



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 July 21, 2011

The Los Angeles Homeless Services Authority Finance, Contracts & Grants Management Committee Meeting, held in the LAHSA Administrative Office located at 811 Wilshire Boulevard, 6th Floor, Los Angeles, California, was called to order at 2:07 p.m. by Commissioner Larry Adamson, Chair.

Attendance

LAHSA Commissioners Present:

Larry Adamson, Chair
Ramona Ripston

LAHSA Commissioners Absent:

Mike Neely

LAHSA Staff:

Steve Andryszewski, Chief Financial Officer
Michael Arnold, Executive Director
Victoria Saenz-Brown, Monitoring and Compliance Officer
Stuart Jackson, Controller
Erin Hollander, Board Liaison

Call to Order/Roll Call/Establishment of Quorum

Roll was called and quorum was established at 2:07 p.m.

1.0 Review and approve minutes of meeting held on June 16, 2011.

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

Motion: Commissioner Ripston moved and Commissioner Adamson 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.

Stuart Jackson, Controller, 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.

- **Cash Balances:**
 - The amount of \$622K is related to funding for the renovation of the 8224 S. Broadway building that LAHSA acquired from the CRA. Completion of the property is projected to be completed by August 17, 2011.
- **Accounts Receivables:**
 - LAHSA is working with the City in funding the 37th year Consolidated Plan. LAHSA staff anticipates receiving the funds from Huntington Park by end of July, 2011. It was also noted that County funds should be received in the next 2-3 weeks.
- **Aged Payables:**
 - Payables in the 1-30 day past due column are related to outstanding accounts receivable amounts.

- Payables in the 31-60 day past due column are related to funding to Tarzana Treatment Center which is being held pending resolution of compliance issues. Those issues have been resolved and payment will be made to Tarzana Treatment Center.
- **Administrative Budget vs. Actual:**
 - In anticipation of a significant reduction in LAHSA's fiscal year 2011-12 administrative budget, LAHSA accelerated the purchase of vehicles and servers scheduled for retirement in fiscal year 2011-2012.
 - There was a brief discussion regarding the variances in spending of Supervisorial Special Program funds.

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

3.0 Report on status of 2010-11 Fiscal and Programmatic Monitoring.

Victoria Saenz-Brown, Monitoring and Compliance Officer, gave the report:

- There was a status update of 2010-11 fiscal and programmatic monitoring as of June 30, 2011. All fiscal and programmatic monitoring visits were completed and reports were issued as of June 30, 2011.
- LAHSA staff conducted 136 monitoring reviews, and Ms. Saenz-Brown noted that LAHSA continues to see a reduction in the number of fiscal findings: a 33% overall reduction. 33 agencies had no findings, which is a 10% increase over 2010. Unallowable costs increased by 42%. LAHSA staff noted that next year, there will be targeted trainings to address cost allowability and appropriate billing practices.
- There was a summary of programmatic compliance data.
- There was a brief discussion regarding specific agencies which have challenges with questioned costs and documentation practices.

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

4.0 Review and approve LAHSA monitoring plan for 2011-12.

Victoria Saenz-Brown, Monitoring & Compliance Officer, presented the plan:

- There was a presentation of the scope and objectives of the 2011-12 Monitoring Plan.
- Additional monitoring visits are included for the HPRP, as the Los Angeles Housing Department (LAHD) has requested that LAHSA monitor HPRP sub-sub-recipients, and also for some programs that require more frequent visits.
- Ms. Saenz-Brown noted that the deadline to complete monitoring next year is June 30, 2012.

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

Motion: Commissioner Ripston moved and Commissioner Adamson seconded approval of the LAHSA monitoring plan for 2011-12.

Action: The motion passed unanimously.

5.0 Review and approve LAHSA policy and procedure.

Steve Andryszewski, Chief Financial Officer, gave the report:

- Commissioner Adamson noted that there was a request from Commissioner Neely to continue this item because he would like to be present in discussion prior to a vote.
- Commissioner Adamson requested a delay in the discussion of the policy until the next FCGM Committee Meeting in August, 2011.

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

6.0 Update on status of LAHSA line of credit usage.

Steve Andryszewski, Chief Financial Office, gave the report:

- Due to a delay in the receipt of administrative funding for grants with effective start dates prior to July 21, 2011, LAHSA drew down \$575,875 on its line of credit (LOC) to cover essential LAHSA operating costs.
- LAHSA has submitted all cash requests to the City of Los Angeles and the City has committed to expedite those payments as quickly as possible.
- LAHSA will pay down this balance within 24 hours of adequate grant funding being received and continue to report back to the Commission on any balances outstanding over 30 days.
- There was a brief discussion regarding LAHSA's evaluation of agency capacity with respect to the ability to continue to operate during periods of delay in receipt of administrative funding.

