

**LOS ANGELES HOMELESS SERVICES AUTHORITY
FINANCE, CONTRACTS & GRANTS MANAGEMENT COMMITTEE**

Minutes of Meeting
October 15, 2008

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 2:04 p.m. by Howard Katz, Chair.

ATTENDANCE

LAHSA Commissioners Present:

Howard Katz
Larry Adamson

LAHSA Commissioners Absent

Antonio Manning
Louisa Ollague

LAHSA Staff:

Steve Andryszewski, Chief Financial Officer
Christine Mirasy-Glasco, Director of Contracts & Grants Management
Kamaiya Bourne, Administrative Assistant

CALL TO ORDER/ROLL CALL/ESTABLISHMENT OF QUORUM

Roll was called and quorum was established at 2:04 p.m.

1.0 REVIEW MINUTES OF MEETINGS HELD SEPTEMBER 17, 2008

MOTION: It was moved by Commissioner Adamson and seconded by Commissioner Katz to approve the minutes from 9/17/2008.

ACTION: The motion passed unanimously.

Commissioner Katz requested that all future committee meetings contain more details and facts in the minutes, rather than just results.

2.0 STATUS REPORT ON CASH BALANCES, ACCOUNTS RECEIVABLE, ACCOUNTS PAYABLE & ADMINISTRATIVE YTD BUDGET TO ACTUAL

Steve Andryszewski reported that LAHSA continues to partner with our 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. He also stated that LAHSA administrative spending for the first quarter of FY08-09 was in-line with expectations.

As a follow up to a concern regarding the timeliness of SHP contract execution posed in September 2008 by Commissioner Katz, he reported that while LAHSA continues to work with HUD to prioritize the release of these grant agreements, approximately 40 out of 100 SHP contracts have yet to be executed; 24 of these have a start date prior to October 1st.

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

3.0 UPDATE ON NATIONAL BANK OF CALIFORNIA (NBC)

Steve Andryszewski stated that in light of the current economy, he would like to provide the Committee with a status report on the stability of LAHSA's bank, the National Bank of California (NBC). NBC is a community-based bank where LAHSA has two (2) deposit accounts and a Line of Credit in the amount of \$1.5M. Funds in both accounts are currently fully secured and insured. Since NBC has no exposure to the sub-prime lending market, there is no risk of loss associated with these types of assets. Three independent research websites have rated the financial health of NBC to be either "superior" or "sound." If any red-flags arise, the Commission will be notified. Commissioner Adamson applauded the proactive research of the fiscal department on this issue.

4.0 STATUS OF LAHSA AUDIT

Steve Andryszewski reported that LAHSA's annual financial audit by Mayer Hoffman McCann began with initial field work in July 2008 and is scheduled to resume with final field work on November 10, 2008. Management has begun preparing for this year's audit and expects the final report to be presented to the full Commission by January 2009, two months ahead of schedule.

Mr. Andryszewski also updated the committee on two grantor monitoring visits. First, a site visit from HUD regarding the SHP program concluded last week. Second, the Community Development Commission (CDC) of the County of Los Angeles will be monitoring CDBG and ESG funded contracts beginning December 1, 2008.

5.0 UPDATE ON FISCAL AND PROGRAM MONITORING

Steve Andryszewski reported that LAHSA is in the process of finalizing fiscal monitoring for the 2007-2008 program year. All initial reports have been issued to agencies, and responses have been received from 92 of the 96 agencies. Clearance Letters have been issued on 90% of the agencies and the fiscal department expects the remaining issues to be resolved by the end of October.

Both Steve Andryszewski and Christine Mirasy-Glasco raised a possible issue with the California Hispanic Commission on Alcohol and Drug Abuse (CHCADA) in regard to the monitoring process. LAHSA observed significant fiscal findings with the agency during the monitoring visit and has continued to work with the agency to resolve these findings. However, it has been difficult to resolve due to their lack of timely response. LAHSA will continue a good faith effort to resolve the outstanding issues, but wanted to alert the committee to the possibility of sanctions against the agency which include but are not limited to suspension and termination of their contracts. Since the affected programs are being administered in Supervisorial District 1, LAHSA has maintained contact with the supervisor's office regarding this matter.

6.0 UPDATE ON RESPITE CENTER PROJECT

Christine Mirasy-Glasco explained that a building was originally purchased in 2004 with City CDBG funding through a LAHSA sponsored agency with the hope of opening a family Respite Center. After attempts with several agencies to obtain the necessary leveraged funding, the program was abandoned and the title for the property reverted to LAHSA. A recent City Council motion mandates that the property be sold and that the proceeds from the sale revert to the City of Los Angeles. The City wishes for LAHSA to retain title to expedite any potential sale. The Community Development Department (CDD) has agreed to absorb all costs associated with the sale.

Commissioner Adamson wanted to ensure that the appropriate procedures were going to be followed to ensure proper approval from the Commission and compliance with applicable federal regulations. Christine Mirasy-Glasco informed the committee that any commitment to sell the property would be brought before the full Commission for approval. Further, Greg Jordan of the Community Development Commission (CDC) testified that CDBG regulations require recipients who acquired property with CDBG funds and wish to dispose of said property must obtain an appraisal and sell the property at fair market value. Commissioner Adamson stressed that we be able to fully document that the property was sold at fair market value. Lastly, Commissioner Katz requested that a full history of the project from inception to closure be presented when the item is brought back to the Commission.

Public Speaker(s): Greg Jordan

MOTION: It was moved by Commissioner Adamson and seconded by Commissioner Katz to approve staff's recommendation.

ACTION: The motion passed unanimously.

7.0 AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO NEW CONTRACTS WITH THE CONTRACTORS SPECIFIED BELOW:

- a) Little Tokyo Services Center
Contract amount - \$268,123
Contract period – January 1, 2009 to December 31, 2009 (1 year)
- b) McCoy Plaza
Contract amount - \$750,000
Contract Period – January 1, 2009 to December 31, 2011 (3 years)
- c) Watts Labor Community Action Committee
Contract amount - \$1,000,000
Contract Period – January 1, 2009 to December 31, 2011 (3 years)
- d) A Community of Friends
Contract amount - \$1,000,000
Contract Period – December 1, 2008 to November 30, 2011 (3 years)
- e) United Friends of the Children
Contract amount - \$650,000
Contract Period – November 1, 2008 to October 31, 2010 (2 years)

Steve Andryszewski explained that Supervisorial District 2, Yvonne Burke's Office, has County General Funds that will fund these programs. The projects are all either new housing or have undergone an augmentation to the services provided. Michael Arnold reported that these programs provide an administrative overhead component of 14%. Rebecca Isaacs stated that LAHSA has been diligently working to develop relationships with the County so that LAHSA is invited to participate in the selection of projects that request County funds. Commissioner Adamson stated that he was satisfied with the staff recommendation so long as LAHSA participates in the selection and decision process.

MOTION: It was moved by Commissioner Adamson and seconded by Commissioner Katz to approve staff's recommendation.

ACTION: The motion was passed unanimously.

PUBLIC PARTICIPATION

There were no public speakers.

ADJOURNMENT

The meeting adjourned at 3:21 p.m.