



Los Angeles Homeless Services Authority

a joint powers authority of the city & county of los angeles

MINUTES OF THE LOS ANGELES HOMELESS SERVICES AUTHORITY FINANCE, CONTRACTS & GRANTS MANAGEMENT COMMITTEE MEETING

Held January 20, 2010

The Los Angeles Homeless Services Authority Finance, Contracts & Grants Management Committee Meeting, held in the LAHSA Administrative Office located at 453 S. Spring Street, 12th Floor, Los Angeles, California, was called to order at 2:06 p.m. by Douglas Mirell, Chair.

Attendance

LAHSA Commissioners Present:

Douglas Mirell
Ramona Ripston

LAHSA Commissioners Absent

Larry Adamson

LAHSA Staff:

Michael Arnold, Executive Director
Steve Andryszewski, Chief Financial Officer
Stuart Jackson, Controller
Stephen Lytle, Funding Manager
Victoria Saenz-Brown, Fiscal Monitoring & Compliance Officer
Daniel Fisher, Programs Unit Manager
David Martel, Programs Unit Manager
Erin Hollander, Board Liaison

CALL TO ORDER/ROLL CALL/ESTABLISHMENT OF QUORUM

Roll was called and quorum was established at 2:06 p.m.

1.0 Review of Minutes held December 9, 2009.

Public Speaker(s): There were no public speakers.

Motion: Commissioner Ripston moved and Commissioner Mirell seconded approval of the minutes.

Action: The motion passed unanimously.

2.0 Status report on cash balances, accounts receivable, accounts payable & programmatic and administrative YTD budget to actual.

Steve Andryszewski, Chief Financial Officer (CFO) reported: LAHSA continues to partner with its funders to ensure receivables are collected within an acceptable timeframe; aged payables are monitored to facilitate appropriate cash flow to service providers; and adequate cash balances are maintained to ensure LAHSA meets its administrative expenditure needs.

- Aged Payables:
 - 90 days past due amount of \$161,396 relates to two contracts: \$129,000 for U.S. Veterans' Initiative and \$32,000 for the City of Covina. (1) U.S. Veterans' Initiative: the HUD local office has committed to assisting in securing funding for the U.S. Veterans' Initiative for the full amount. LAHSA staff has been tasked with researching unexpended program balances that might be reprogrammed for the U.S. Veterans' Initiative outstanding amount. (2) City of

Covina: there has been a formal request to Supervisorial District 5 to cover these funds. The City of Covina is meeting with Homeless Deputies to discuss the issue.

Public Speaker(s): There were no public speakers.

3.0 Report on status of negotiation, due diligence and any remaining items relative to the CRA owned real property located at 8224 S. Broadway.

Steve Andryszewski reported:

- An opportunity has been presented by the Community Redevelopment Agency (CRA) to transfer the title of an existing CRA property to LAHSA to be utilized as temporary housing for families. The location of the property is 8224 South Broadway, Los Angeles, CA 90003.
- In order to determine whether the property is appropriate to meet the housing needs of the proposed program and mitigate any potential risk to LAHSA, staff has performed due diligence, including but not limited to: building inspection, title search, Phase I environmental study, and the preparation of cost estimates for rehabilitation. In addition, LAHSA has been working with the Department of Building and Safety to determine whether any significant permitting or zoning obstacles would impede the transfer of the property.
- There was brief discussion on whether the funding available for the rehabilitation was sufficient to cover all potential associated costs. The Committee requested a report back from staff including a contractor's budget from the selected program service provider, EIMAGO, which ensures sufficient available funding to complete the rehabilitation of the property.

Public Speaker(s): There were no public speakers.

3.1 Authorize the acceptance of CRA owned real property located at 8224 S. Broadway for a purchase price of \$1 and authorize the Executive Director to negotiate and execute the appropriate documents with the CRA to effect the sale and transfer of said property.

Steve Andryszewski reported:

- This item has been tabled, pending further information and due diligence relative to the cost of rehabilitating said property.

Public Speaker(s): There were no public speakers.

Motion: No action was taken.

4.0 Review and approve updated 2009-2010 LAHSA budget.

Steve Andryszewski gave the report:

- LAHSA's Joint Powers Authority requires that the CFO report to the committee for approval of LAHSA's budget revisions. This report reflects revisions to the budget as of December 31, 2009.
- The CFO identified and addressed each amendment in the updated budget and submits the 2009-2010 LAHSA updated budget for the Commission's approval.

Public Speaker(s): There were no public speakers.

Motion: Commissioner Mirell moved and Commissioner Ripston seconded the motion to approve the updated 2009-2010 LAHSA budget.

Action: The motion passed unanimously.

