**The Urban Community Development Commission (UCDC) was established by Ordinance No. 1,479, adopted on July 15, 1975. The Commission functions as the governing body for the Local Housing Authority (LHA) and exercises the power, authority, jurisdiction and functions of housing authorities and federal surplus property authorities granted under the Marks Foran Residential Rehabilitation Act to charter cities.**

**"As a result of the convening of this meeting of the Urban Community Development Commission, each Commissioner in attendance is entitled to receive and shall be provided $75 subject to a maximum payment of $150 per month"**

# URBAN COMMUNITY DEVELOPMENT COMMISSION
# AGENDA
# 04/18/2023
# 5:45 PM

## OPENING

### ROLL CALL

### PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

### NEW BUSINESS

1. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMPTON LOCAL HOUSING AUTHORITY AUTHORIZING THE EXECUTIVE SECRETARY TO EXECUTE A MULTI-YEAR LEASE AGREEMENT BETWEEN THE CITY OF COMPTON AND THE COMPTON LOCAL HOUSING AUTHORITY FOR OFFICE SPACE AT THE CAREERLINK FACILITY

2. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMPTON LOCAL HOUSING AUTHORITY AUTHORIZING THE EXECUTIVE SECRETARY TO REPAY UNOBLIGATED FUNDS FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AS PART OF THE CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT ($170,641)

### COMMISSION COMMENTS

## ADJOURNMENT

**April 18, 2023**

**TO:** **HONORABLE CHAIRPERSON AND COMMISSIONERS**

**FROM:** **EXECUTIVE SECRETARY**

**SUBJECT:** **A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMPTON LOCAL HOUSING AUTHORITY AUTHORIZING THE EXECUTIVE SECRETARY TO EXECUTE A MULTI-YEAR LEASE AGREEMENT BETWEEN THE CITY OF COMPTON AND THE COMPTON LOCAL HOUSING AUTHORITY FOR OFFICE SPACE AT THE CAREER*LINK* FACILITY**

## SUMMARY

The Urban Community Development Commission ("UCDC"), acting as the Compton Local Housing Authority ("LHA" or "Authority") will consider a request from the Compton Local Housing Authority ("Authority") to enter into a sixty (60) month (December 1, 2022 through November 30, 2027) lease agreement for use of approximately 3,337 square feet of dedicated indoor office space within the Compton CareerLink facility.

## BACKGROUND

The City of Compton owns certain real property located at 700 North Bullis Road, commonly known as the "CareerLink" facility. This property is used as a "shared occupancy" facility in that it houses certain City administered services in addition to offering indoor spaces for leasing to outside agencies, organizations and individuals.

Pursuant to guidance of the City Council, in November 2012, the City Manager implemented a City-wide leasing policy which mandates that City-owned facilities and/or property shall not be leased without first obtaining proper authorization from the City Council (i.e. an adopted resolution) and execution of a written lease agreement [City of Compton Standard Operating Manual, Policy 4.17(A)]. In addition to other matters, the Policy specifies that lease rates shall be based on the square footage of the area(s) subject to the exclusive use/occupation of the Lessee and that the standard leasing rate for indoor floor space in a City-owned facility shall be at least One Dollar ($1.00) per square foot.

In addition to the base rental rate of $1.00 per square feet, proposed lease agreements are to address the costs incurred by the City for utilities, maintenance and repairs, custodial and general security. At the CareerLink location, staff has identified that cost to be ninety-seven cents ($0.97) per square foot. Thus, costs to the City will be recovered in a recommended minimal monthly rental rate based on a square footage charge of $1.97 (i.e. $1.00 per square foot base rental rate plus $0.97 per square foot for utilities, maintenance, custodial and security).

## STATEMENT OF THE ISSUE

The Housing Authority is responsible for providing service to residents with housing needs and ensuring that these residents are offered decent, adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

Pursuant to Resolution No. 25,814, adopted by the City Council on April 04, 2023, the City entered into a sixty (60) month lease agreement with the Housing Authority for the lease of approximately 3,337 square feet of indoor space within the CareerLink facility at the rental rate of $1.97 per square foot of exclusive space. The lease expired on November 30, 2022, converting the term to a month-to-month lease. The Housing Authority desires to renew the lease agreement for the same spaces within the CareerLink facility for a term of sixty (60) months, retroactive from December 1, 2022, through November 30, 2027, at the City's leasing policy-recommended rental rate of $1.97 per square feet of exclusive-use space.

