

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

Minutes of Meeting
June 17, 2009

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 2:03 p.m. by Howard Katz, Chair.

ATTENDANCE

LAHSA Commissioners Present:
Howard Katz
Antonio Manning
Larry Adamson

LAHSA Commissioners Absent
None

LAHSA Staff:
Michael Arnold, Executive Director
Steve Andryszewski, Chief Financial Officer
Keshia Douglas, Director of Administration
Geoffrey Emery, Interim Director of Programs
Daniel Fisher, Programs Unit Manager
Amanda Prince, Executive Assistant
Kamaiya Bourne, Administrative Assistant

CALL TO ORDER/ROLL CALL/ESTABLISHMENT OF QUORUM

Roll was called and quorum was established at 2:08 p.m.

1.0 REVIEW MINUTES OF MEETING HELD MAY 20, 2009

MOTION: Commissioner Manning moved and Commissioner Katz 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 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.

- All LAHD-funded contracts with a start date of April 1, 2009 have been executed. LAHSA has submitted cash requests for these agencies, and payments will be issued upon receipt of funding from the City.

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

3.0 REVIEW AND APPROVAL OF LAHSA 2008-2009 FINAL BUDGET

Steve Andryszewski, Chief Financial Officer presented LAHSA's 2008-2009 final budget for approval. The final budget reflects funding changes that have been made since the previous approved budget update of December 31, 2008. Changes include a net decrease in programmatic funding of \$3.5million and a net decrease in administrative funding of \$13,842. These changes are due to:

- A one-time shift of \$91,430 from the Emergency Shelter and Services (ESS) grant to reprogram funding to the Assistance for Skid Row Families Program authorized through a City Council motion.
- A decrease in funding for the Independent Living Program (ILP) which has been returned to DCFS due to the closure of an ILP service provider. This represents a one-time reprogramming for the 2008-2009 year which will be reinstated to LAHSA for use in the 2009-2010 program.
- A delay in service start dates for projects funded through the County Supervisors' offices. Several service related projects with an attached construction component have experienced delays which have pushed the service start dates into the 2009-2010 fiscal year.
- Five Supportive Housing Program (SHP) awards which were relinquished by agencies for which no alternative provider was found. This funding will remain available to the Continuum for reprogramming.
- An SHP award to the United States Veterans Initiative being deobligated by HUD.

3.0 (CONTINUED FROM PREVIOUS PAGE)

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

MOTION: Commissioner Manning moved and Commissioner Katz seconded approval of the 2008-2009 final budget.

ACTION: The motion passed unanimously.

4.0 REVIEW AND APPROVAL OF LAHSA 2009-2010 BUDGET

Steve Andryszewski presented LAHSA's 2009-2010 budget for the fiscal year beginning July 1, 2009. The total budget of \$63.9 million, including programmatic funding of \$58.1 million and administrative funding of \$5.7 million, reflects a decrease from the prior year of \$2.1 million.

The decrease to the programmatic budget is mainly due to the elimination of:

- One-time funding for the 2009 Homeless Count included in the prior year budget
- The Streets or Services Program (staff continues to work with the City to identify alternative funding for this vital program)
- One-time funding associated with the operation of the Winter Shelter Program

Additionally, programs that are funded with dollars passed through to LAHSA from the State of California may be impacted based upon budget decisions made at the state level. Staff will update the committee on any potential impact to programs.

The reduction of \$83,523 to LAHSA's administrative budget will result in the elimination of two staff positions. One staff member will be laid-off, the second position, currently vacant, will not be filled.

MOTION: Commissioner Manning moved and Commissioner Katz seconded approval of the proposed 2009-2010 budget.

ACTION: The motion passed unanimously.

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

5.0 POLICY AND PROCEDURE REVIEW AND APPROVAL: AGENCY REMEDIAL ACTION POLICY (NEW)

Steve Andryszewski presented the Agency Remedial Action Policy to the Committee for review and approval. This policy synthesizes the progressive steps already present in all LAHSA contracts that will be taken should agencies not comply with contract standards and regulations. The committee requested that staff work with counsel to ensure that this policy be referenced in all future LAHSA contracts.

MOTION: Commissioner Manning moved and Commissioner Katz seconded approval of the policy.

ACTION: The motion passed unanimously.

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

6.0 AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT TO RENEW THE LINE OF CREDIT WITH NATIONAL BANK OF CALIFORNIA FOR AN AMOUNT NOT TO EXCEED \$1 MILLION

Steve Andryszewski reported that LAHSA's Line of Credit (LOC) for \$1 million with National Bank of California (NBC) will expire in June 2009 and requested approval from the commission for the Executive Director to renew the LOC for a one year term. The requirements and approval limits for the use of the LOC originally authorized by the commission remain unchanged.

MOTION: Commissioner Manning moved and Commissioner Katz seconded approval of the renewal of the LOC.

ACTION: The motion passed unanimously.

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

7.0 STATUS ON CLOSEOUT OF 2008-2009 CONSOLIDATED PLAN CONTRACTS WITH LAHD

Mr. Andryszewski reported:

- LAHSA successfully completed the timely closeout of all Consolidated Plan Contracts.
- A 4% savings in the amount of \$151,300 to the Emergency Shelter Grant (ESG) includes a planned savings of \$83,574 from the Winter Shelter Program (WSP) budget. Due to the elimination of funding from the Emergency Housing Assistance Program (EHAP) for the 2009-2010 program year, staff has worked with our City and County partners to earmark this savings to be utilized to pay for Armory usage during the 2009-2010 WSP.