5.0 Authorize the Executive Director to modify existing City CDBG contracts as specified in the attached schedule.

Daniel Fisher, Programs Unit Manager, gave the report:

- LAHSA staff outlined the process and gave recommendations for CDBG Emergency Shelter & Services grant reprogramming.

- There was a report that identified agencies which currently show programmatic under or overspending and an analysis of funding identified for reprogramming and programs identified for additional funding.
- LAHSA staff recommended that the existing City CDBG contracts identified in the attachment be amended to ensure that all funding is fully expended.

Public Speaker(s): There were no public speakers.

Motion: Commissioner Mirell moved and Commissioner Ripston seconded the motion to authorize the Executive Director to modify existing City CDBG contracts as recommended by LAHSA staff.

Action: The motion passed unanimously.

6.0 Report on status of LAHSA owned properties.

Daniel Fisher, Programs Unit Manager, gave the report:

Respite Center Property

- The property was originally purchased in 2004 with Community Development Block Grant (CDBG) funds to be utilized as a Respite Center for women and children.
- Sufficient capital funding was never raised for the project; therefore, the property was never developed. In 2007, the title of the property reverted back to LAHSA. Subsequently, City Council passed a motion directing LAHSA to work with the Los Angeles Housing Department (LAHD) and the Community Development Department (CDD) to sell the property and return the proceeds from the sale to the City.
- A potential buyer has been identified and the property has been assessed at fair market value: \$1,460,000.
- Staff anticipates entering into 30 day escrow shortly, with the goal of closing on the property before March 31, 2010.

Public Speaker(s): There were no public speakers.

7.0 Review and approve LAHSA's audited financial statements and A-133 Single Audit Report for the year ending June 30, 2009.

Steven Dobrenen, Senior Manager, Mayer Hoffman McCann P.C. gave the report:

- Mayer Hoffman McCann conducted a Financial Statement Audit and a Single Audit of Federal awards for the fiscal year ending June 30, 2009.
- The responsibility of the Audit is to obtain assurance that financial statements are free of material misstatement and that LAHSA is in compliance with regulations pertaining to Federal awards.
- There was a presentation on the scope of the A-133 Single Audit Report: Audit of LAHSA financial statements, expenditures and Federal Awards.
- For the second consecutive year, the auditors reported no findings or any internal control recommendations and issued an *unqualified* opinion on both the Financial Statement audit as well as the Single Audit. An *unqualified* opinion is the highest opinion that an auditor can express.

Motion: Commissioner Ripston moved and Commissioner Mirell seconded the motion to approve and accept LAHSA's audited financial statements and A-133 Single Audit Report for the year ending June 30, 2009.

Action: The motion passed unanimously.

8.0 Authorize the Executive Director to enter into renewal agreements with HUD and sponsoring agencies for grants awarded under the 2009 SuperNOFA process as specified in the attachment.

Stephen Lytle, Funding Manager, gave the report:

- The Department of Housing and Urban Development (HUD) released the notice of the 2009 SuperNOFA award for renewing grants on December 23, 2009 as part of a \$1.4B funding allocation that went to 6,445 programs in the Continuum of Care.
- There is a total of \$65M for existing contracts that are submitted for a one-year renewal through the revised SuperNOFA process.
- LAHSA staff is recommending that the Commission authorize the Executive Director to enter into renewal agreements as discussed.

Motion: Commissioner Mirell moved and Commissioner Ripston seconded the motion to authorize the Executive Director to enter into said agreements.

Action: The motion passed unanimously.

9.0 Report on status of 2009-2010 fiscal and programmatic monitoring.

David Martel, Programs Unit Manager, gave the report on Programmatic Monitoring for the FY 2009-10:

- There was a status update of 2009-2010 programmatic monitoring as of January 8, 2010: LAHSA has monitored 36 contracts, and is on schedule to complete the remaining visits before June 30, 2010.
- During this fiscal year, LAHSA implemented a training program to support agencies in becoming fully compliant with the Homeless Management Information System (HMIS). LAHSA continues to work directly with agencies to verify and validate outcomes.

Victoria Saenz-Brown, Fiscal Monitoring & Compliance Officer reported on the status of fiscal monitoring for the FY 2008-09 and 2009-10.

- There was a status update of 2008-09 fiscal monitoring: as of December 31, 2009, LAHSA has cleared 60 of the 75 agencies of outstanding findings.
- The 2009-10 fiscal monitoring program began in July and staff is currently on schedule with site visits and report issuance; monitoring is 40% complete. Staff has noticed marked improvement over the prior year from agencies which is translating into fewer compliance issues. Technical Assistance training workshops being offered this year are targeted to address common issues noticed during the prior year's program.

10.0 Public Participation

There were no requests for public participation.

Adjournment

The meeting adjourned at 3:40 pm.