Thus, the proposed lease agreement renewal will provide the Housing Authority with exclusive use of the following indoor spaces within the CareerLink facility:

| | |
|---|---|
| Ten (10) Office Spaces | Approx. 1,560 sq. feet total |
| Office H1 | 156 sq. feet |
| Office H2 | 143 sq. feet |
| Office H3 | 143 sq. feet |
| Office H4 | 182 sq. feet |
| Office H5 | 156 sq. feet |
| Office H6 | 156 sq. feet |
| Office H7 | 168 sq. feet |
| Office H8 | 156 sq. feet |
| Office H9 | 144 sq. feet |
| Office H10 | 156 sq. feet |
| One (1) File Room | 449 sq. feet (Approx.) |
| One (1) Break Room | 221 sq. feet (Approx.) |
| One (1) Conference Room | 264 sq. feet (Approx.) |
| Storage Room | 84 sq. feet (Approx.) |

| | |
|---|---|
| Entrance/Lobby Area | 169 sq. feet (Approx.) |
| Hallways/Corridors | 590 sq. feet (Approx.) |
| Hall 1 | 104 sq. feet |
| Hall 2 | 78 sq. feet |
| Corridor 1 | 276 sq. feet |
| Corridor 2 | 132 sq. feet |

**Total Exclusive Square Footage 3,337 sq. feet**

## FINANCIAL IMPACT

During the Lease term, LHA shall pay the sum of **Six Thousand Five Hundred Seventy Three Dollars and Eighty-Nine Cents ($6,573.89)** per month, based on a rental rate of **One Dollar and Ninety-Seven Cents ($1.97) per square foot.**

**That funds for this expenditure are available in Account No. 2820 780 000 4286.**

## RECOMMENDATION

Staff recommends that the Urban Community Development Commission adopt the attached Resolution.

**ALENA SALL-PHOK, HOUSING SERVICES SUPERVISOR**
**COMPTON LOCAL HOUSING AUTHORITY**
**COMMUNITY DEVELOPMENT DEPARTMENT**

**APPROVED FOR FORWARDING:**

**THOMAS THOMAS**
**EXECUTIVE SECRETARY**

**RESOLUTION NO. __________**

**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMPTON LOCAL HOUSING AUTHORITY AUTHORIZING THE EXECUTIVE SECRETARY TO EXECUTE A MULTI-YEAR LEASE AGREEMENT BETWEEN THE CITY OF COMPTON AND THE COMPTON LOCAL HOUSING AUTHORITY FOR OFFICE SPACE AT THE CAREERLINK FACILITY**

**WHEREAS,** the City of Compton owns certain real property located at 700 North Bullis Road, also known as the CareerLink facility which is used as a "shared occupancy" facility in that it houses certain City administered services in addition to offering indoor spaces for leasing to outside agencies, organizations and individuals; and

**WHEREAS,** pursuant to guidance of the City Council, in November 2012, the City Manager implemented a City-wide leasing policy [Standard Operating Manual, Policy 4.17(A)], which mandates that City-owned facilities and/or property shall not be leased without first obtaining proper authorization from the City Council (i.e. an adopted resolution) and execution of a written lease agreement; and

**WHEREAS,** in addition to other matters, the Policy specifies that lease rates shall be based on the square footage of the area(s) subject to the exclusive use/occupation of the Lessee and that the standard leasing rate for indoor floor space in a City-owned facility shall be at least One Dollar ($1.00) per square foot; and

**WHEREAS,** in addition to the base rental rate of $1.00 per square feet, proposed lease agreements are to address the costs incurred by the City for utilities, maintenance and repairs, custodial and general security. At the CareerLink location, staff has identified that cost to be ninety-seven cents ($0.97) per square foot, thus the cost to the City will be recovered in a recommended minimal monthly rental rate based on a square footage charge of $1.97 (i.e. $1.00 per square foot base rental rate plus $0.97 per square foot for utilities, maintenance, custodial and security); and

