



# 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 AUGUST 19, 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, 12<sup>th</sup> Floor, Los Angeles, California, was called to order at 2:00 p.m. by Douglas Mirell, Chair.

### ATTENDANCE

LAHSA Commissioners Present:

Douglas Mirell  
Ramona Ripston  
Larry Adamson

LAHSA Commissioners Absent

None

LAHSA Staff:

Michael Arnold, Executive Director  
Steve Andryszewski, Chief Financial Officer  
Keshia Douglas, Director of Administration  
Daniel Fisher, Contracts Unit Manager  
David Martel, Contracts Unit 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 MINUTES OF MEETING HELD JULY 15, 2009

**MOTION:** Commissioner Adamson 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, provided a brief explanation to the new members of the Committee of the primary purpose of each recurring monthly report. Mr. Andryszewski suggested that in subsequent months he would call out items of exception for the committee to note, rather than reviewing each report line by line. His report outlined that in general, 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. Several exceptions are noted below:

Mr. Andryszewski advised the committee that amounts on the Aged Receivables report over 60 days Past Due are primarily due to a delay in the receipt of Emergency Shelter Grant (ESG) funds from HUD passed-through the City of Los Angeles. These funds were expected within the next two weeks. As soon as funding is received from the City, related payables will be remitted to the ESG service providers.

Mr. Andryszewski pointed out an amount on the Aged Payables report, which is 90 Days Past Due. He explained that the amount originated from a HUD Supportive Housing Program (SHP) contract with US Vets. He further explained that this grant has been deobligated by HUD and that LAHSA has made a formal appeal to reinstate this funding to the HUD headquarters in Washington. The appeal is currently under review.

### Public Speaker(s):

Daryl Booker, City of Los Angeles, Housing Department explained in brief the reason for the delay in HUD funds.

### 3.0 REVIEW AND APPROVE LAHSA POLICY & PROCEDURE

Steve Andryszewski submitted two LAHSA policies for discussion and approval:

- **ASSET & IT EQUIPMENT INVENTORY AND DISPOSAL POLICY (REVISED)**  
To ensure Commission involvement in the acquisition and disposition of material assets, the policy was revised to include the italicized phrases below:

*Additional approval is required by the Commission prior to purchase or acceptance of donated assets over \$50,000.*

*Additional approval is required by the Commission prior to disposition of assets over \$50,000.*

- **GRANT ADMINISTRATION POLICY (NEW)**  
This policy requires that as a condition for the LAHSA Board of Commissioners to authorize the acceptance of all funding awards, staff must ensure sufficient administrative funding exists to carry out mandated fiscal and programmatic oversight. An analysis will be completed to demonstrate adequate resources are available to comply with all federal, state and local regulations required, including costs associated with, but not limited to the planning, request for proposal, contracting, fiscal and programmatic monitoring, invoicing, and closeout processes.

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

**MOTION:** Commissioner Adamson moved and Commissioner Mirell seconded the approval of the revised Asset & IT Equipment Inventory and Disposal Policy and the new Grant Administration Policy.

**ACTION:** The motion passed unanimously.

### 4.0 REPORT REGARDING UPDATE ON LINE OF CREDIT USAGE

Steve Andryszewski reported on the usage of the line of credit through August 10, 2009.

- As of August 10, 2010, the outstanding balance on LAHSA's Line of Credit (LOC) was \$210,000.
- This balance was primarily due to a delay in the receipt of Emergency Shelter Grant (ESG) funds from HUD passed-through to the City of Los Angeles.
- LAHSA expects that funding will be released from HUD within the next two weeks and that the LOC will be paid down by the end of August.
- Funding from the LOC is utilized for necessary LAHSA operating expenditures and only when grant funding has been authorized, but cash has yet to be released.
- Staff will continue to report to the Commission any outstanding balance over 30 days.

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

### 5.0 REPORT ON STATUS OF HUD-OIG AUDIT

Steve Andryszewski provided a status on audits of three 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**
  - The HUD OIG audit was finalized in December 2007.
  - Outstanding findings relate to the accounting of cash match expenditures
  - HUD Community Planning and Development (CPD) has accepted the additional supporting documentation submitted by the agency and recommends clearance of all findings.
  - OIG did not accept the CPD recommendation.
  - The local HUD CPD office has appealed to the National office for a ruling.
  - There is a potential \$1.2M liability for LAHSA if the findings aren't cleared.
  - LAHSA believes that the CPD recommendations are correct and, after review of the documentation by National, will ultimately be accepted.
- **A Community of Friends**
  - The HUD OIG audit was finalized in September 2007.
  - Outstanding findings relate to the eligibility of cash match expenditures

- LAHSA and the agency are currently in the process of providing additional supporting documentation to OIG
- There is a potential \$71,000 liability for LAHSA if the findings are not cleared
- LAHSA staff anticipates that the agency will submit sufficient documentation to clear all outstanding findings.
- **US Veterans Initiative**
  - The HUD OIG audit was finalized in 2004
  - The liability resulting from the audit was approximately \$200,000
  - US Vets has established a repayment agreement with HUD.
  - As of August 10, 2009 the outstanding balance of the liability was approximately \$90,000.
  - US Vets is currently remitting monthly payments to HUD in the amount of \$2,000 and fully expects to retire the liability in full by spring 2013.
  - LAHSA will continue to monitor the situation to ensure payments are being remitted in a timely manner.

