

**RESOLUTION AUTHORIZING EXECUTION OF AN INTER-AGENCY AGREEMENT WITH THE CITY OF LOS ANGELES HOUSING DEPARTMENT FOR ENVIRONMENTAL REVIEW SERVICES (THE AGREEMENT) FOR A ONE-YEAR TERM IN THE AMOUNT OF \$300,000, AND FURTHER AUTHORIZING EXTENSION OF THE AGREEMENT OR NEW AGREEMENTS IN SUBSEQUENT YEARS**



Douglas Guthrie  
President & Chief Executive Officer



Marisela Ocampo  
Director of Housing Management

**Purpose:** There is a need for environmental review services related to the National Environmental Policy Act of 1969 (NEPA) and California Environmental Quality Act (CEQA). As a recipient of federal funds, HACLA is required under 24 CFR Part 58 to complete NEPA reviews before conducting housing projects and certain other activities with federal assistance. Under state law, CEQA requires public agencies to consider the environmental impacts of their discretionary actions. The City of Los Angeles Housing Department (LAHD) is the responsible entity that assists the Housing Authority (HACLA) with these reviews.

**Issues:** HACLA maintains public housing under Section 9 of the United States Housing Act of 1937, and may elect to pursue housing projects and/or activities with federal financial assistance subject to NEPA and implementing regulations of the Council on Environmental Quality, including but not limited to the regulations at 40 CFR Parts 1500-1508, and implementing regulations of the U.S. Department of Housing and Urban Development (HUD), including but not limited to HUD’s regulations at 24 CFR Part 58.

As the recipient of federal financial assistance, HACLA may secure assistance for completing environmental reviews by the unit of general local government where the project is located as the “Responsible Entity” authorized to assume environmental review obligations pursuant to 24 CFR 58.2(a)(7)(ii)(B). LAHD certifies it is authorized to: (1) assume responsibility for environmental review, decision making and action under NEPA and each provision of law designated in 24 CFR 58.5 applicable to any and all of the HUD financial assistance awarded to HACLA; and (2) execute the certification portion of HUD’s Request for Release of Funds (RROF) and certifications as set forth in 24 CFR 58.4, 58.13, and 58.71.

HACLA requested LAHD to complete the environmental review record with respect to HACLA’s projects or activities pursuant to the conditions and provisions set forth in the inter-agency agreement and LAHD accepts responsibilities to act as the responsible Federal agency under NEPA and the laws and authorities in 24 CFR 58.5 with respect to said projects and activities. LAHD also accepts responsibility to conduct CEQA reviews including determinations of categorical and other exemptions.

HUD does not have the resources to complete NEPA reviews for HACLA through its local Field Office or otherwise, as provided under 24 CFR Part 58. LAHD is the only local governmental entity authorized to serve as the Responsible Entity pursuant to 24 CFR 58.2(a)(7)(ii)(B), and willing to accept that responsibility. In other words, these activities are being conducted by LAHD for HACLA on what is essentially a “sole source” basis.

CEQA review must accompany NEPA review in many instances as California public agencies are required to identify and disclose the potential significant environmental effects of their proposed activities and avoid or mitigate those effects, if feasible. LAHD’s concurrent handling of both reviews is administratively efficient and cost effective as the intent, review, and analysis under NEPA and CEQA is similar.

LAHD [formerly known as HCID (Housing and Community Investment Department) and prior to that CDD (Community Development Department)], has been handling such reviews for HACLA pursuant to agreement for more than fifteen (15) years. Each year HACLA estimates the level and type of review services required based on the number of projects in previous years and LAHD secures City Council approval to provide the services with current costs. The level of review determines the cost as some reviews require more in-depth analysis of the environmental impact of the proposed project. The following table illustrates the fee structure for the different levels of reviews:

<b>Level of Review</b>	<b>Cost</b>	<b>Cost Basis</b>	<b>Number</b>	<b>Total</b>
NEPA Categorical Exclusion NST/ CEQA Exemption	\$ 1,250	Per Project	8	\$ 10,000
NEPA Categorical Exclusion ST/ CEQA Exemption	\$ 2,500	Per Project	14	\$ 35,000
NEPA Environmental Assessment (EA) FONSI/CEQA IS-ND	\$11,500	Per Project	10	\$115,000
NEPA Environmental Impact Statement (EIS)	\$40,000	Per Project	1	\$ 40,000

LAHD provides these services to HACLA as an accommodation and its fee structure including periodic increases reflects these arrangements. In 2010, LAHD charged a flat fee of \$1,500 per project for capital improvement projects at HACLA’s fourteen (14) public housing projects requiring NEPA Categorical exclusions. The fee was raised to \$2,500 in 2017 when LAHD changed its fee structure to cover a portion of two

environmental staff supporting HACLA's agreement. They also included additional review services for the different levels of reviews as described above. In 2019, LAHD conducted a fee analysis of the costs for conducting different level of reviews by its staff to allow it to fully-recover those costs with an attendant fee structure update. LAHD intends to conduct a new analysis in 2025 to ensure its fees reflect the cost of current salaries after six years.