**WHEREAS,** pursuant to Resolution No. 25,814, adopted by the City Council on April 04, 2023, the City entered into a sixty (60) month lease agreement with the Compton Local Housing Authority ("Housing Authority") for the lease of approximately 3,337 square feet of indoor space within the CareerLink facility at the rental rate of $1.97 per square foot of exclusive space; and

**WHEREAS,** the lease expired on November 30, 2022, converting the term to a month-to-month lease and the Housing Authority desires to renew the lease agreement for the same spaces within the CareerLink facility for a term of sixty (60) months, retroactive from December 1, 2022, through November 30, 2027, at the City's leasing policy recommended rental rate of $1.97 per square feet of exclusive-use space.

**NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMPTON LOCAL HOUSING AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** That the Executive Secretary, upon the approval of the City Attorney is authorized to enter into a sixty (60) month lease agreement, effective retroactively from December 1, 2022, through November 30, 2027, with the Compton Local Housing Authority for the use of approximately 3,337 square feet of indoor space (as specified below) at 700 North Bullis Road, Compton (CareerLink facility), for general office use for their support services staffing.

| | |
|---|---|
| Ten (10) Office Spaces | Approx. 1,560 sq. feet total |
| Office H1 | 156 sq. feet |
| Office H2 | 143 sq. feet |
| Office H3 | 143 sq. feet |
| Office H4 | 182 sq. feet |
| Office H5 | 156 sq. feet |
| Office H6 | 156 sq. feet |
| Office H7 | 168 sq. feet |
| Office H8 | 156 sq. feet |
| Office H9 | 144 sq. feet |
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| Entrance/Lobby Area | 169 sq. feet (Approx.) |
| Hallways/Corridors | 590 sq. feet (Approx.) |
| Hall 1 | 104 sq. feet |
| Hall 2 | 78 sq. feet |
| Corridor 1 | 276 sq. feet |
| Corridor 2 | 132 sq. feet |

**Total Exclusive Square Footage 3,337 sq. feet**

**Section 2.** That the monthly lease rate shall be One Dollar and Ninety-Seven Cents ($1.97) per square foot for a total of Six Thousand Five Hundred Seventy-Three Dollars and Eighty-Nine Cents ($6,573.89) per month for the term of the Lease.

**Section 3**. That funds for this expenditure are available in Account No. 2820 780 000 4286.

**Section 4.** That a certified copy of this Resolution shall be filed in the offices of the Executive Secretary, City Controller, Commission Clerk and the Community Development Department (Compton Local Housing Authority).

**Section 5.** That the Chairperson shall sign and the Commission Clerk shall attest to the adoption of this Resolution.

**ADOPTED** this ____ day of _____________, 2023.

_______________________________________
**CHAIRPERSON OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION**

**ATTEST:**

__________________________________
**CLERK OF THE CITY OF COMPTON**

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) ss
CITY OF COMPTON )

I, Vernell McDaniel, Clerk of the Urban Community Development Commission, hereby certify that the foregoing Resolution was adopted by the City Council of the City of Compton, signed by the Chairperson, attested to by the Commission Clerk at a regular meeting thereof held on the ___ day of ________________, 2023.

That said Resolution was adopted by the following vote, to wit:

**AYES: BOARD MEMBERS -**
**NOES: BOARD MEMBERS -**
**ABSTAIN: BOARD MEMBERS -**
**ABSENT: BOARD MEMBERS -**

__________________________________
**CLERK OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION**

**LEASE AGREEMENT**
**BETWEEN**
**CITY OF COMPTON**
**AND**
**COMPTON LOCAL HOUSING AUTHORITY**

This **LEASE AGREEMENT** is entered into by and between the **CITY OF COMPTON,** a municipal corporation of the State of California (hereinafter referred to as **"LANDLORD"**) and the **COMPTON LOCAL HOUSING AUTHORITY** (hereinafter referred to as **"TENANT"**), collectively, the "Parties."