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

**6.0 AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE THE PURCHASE AND SALE AGREEMENT AND ANY OTHER DOCUMENTS NECESSARY TO EFFECT THE SALE AND TRANSFER OF THE LAHSA-OWNED REAL PROPERTY LOCATED AT 818, 834, AND 840 WEST 58<sup>TH</sup> STREET**

Daniel Fisher, Contracts Unit Manager gave the report:

- LAHSA currently holds the title to a property located on 58<sup>th</sup> Street that was originally purchased with City CDBG funding to be utilized as a respite center. City Council passed a motion in 2008 mandating LAHSA to sell the property and remit funds back to the City of Los Angeles. LAHSA has identified a buyer who is currently appraising the property. Upon completion of a sale at fair market value, the funds will be transferred back to the City of Los Angeles Community Development Fund.
- LAHSA has been working with the Community Development (CDC) to sell the property, and will report the appraisal amount to the Commission.
- LAHSA will execute the sale and transfer of property, contingent on the full commission's approval.

There was a brief discussion about the appraisal process. It was determined that LAHSA will seek fair market value for the property and will sell the property with the added amendment: "subject to all appropriate CDBG and City requirements."

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

**MOTION:** Commissioner Adamson moved and Commissioner Ripston seconded approval of the action to authorize the Executive Director to negotiate and execute the purchase and sale agreement of the LAHSA-owned real property subject to all appropriate CDBG and City requirements.

**ACTION:** The motion passed unanimously

There was a request to hear an update on a second property opportunity. Steve Andryszewski gave the report:

Staff is currently researching an opportunity proposed by the Community Redevelopment Agency (CRA) to transfer the title of a property located at 82<sup>nd</sup> and Broadway to LAHSA to be used as a transitional shelter for families. Currently, LAHSA is in the process of evaluating the potential cost of rehabilitation of the property. Should the property be a good match, LAHSA will request approval from the Commission to acquire the property at no cost to LAHSA. Funding for the rehabilitation and operation of a program would come from the County of Los Angeles General Fund. Should funding not be available, LAHSA will not bring this opportunity forward as a project to be considered for rehabilitation.

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

**7.0 AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH GRAMERCY HOUSING GROUP IN AN AMOUNT NOT TO EXCEED \$87,000 FOR THE PROVISION OF TRANSITIONAL HOUSING TO HOMELESS FAMILIES**

Daniel Fisher gave the report:

- LAHSA receives annual CDBG funding from the City of Los Angeles through the City's Consolidated Plan award from HUD to fund programs that operate a variety of homeless shelter and service programs. Gramercy Housing Group operates the Gramercy Court program, providing 15 units of transitional housing for women and children. In the 2009 Shelter & Services RFP process, GHG submitted their proposal for the Gramercy Court project late and was not awarded funding for the 2009-2010 program year.

- In July, LAHSA was directed by the office of Council Member Herb Wesson, Jr. to fund the Gramercy Court project operated by Gramercy Housing Group in the amount of \$87,000 with CDBG funds to be provided by the City.
- LAHSA staff is recommending that the Commission authorize the Executive Director to enter into a contract with GHG in an amount not to exceed \$87,000 in CDBG funding for the 2009-2010 program year.

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

**MOTION:** Commissioner Adamson moved and Commissioner Ripston seconded the approval to authorize the Executive Director to enter into the contract with Gramercy Housing Group.

**ACTION:** The motion passed unanimously

**8.0 APPROVE RECOMMENDATION TO THE COMMISSION FOR THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT AMENDMENT WITH ADSYTECH, INC TO INCREASE THE MAXIMUM AMOUNT OF COMPENSATION BY \$76,728 TO FACILITATE AN ADDITIONAL SCOPE OF WORK TO CONTRACT NUMBER 2009ADSYSTECH HMIS**

David Martel, Contracts Unit Manager gave the report:

- LAHSA currently contracts with Adsystem to provide hosting, leasing and other support regarding the Los Angeles Continuum of Care Homeless Management Information System (HMIS).
- LAHSA has a need to develop numerous tools that are outside of the scope of work of the current contract. The additional scope of work will include: HPRP Project Support, ICR (Intelligent Character Recognition) Project Support, and an Outreach Module.
- LAHSA recommends the approval of this amendment as the additional scope of work is necessary to LAHSA meeting the reporting requirements to HUD as well as the overall success of the HMIS implementation over the next fiscal year.

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

**MOTION:** Commissioner Adamson moved and Commissioner Ripston seconded the approval to authorize the Executive Director to enter into a contract amendment with Adsystem, Inc.

**ACTION:** The motion passed unanimously

**9.0 PUBLIC PARTICIPATION**

There were no requests for public participation.

**ADJOURNMENT**

The meeting adjourned at 3:14 pm.