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

7.0 Report on status of LAHSA agencies placed on probation.

Steve Andryszewski, Chief Financial Officer, gave the report:

- As required by LAHSA's Remedial Action Policy, staff provided a status report to the Commissioners regarding remedial action sanctions that have been imposed on LAHSA contracted agencies.

People Helping People (PHP)

- The agency's YRP contract ended on June 30, 2011. LAHSA staff is scheduled to perform a final review of the agency's WSP and YRP documentation on August 2, 2011 and will conduct a final closeout of the agency at that time.

Special Service for Groups (SSG) - HPRP

- SSG-HPRP will remain on probation until the program is able to demonstrate that improvements can be sustained without the Interim Program Manager.

MJB Recovery

- LAHSA monitoring staff performed a quarterly review of MJB Recovery and noted that there is improvement in MJB's infrastructure, policies and procedures. LAHSA staff will continue to assess the agency's compliance to determine if continued probation is necessary.

Beyond Shelter

- Beyond Shelter was placed on probation as of June 7, 2011, based on non compliance with HUD regulations and LAHSA requirements.
- LAHSA has received the response from Beyond Shelter. The agency has been responsive to the issues of probation.

Tarzana Treatment Center

- Tarzana Treatment Center was placed on probation as of June 7, 2011 due to non compliance with HUD and LAHSA contract regulations. Specifically, Tarzana Treatment Center made a significant change by changing a program site address without notifying or receiving prior approval from LAHSA or HUD.
- Tarzana Treatment Center is committed to working with LAHSA and HUD to resolve the issues of probation.

Public Speaker(s): Al Senella, Tarzana Treatment Center

Mr. Senella noted that he was in the hospital during the last FCGM Meeting and was unable to attend. It was stated that Tarzana Treatment Center will do whatever is needed to work through resolving the probationary issues. Mr. Senella clarified that the relocation was for one of the service sites, not the entire program, and he noted the difficulty in securing property that is at or below the HUD cost threshold. It was also noted that Tarzana Treatment Center made a number of attempts to gain authorization to move, and the priority was to provide suitable housing for individuals in need. It was stated that there was a rush to judgment with respect to placing Tarzana Treatment Center on probation.

Victoria Saenz-Brown, LAHSA Monitoring & Compliance Officer stated that this compliance issue took place once before when Tarzana Treatment Center changed location without notifying LAHSA. She stated that this creates financial risk for LAHSA.

8.0 Update on 2011-12 City of Los Angeles Consolidated Plan.

Steve Andryszewski, Chief Financial Officer, gave the report:

- Despite LAHSA receiving 17% cuts from the federal government, the City of Los Angeles kept the cuts to homeless programs at 7.3%, a reduction of \$693K Consolidated Plan CDBG budget. LAHSA staff has gone through the approval process to award those contracts.
- The grant agreements between HUD and City of Los Angeles were fully executed yesterday. HUD will take 1-2 days to set up the line of credits with Washington's drawn down system, at which point, the City of Los Angeles will have access to cash. The City of LA currently has all of LAHSA's cash requests and has committed to expedite those requests.

9.0 Authorize the Executive Director to amend contract 2011CDBG12 with Beyond Shelter for an amount not to exceed \$160,000 for the Housing First Project, starting April 1, 2011 and ending March 31, 2012. In the event that funding is reduced or not forthcoming, authorize the Executive Director to reduce the amount of compensation to the agency accordingly.

Steve Andryszewski, Chief Financial Officer, gave the report:

- There is a request from City Council Districts 9, 10 and 13 to give additional funds to Beyond Shelter to provide services to families throughout the City of Los Angeles. This is an addition to an existing contract for the Housing First Project.

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

Motion: Commissioner Ripston moved and Commissioner Adamson seconded approval to authorize the Executive Director to amend contract 2011CDBG12 with Beyond Shelter for an amount not to exceed \$160,000 for the Housing First Project, starting April 1, 2011 and ending March 31, 2012. In the event that funding is reduced or not forthcoming, authorize the Executive Director to reduce the amount of compensation to the agency accordingly.

Action: The motion passed unanimously.

10.0 Public Participation

There were no requests for public participation.

Adjournment

The meeting adjourned at 3:00 p.m.