**RECITALS:**

**WHEREAS,** the City of Compton ("Landlord"), has under its jurisdiction certain real property located at 700 North Bullis Road, Compton, California 90221, also known as the "*CareerLink*" facility (the "Site"); and

**WHEREAS,** on **** of ****, 2023, the City Council adopted Resolution No. ****, and on ****, of ****, the Urban Community Redevelopment Commission adopted Resolution No. ****, which authorized the City Manager and the Executive Secretary, respectively, to enter into a lease agreement between the City of Compton and the Compton Local Housing Authority ("Tenant") for a period of sixty (60) months, commencing December 1, 2022 through November 30, 2027.

**NOW, THEREFORE,** Landlord and Tenant**,** for the consideration, terms and conditions herein described, mutually agree as follows:

**WITNESSETH:**

**Section 1.** **Premises.** The Landlord, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Tenant and upon the following terms and conditions, hereby leases to the Tenant, and the Tenant hereby hires and takes of and from the Landlord, those certain Premises situated in the City of Compton, County of Los Angeles, State of California, more particularly described as:

**The City of Compton Career*Link***
**700 North Bullis Road**
**Compton, California 90221**

**[The "Site"]**

***Tenant shall lease/occupy approximately 3,337 square feet of indoor space within the building at the Site:***

| Ten (10) Office Spaces | Approx. 1,560 sq. feet total |
|---|---|
| Office H1 | 156 sq. feet |
| Office H2 | 143 sq. feet |
| Office H3 | 143 sq. feet |
| Office H4 | 182 sq. feet |
| Office H5 | 156 sq. feet |
| Office H6 | 156 sq. feet |
| Office H7 | 168 sq. feet |

| | |
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| Hall 1 | 104 sq. feet |
| Hall 2 | 78 sq. feet |
| Corridor 1 | 276 sq. feet |
| Corridor 2 | 132 sq. feet |

**Total Exclusive Square Footage 3,337 sq. feet**

***Tenant may also have access to and use of shared public spaces within the Site.***

**[The "Premises"]**

**Section 2.** **Term.** This Lease shall be for a term of sixty (60) months, commencing on December 1, 2022 and shall terminate on November 30, 2027, unless extended or terminated as otherwise provided herein. This Lease shall supersede any previous Leases and/or agreements, written or oral.

**Section 3.** **Rent.** During the Lease term, the Tenant shall pay to Landlord as rent for said Premises hereof the sum of **Six Thousand Five Hundred Seventy Three Dollars and Eighty-Nine Cents ($6,573.89)** per month, based on a rental rate of **One Dollar and Ninety-Seven Cents ($1.97) per square foot** for each square foot of exclusive use indoor space. Lease payments shall be due in advance on the first day of each and every month of the term hereof. Any lease payment not received by the Landlord by the tenth (10th) day of the month will be deemed late and a late fee (penalty) in the amount of **Five Percent (5%)** will be charged.

Payments shall be remitted to:

General Services Department
City of Compton
205 South Willowbrook Avenue
Compton, California 90220
Attn: Director
**Payable to: City of Compton**
**[Please identify your Lease Site on the payment]**

**[700 North Bullis Road/Housing Authority]**

**Section 4.** **Use of Premises.** Tenant is entitled to use the Premises during normal building business hours (Mondays through Fridays, 7:00 p.m. to 6:00 p.m.), ***(excepting City holidays)*** for the following purpose(s) only:

**Administrative Office of the Compton Local Housing Authority**

Tenant shall not use the Premises for any other purposes without the prior written consent of the Landlord**.** Tenant shall not use the Premises for residential purposes or for any commercial purposes not stated herein. Tenant shall not use the Premises for the storage of unusable equipment or property or for the rental or storage of any type of equipment not integral to the purposes of the Program. Tenant shall not use the Premises in a manner so as to interfere with Landlord's use or equipment at the Site.

**Use of Premises at Shared Site on City Holidays and Non-Business Hours**

On those dates designated by the City Council as legal City holidays, the Site **(including the Premises)** shall be closed. If Tenant desires to use the Premises on a City holiday or during non-business building hours, Tenant shall pay the City the costs (e.g. employees' salary) of providing access to the Premises/Site and for provision of City security (if applicable).

***Tenant shall provide written notification to the General Services Department a minimum of three (3) business days in advance of its desire to use the Premises on a City holiday or during non-business building hours. Tenant shall include the additional amounts owed in the next lease payment.***

**Section 5.** **Delivery of Premises.** If Landlord, for any reason, cannot deliver the Premises described above to Tenant at the commencement of the term hereof, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom and Tenant at Tenant's option, may declare this Agreement to be null and void.