HACLA's annual spend under the contract is not expected to exceed \$300,000 during FY 2023. This amount reflects a slight increase from previous years due to the need to satisfy environmental review needs for Housing Services, Development Services and Section 8.

Given these circumstances, staff recommends that the Board of Commissioners' authorize the President and CEO, or designee, to enter into the proposed inter-agency agreement with LAHD in the amount of \$300,000 for one year, and further authorize the President and CEO to enter into the agreement's extension (if possible), and future ones for NEPA and CEQA environmental reviews with LAHD for up to four (4) additional years, with an annual fee structure up to 40% above those currently charged.

**Vision Plan: PLACE Strategy #1: Stabilize the physical and financial viability of the conventional public housing portfolio**

The public housing portfolio has been undergoing modernization and redevelopment efforts in order to sustain and add to the existing housing stock. Most of the fourteen public housing sites were built in the 1940's and 1950's and require numerous capital improvements. Prior to utilizing federal funds for capital improvements, NEPA and CEQA reviews are performed.

**Funding:** The Chief Administrative Officer confirms the following:

*Source of Funds:* These services will support various Programs of the agency and will be funded through Capital Fund, Section 8 Administrative Fees, and Rent Subsidy proceeds.

*Budget and Program Impact:* These expenditures are included in HACLA's 2023 Operating and Capital Budgets and will be budgeted in subsequent years as required.

**Environmental Review:** N/A

**Section 3:** N/A

**Attachments:**

1. Resolution

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION AUTHORIZING EXECUTION OF AN INTER-AGENCY AGREEMENT WITH THE CITY OF LOS ANGELES HOUSING DEPARTMENT FOR ENVIRONMENTAL REVIEW SERVICES (THE AGREEMENT) FOR A ONE-YEAR TERM IN THE AMOUNT OF \$300,000, AND FURTHER AUTHORIZING EXTENSION OF THE AGREEMENT OR NEW AGREEMENTS IN SUBSEQUENT YEARS**

**WHEREAS**, as a recipient of federal funds, the Housing Authority of the City of Los Angeles (HACLA) is required under 24 CFR Part 58 to complete NEPA environmental reviews before conducting housing projects and certain other activities with federal assistance;

**WHEREAS**, under state law, CEQA requires public agencies to identify and disclose the potential significant environmental effects of their proposed activities and avoid or mitigate those effects, if feasible;

**WHEREAS**, HACLA may secure assistance for completing NEPA environmental reviews by the unit of general local government where the project is located as the “Responsible Entity” authorized to assume environmental review obligations pursuant to 24 CFR 58.2(a)(7)(ii)(B);

**WHEREAS**, the City of Los Angeles Housing Department (LAHD) has certified that it is authorized to assume responsibility for environmental review, decision making and action under NEPA and each provision of law designated in 24 CFR 58.5 applicable to any and all of the HUD financial assistance awarded to HACLA;

**WHEREAS**, LAHD’s concurrent handling of both NEPA and CEQA reviews is administratively efficient and cost effective as the intent, review and analysis under both is similar;

**WHEREAS**, LAHD has been providing NEPA and CEQA environmental review services for HACLA under annual agreement, and for the reasons set forth in the Report of the President and CEO of the same date herewith, HACLA desires to continue such services; and

**WHEREAS**, the Board of Commissioners desires to authorize the President and CEO, or designee, to enter into the proposed inter-agency agreement with LAHD in the amount of \$300,000 for one year, and further authorize the President and CEO, or designee, to enter into the agreement’s extension (if possible), and future ones for NEPA and CEQA environmental reviews with LAHD for four (4) additional years, with an annual fee structure up to 40% above those currently charged.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners hereby authorizes the President and CEO, or designee, to execute the inter-agency agreement between HACLA and LAHD for NEPA and CEQA environmental review services in the amount of \$300,000 for one year, and further authorizes the President and CEO, or designee, to enter into the agreement’s extension (if possible), and future ones for NEPA and CEQA environmental reviews with LAHD for four (4) additional years, with an annual fee structure up to 40% above those currently charged.

**BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately.

APPROVED AS TO FORM

HOUSING AUTHORITY OF THE  
CITY OF LOS ANGELES

By: \_\_\_\_\_  
James Johnson, General Counsel

By: \_\_\_\_\_  
Cielo Castro, Chairperson

DATE ADOPTED: \_\_\_\_\_