



Board Letter

Agenda Date: November 25, 2025

Agenda #: 4

Authorization to ratify Intergovernmental Agreement (IGA) with the City of Chicago acting through its Department of Fleet and Facility Management (2FM) to conduct Environmental Review of CHA projects under the National Environmental Policy Act (NEPA) and other reviews required by regulation.

Presenter: Kemena Brooks, Chief of Staff

Recommendation

The Operating Chairman of the Chicago Housing Authority ("CHA") recommends that the CHA Board of Commissioners ("Board") authorize the Operating Chairman or his designee to: 1) enter into an Intergovernmental Agreement ("IGA") with the City of Chicago, acting through its Department of Fleet and Facility Management ("2FM"), for a five (5) year base term for a not-to-exceed value of \$2,500,000 to act as the Responsible Entity of CHA projects requiring environmental review under the National Environmental Policy Act (NEPA) and other reviews under 24 CFR Part 58; and 2) execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

Funding

MTW Funds. The IGA includes a not to exceed amount of \$2,500,000 over the total five-year period. This amount includes staffing costs for 2FM as CHA's Responsible Entity and consultants to complete the environmental reviews required by Federal regulation. Costs for these services will be billed on a quarterly basis and expenses will be verified against work completed for environmental reviews.

Overview

As a public housing authority (PHA), CHA is subject to National Environmental Policy Act (NEPA) rules and regulations. Before certain federally assisted PHA capital projects can take place, a NEPA environmental review must be completed and approved by a governmental entity. This NEPA review process, commonly known as the environmental review process, is the act of reviewing a project's potential environmental impacts to determine if the project meets federal, state, and local environmental standards. The Intergovernmental Agreement (IGA) recommended for approval through this board action continues the existing 2020-2025 agreement between CHA and the City of Chicago for completing NEPA reviews for another five years.

The environmental review process evaluates how a project may affect the surrounding environment and how environmental conditions will impact the project and surrounding community. The review process evaluates the potential environmental impact of a project against the 16 categories of environmental consideration outlined in the NEPA Federal regulation. CHA projects typically only trigger significant impacts in three categories: 1) Noise Abatement and Control, 2) Contamination and Toxic Substances, and 3) Historic Preservation.

If a review identifies significant impacts, the PHA is required to take mitigation actions as a condition of clearance.

An environmental review must be performed before any funds, regardless of source, are committed to capital projects. For CHA, the environmental review is required for capital activities described in the annual Moving to Work (MTW) Plan and it is anticipated that such reviews will be a requirement of any subsequent agreement, such as executing legally binding agreements, with HUD to expend federal funds.

The type of work that requires NEPA review includes, but is not limited to, acquisitions of new property, dispositions of existing CHA property, Rental Assistance Demonstration (RAD) property transactions, new construction, rehabilitation, certain transactions under CHA's Project Based Voucher (PBV) program. Routine maintenance such as re-painting or building operating costs are not subject to environmental review.

Under HUD regulations at 24 Code of Federal Regulations (CFR) Part 58, CHA has a Responsible Entity (RE) assume the authority to perform environmental reviews on behalf of HUD which funds the vast majority of CHA projects.

The City of Chicago's Department of Fleet and Facility (2FM), led by Commissioner Julie Hernandez-Tomlin, is the CHA's current RE. As the RE, the City will continue to assume responsibility for environmental reviews, evaluate found environmental issues, and make the final environmental decision concerning project approval, decision-making, and action that would otherwise be performed by HUD under NEPA. The RE assumes the responsibility of ensuring CHA follows other HUD laws and regulations that concern the environment and environmental health, including, but not limited to, regulations like the Lead Safe Housing Rule.

From 2001 to 2006 the City of Chicago was performing the required environmental reviews for CHA. In 2006, the responsibility for conducting the environmental reviews under NEPA was transferred to the Illinois HUD Office. In 2015, the responsibility shifted back to the City of Chicago, which has completed environmental reviews through 2FM.

Reviewing capital projects for their environmental impact is an important part of CHA's work preserving and expanding housing opportunities in Chicago. CHA and 2FM have been working closely to continuously improve coordination and collaboration through the environmental review process. This includes working to integrate NEPA reviews with the related work being done by CHA's Health Homes team, creating shared digital collaboration spaces, tracking project status and priority-level on a weekly basis, and providing training and resources to staff engaged in projects requiring environmental review.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable HUD procurement regulations.

Respectfully Submitted:



Matthew Brewer
Operating Chairman



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RESOLUTION NO. 2025-CHA-50

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated November 25, 2025, entitled "Authorization to ratify Intergovernmental Agreement (IGA) with the City of Chicago acting through its Department of Fleet and Facility Management (2FM) to conduct environmental review of CHA projects under the National Environmental Policy Act (NEPA) and other reviews required by regulation".

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Operating Chairman or his designee, is authorized to enter into an Intergovernmental Agreement ("IGA") with the City of Chicago, acting through its Department of Fleet and Facility Management ("2FM"), for a five (5) year base term for a not-to-exceed value of \$2,500,000 to act as the Responsible Entity of CHA projects requiring environmental review under the National Environmental Policy Act (NEPA) and other reviews under 24 CFR Part 58; and,

THAT, the Operating Chairman, or his designee, shall further have the authority to execute such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.




James Matenky
Vice Chairman
Chicago Housing Authority