chris Thompson", with a long horizontal flourish extending to the right.

(Chris Thompson) for

KAREN BASS
Mayor

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
1200 West 7th Street, 9th Floor
Los Angeles, CA 90017
Tel: 213.808.8808

housing.lacity.org

May 26, 2023

Council File: 22-1011
Council Districts: Citywide
Contact Persons: Craig C. Arceneaux: (213)808-8967
Jinderpal S. 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 FIRST 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, 2024

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 seeks approval, and requests authority to extend the term of the inter-agency agreement (City contract number 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 maximum 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, execute a first amendment to City contract number C-142621 with the Housing Authority of the City of Los Angeles (HACLA), ending June 30, 2023, for an additional twelve months, for a contract term ending June 30, 2024; and,
 - B. AUTHORIZE the General Manager of LAHD, or designee, to increase the compensation to be paid to LAHD by HACLA for contract number C-142621, by \$300,000, for a new total compensation amount not to exceed \$600,000.

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 provision by LAHD of 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, 2023.

Prior to the current contract's expiration, LAHD is requesting authority to execute a first 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 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 the 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 of Los Angeles.

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 by twelve months for a new expiration date of June 30, 2024. HACLA will contribute \$300,000 to this agreement to increase the total compensation amount from \$300,000 to \$600,000 throughout the term 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 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:

HACLA amendment proforma

FIRST AMENDMENT
TO AGREEMENT NUMBER C142621 OF CITY CONTRACTS
BETWEEN
THE CITY OF LOS ANGELES
AND
THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

THIS FIRST 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";

WHEREAS, the City and HACLA are desirous of amending the Agreement as authorized by the City Council on XXXXXX ##, 2023, (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 Six Hundred Thousand Dollars (\$600,000); (b) extending the contract term by twelve (12) months for a new ending date of June 30, 2024; 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.]

FIRST AMENDMENT

- §1. Amend Section 201, "Time of Performance", by deleting the current ending date of "June 30, 2023", and replacing it with a new ending date of "June 30, 2024."

This amendment adds an additional twelve (12) months for a total contract term of twenty-four (24) 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 Six Hundred Thousand Dollars (\$600,000).
- 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	16	\$ 20,000
NEPA Categorical Exclusion ST/ CEQA Exemption	\$ 2,500	Per Project	28	\$ 70,000
NEPA Environmental Assessment (EA) FONSI/CEQA IS-ND	\$11,500	Per Project	20	\$230,000
NEPA Environmental Impact Statement (EIS)	\$40,000	Per Project	2	\$ 80,000
Total (Estimate Only)			66	\$400,000

- 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 First 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 _____, 2023

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 _____, 2023

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: XX-XXXX; Date of Approval: XXXXX ##, 2023

Said Agreement is Number: C-142621 of City Contracts Amendment 1