**Section 6.** **Utilities and Other Services.** Landlord agrees to furnish the following utilities and services at Landlord's expense during normal business hours:

a. Electricity for normal lighting and power for office use. Special or additional electrical requirements over and above the standard for general office uses will be charged directly to Tenant.

b. Heating/Cooling.

c. Hot and cold water.

d. Routine maintenance.

e. General/shared security for the Site.

Any and all other types of utilities (e.g. telephone, cable, etc.) and services shall be at the sole expense and responsibility of the Tenant. Prior written approval shall be required for the installation of any utility and/or service that will involve physical alteration of the Premises and/or Site. Tenant shall reimburse Landlord for the cost of repairing any and all damages to the Premises and/or Site caused directly or indirectly by Tenant's utility or service provider or its equipment.

Landlord shall in no way be liable or responsible for any loss, damage or expense that Tenant may sustain or incur by reason of any change, failure, interference, disruption or defect in the supply or character of the utilities and services supplied to Premises and/or Site, unless directly caused by the active negligence or willful misconduct of the Landlord.

**Section 7.** **Assignment and Subletting.** Tenant agrees not to sublet the whole or part of the Premises, assign the Lease nor permit the use of the Premises by anyone other than the Tenant, its employees, business invitees, customers and patrons without in each case first securing the written consent of the Landlord. Any attempted assignment or subletting of this Lease without the written consent of the Landlord constitutes fraud and this Agreement shall be null and void.

**Section 8. Alterations and Additions.** Tenant shall not make any alterations or construct any additions or improvements in or on the Premises until the Landlord has approved the complete plans and specifications for the project. Once the Landlord has been provided with said plans and specifications, Landlord shall have a review period of up to fifteen (15) business days before granting Tenant approval or disapproval of the project in writing. Landlord's approval of the project will be presumed if not provided within said fifteen (15) day period. Tenant shall, at the time of the request, specify if they desire to retain ownership and/or possession of the alteration, addition or improvement subject to plan review by Landlord at Tenant's expense.

Tenant shall have the right during the Lease Term, and any extension of renewal thereof, with Landlord's consent, which shall not be unreasonably withheld, to remodel and redecorate the Premises and to make such non-structural alterations, additions and improvements and to install personal property, trade fixtures, equipment and other temporary installations in and upon the Premises ("Alterations") as Tenant shall deem expedient or necessary for its purposes; provided that the same are made in a workmanlike manner utilizing good quality materials and provided further that such Alterations shall neither impair the structural soundness nor diminish the value of the Premises. All Alterations, whether installed by Tenant as Tenant Improvements or placed or installed on the Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Landlord agrees that except for structural alterations, the Tenant may remove, during or at the expiration or other termination of the term of this Lease, or of any extension or holdover period thereof, as the case may be, personal property placed or installed in or upon the Site and/or the Premises by the Tenant or under its authority. Any personal property, improvements or additions not removed by Tenant within thirty (30) days after the end of the term, or any extension or holdover period thereof, shall automatically become the property of Landlord, subject to disposal at the discretion of the Landlord.

Tenant shall, at its sole cost and expense, be allowed to place its typical signage on the side of the Building on the Site and/or along the Site perimeter only upon the Landlord's advance written approval.

**Section 9. Repairs and Maintenance.**

a. Maintenance by Landlord. Landlord agrees that at all times it will maintain the structural portions of all improvements at the Site that exist on the Lease Commencement Date (collectively, the "Building"), including the foundation, floor/ceiling slabs, roof, exterior glass, parking areas, pavement, sidewalks, curbs, entrances, mechanical, electrical and telephone closets (collectively, "Buildings' Structures") and the mechanical, electrical, life safety, plumbing, and HVAC systems (collectively, "Buildings' Systems") in good working order, condition and repair. Notwithstanding anything in this Lease to the contrary, Tenant shall not be required to make any repair to, modification of, or addition to the Buildings' Structures and/or the Buildings Systems except and to the extent required because of Tenant's use of all or a portion of the Premises.

