



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 February 17, 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 2:01 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
Stephen Lytle, Funding Manager
Erin Hollander, Board Liaison

CALL TO ORDER/ROLL CALL/ESTABLISHMENT OF QUORUM

Roll was called and quorum was established at 2:01 p.m.

1.0 Review of Minutes held January 20, 2010.

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, 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 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. There are no further updates. (2) City of Covina – the \$32K has been paid.
- There was a brief discussion regarding variances in agency spending.

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 about the available funding as it relates to all potential associated costs of rehabilitation. LAHSA staff reported that the agency selected to operate this program and carry out the rehabilitation of the facility has conducted a competitive bidding process and selected a general contractor. The general contractor's bid and all other costs associated with the rehabilitation of the facility will not exceed the amount budgeted for the project.
- It was reported that the projected cost of rehabilitation is a "not to exceed" amount that can be accommodated within the budget for rehabilitation of the property. It was also noted that a clear title report is a condition for conveyance.

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 was presented immediately following the due diligence report of Item 3.0.
- Staff recommends the acceptance of CRA owned real property, and that the Executive Director be authorized to negotiate and execute the sale and transfer of the property as reported.

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

Motion: Commissioner Mirell moved and Commissioner Ripston seconded the motion to 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.

Action: The motion passed unanimously.

4.0 Review and approve LAHSA policy and procedure - Grant Management Policy (Revised).

Steve Andryszewski gave the report:

The existing policy ensures that sufficient administrative funding exists for LAHSA to carry out mandated fiscal and programmatic oversight as a condition of the LAHSA Board of Commissioners to authorize the acceptance for all funding awards. The revised policy adds the following conditions:

- The programmatic design of each project has been vetted to ensure the project fits within the mission of LAHSA and the proposed funding source is appropriate for the project.
- The policy has also been revised to include guidelines for specific federal funding sources that LAHSA will adhere to both fiscally and programmatically.

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

Motion: Commissioner Ripston moved and Commissioner Mirell seconded the motion to approve the revised LAHSA Grant Management Policy.

Action: The motion passed unanimously.

5.0 Update on status of HUD-OIG audits.

Steve Andryszewski provided a status report on audits of two LAHSA funded agencies conducted by the Office of Inspector General (OIG), which is the auditing arm of the U.S. Department of Housing and Urban Development (HUD):

Homes For Life

- Based upon an audit report issued in 2007 for Homes for Life Foundation (HFLF), the local HUD OIG office recommended repayment of approximately \$2.1mm in costs related to cash match findings.
- A review by the local HUD CPD concluded that HFLF did in fact meet the cash match requirements and recommended that the findings be cleared.
- The CPD recommendation was appealed by the local OIG and escalated to HUD Headquarters in Washington DC for a ruling.
- Headquarters has since ruled on the appeal in favor of HFLF. However, the local OIG office is disputing the decision.
- LAHSA will report back to the Committee on the final resolution.

U.S. Veterans' Initiative

- The audit report was released in September, 2004. The liability resulting from the audit was approximately \$300,000.
- U.S. Vets is currently remitting monthly payments to HUD in the amount of \$2,000/month and fully expects to retire the liability in full by spring 2013. Currently, the balance is \$78K.
- LAHSA will continue to monitor the situation to ensure payments are being remitted in a timely manner.

6.0 Approve threshold and quality evaluation results and hear potential appeals for the A-133 Single Audit Request For Proposals (RFP).

Stephen Lytle, Funding Manager, gave the report:

- In December, 2009, LAHSA initiated a search to secure a qualified CPA firm to provide the required financial and A-133 audit services for the upcoming fiscal years ending June 30, 2010, 2011, and 2012.
- An RFP was sent to 21 audit firms, and six proposals were received and reviewed for threshold and quality evaluation results.

Motion: Commissioner Mirell moved and Commissioner Ripston seconded the motion to approve the threshold and quality evaluation results of the A-133 Single Audit RFP.

Action: The motion passed unanimously.

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

7.0 Authorize the Executive Director to retain independent auditor services as recommended by LAHSA staff to perform the financial statement and A-133 Audit for LAHSA for fiscal years ending June 30, 2010, 2011 and 2012, pursuant to Commission approval of Item 6.0. Authorize the Executive Director to enter into a contract with approved firm for fiscal year 2010, audit fees contingent upon funding availability.

Stephen Lytle, Funding Manager, gave the report:

- After the review and scoring process of the A-133 Single Audit proposals that passed threshold and quality evaluation, LAHSA recommends to the Committee that the highest scoring firm, Mayer Hoffman McCann P.C., be engaged to provide the required audit services.

Motion: Commissioner Mirell moved and Commissioner Ripston seconded the motion to retain independent auditor services and authorize the Executive Director to enter into said contract.

Action: The motion passed unanimously.

8.0 Public Participation

There were no requests for public participation.

Adjournment

The meeting adjourned at 2:23 pm.