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

8.0 UPDATE ON LAHSA SINGLE AUDIT FOR YEAR ENDING JUNE 30, 2009

Steve Andryszewski reported that Mayer Hoffman McCann, PC (MHM) began preliminary field work in June as part of LAHSA's independent Single Audit for the year ending June 30, 2009. MHM will return to LAHSA in November to complete the remainder of their field work. The audit report is tentatively scheduled to be issued in December 2009 and presented to the Commission in January 2010.

Since this is the third year in the Single Audit RFP cycle, a new three year RFP for audit services is scheduled to be issued in early 2010 pursuant to LAHSA policy.

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

9.0 AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO AGREEMENTS WITH THE APPROPRIATE COUNTY AND CITY DEPARTMENTS FOR FUNDING LISTED IN ATTACHMENT BEGINNING JULY 1, 2009

Daniel Fisher, Programs Unit Manager presented the anticipated City and County funding agreements beginning July 1, 2009. Mike Arnold, Executive Director, stated that the authorization of these investor funding agreements ensures that the Commission has the opportunity for appropriate review and that LAHSA has proper authorization to accept this funding.

MOTION: Commissioner Adamson moved and Commissioner Katz seconded authorization to enter into agreements.

ACTION: The motion passed unanimously.

Public Speaker(s): There were no public speakers

10.0 AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO AGENCY CONTRACTS LISTED IN ATTACHMENT, SUBJECT TO FUNDING TO BE ALLOCATED BY THE CITY AND COUNTY OF LOS ANGELES TO LAHSA FOR FISCAL YEAR 2009-10 STARTING JULY 1, 2009 AND ENDING JUNE 30, 2010. IN THE EVENT THAT FUNDING TO LAHSA FOR THIS PERIOD IS REDUCED OR NOT FORTHCOMING, AUTHORIZE THE EXECUTIVE DIRECTOR TO REDUCE THE AMOUNT OF COMPENSATION OR REDUCE THE NUMBER OF CONTRACTS.

Daniel Fisher reported that each year funding is made available to each County Supervisor to fund homeless projects in his/her district. Over the course of the past few months, staff has worked with each Supervisor's office to identify projects for funding in the 2009-2010 fiscal year. This item is seeking the authorization to enter into eight (8) contracts identified and authorized by Supervisorial Districts 1, 2 and 3.

MOTION: Commissioner Adamson moved and Commissioner Manning seconded authorization to enter into agency contracts.

ACTION: The motion passed unanimously.

Public Speaker(s): There were no public speakers

11.0 AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO AGREEMENTS WITH HUD AND SPONSORING AGENCIES FOR GRANTS AWARDED UNDER THE 2008 SUPERNOFA PROCESS

Daniel Fisher presented the 2008 HUD SuperNOFA awards. This item is being presented for Board consideration to review and authorize LAHSA's funding agreements with HUD as well as contracts with our agencies that receive Supportive Housing Program (SHP) funds. Mike Arnold, Executive Director, reported that every provider appears, as of June 17, 2009 to have the capacity to comply with their contracts. Authorization from the Committee allows LAHSA to enter into these contracts.

MOTION: Commissioner Manning moved and Commissioner Katz seconded authorization to enter into agreements.

ACTION: The motion passed unanimously.

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

12.0 AUTHORIZE THE EXECUTIVE DIRECTOR TO AMEND CONTRACT 2008ESF03 WITH NEW IMAGE PROJECT FRESH START TO ADD \$50,641 SUBJECT TO FUNDING APPROVAL

At the request of City Council District 9, staff was asked to identify funding sources necessary to bridge a service gap in New Image's Transitional Housing Program for Women, Project Fresh Start, for the month of June 2009. Working with New Image, staff identified a savings of approximately \$50,000 from New Image's Year Round Emergency Shelter Program (YRP). The City has approved the use of these funds for this purpose. This item authorizes the Executive Director to reprogram funding from the YRP to the Project Fresh Start contract to fund this gap.

MOTION: Commissioner Adamson moved and Commissioner Manning seconded authorization to enter into Amend the contract.

ACTION: The motion passed unanimously.

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

13.0 REPORT ON STATUS OF US VETS DEOBLIGATION OF 2002 HUD SUPPORTIVE HOUSING PROGRAM CONTRACT

At the Committee meeting held on May 20, 2009 staff was directed to report back on the status of the following issue:

- LAHSA received formal notification on January 19, 2009 indicating that HUD had de-obligated US Vets contract CA16B200069 due to delays in the project start.
- LAHSA submitted an appeal to HUD on February 26, 2009 requesting reinstatement of funding retroactive to March, 2008 and has received notification from HUD that the request is under review and a decision will be rendered by the HUD headquarters in Washington

Dan Fisher reported that since the May committee meeting staff continues to update US Vets on the issue and is currently studying a process for engaging federal, state and local partners to advocate for the positive outcome of this appeal.

LAHSA will continue to provide the Committee updated information regarding this issue.

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

14.0 PUBLIC PARTICIPATION

There were no requests for public participation.

ADJOURNMENT

The meeting adjourned at 3:19 pm.