(1) Interruption of Essential Services. In the event that there is an interruption of essential building services that are supplied and maintained by the Landlord (e.g., fire and life safety, vertical transportation systems, utilities, HVAC, etc.), which materially interferes with the Tenant's use of the Premises, or any portion thereof, such that Tenant cannot reasonably conduct its business therein for a period in excess of five (5) business days, the Tenant's Rent shall be abated on a day-for-day basis proportionate to the amount of space in the Premises so affected. Tenant shall have a right to terminate this Lease in the event that such interruption continues for thirty (30) business days.

b. Maintenance by Tenant. Tenant shall maintain said Premises in good repair and tenable condition and in compliance with all health, safety and sanitation laws, ordinances and regulations of the State of California and local authorities throughout the term of the Lease.

The Premises shall be kept free from any and all liens and charges on account of labor or materials used in connection to any work thereon.

Tenant shall repair any damage to the Site and/or the Premises caused by Tenant's installation and/or removal of its personal property, alterations, improvements or additions.

(1) Tenant Repairs. Tenant agrees to repair any damages caused by Tenant, its employees, contractors, agents or invitees, negligently or otherwise, at its own expense, and maintain the Premises leased and to return said Premises to Landlord in as good order, repair and condition as the same were in at the commencement of this Lease, reasonable normal wear and tear, excepted. Tenant must obtain prior written approval from the Landlord, which approval will not be unreasonably or untimely withheld, prior to commencing any repairs to the leased Premises.

Unless otherwise required by law or expressly provided for within this Lease Agreement, Landlord shall have no liability to Tenant for any condition on the Premises leased herein and Tenant agrees that it has inspected the same, knows the condition and takes this Lease with the Premises in its present condition. Tenant agrees to hold the Landlord harmless from any and all liability arising out of or in connection with the use of the Premises leased herein by the Tenant, its agents, employees, business invitees, customers and patrons, except to the extent any such liability is attributable to Landlord's negligence or willful misconduct.

**Section 10. Losses.** Landlord shall not be responsible for losses or damage to personal property, equipment or materials of Tenant. Landlord will not keep improvements which are constructed or installed and owned by Tenant under the provisions of this Lease insured against fire or casualty, and Tenant will make no claim of any nature against Landlord by reason of any damage to the business or property of Tenant in the event of damage or destruction by fire or other cause, arising other than from or out of the gross negligence or willful misconduct of agents or employees of the Landlord in the course of their employment.

**Section 11. Damage or Destruction.** Landlord agrees that should the Site (or any portion thereof other than the Premises) be so badly damaged by earthquake or other violent action of the elements, or destroyed by fire or other casualty, so as to render them wholly unfit for Tenant's occupancy, than this Lease may be terminated immediately upon the happening of any such event, whereupon Tenant shall surrender the Premises and shall not be obligated for any further rental payment and Landlord shall refund any unearned rent paid in advance by Tenant, calculated at a daily rate based on the regular monthly rental.

In the event of any lesser damage by casualty, Landlord shall, at Landlord's cost and expense, promptly repair the same to the extent Landlord's insurance proceeds are made available to Landlord therefor and provided that (a) such repairs, in Landlord's reasonable good faith opinion, can be commenced within thirty (30) days of the event which necessitated the repair and restoration, unless it is not reasonably possible to commence repair and restoration within thirty (30) days from the date of such damage or destruction (without payment of overtime or other premiums) and (b) the cost of such repairs, in Landlord's reasonable good faith opinion, will not exceed 50% of the then replacement cost of the Site. If Landlord is not required to repair such damage or destruction, then Landlord shall, within 30 days from the date of such damage or destruction, either (i) notify Tenant in writing of Landlord's election to repair such damage or destruction, in which event Landlord shall promptly repair the same, or (ii) notify Tenant in writing of Landlord's election to immediately terminate this Lease, in which event this Lease is terminated effective as of the date of such damage or destruction. Tenant may terminate this Lease effective as of the date of any such damage or destruction if Tenant reasonably determines in its good faith opinion that such damage or destruction substantially impairs the satisfactory operation of the Tenant's operations by notifying Landlord in writing of Tenant's election to terminate not later than 30 days after the date of such damage or destruction.

**Section 12. Hazard Materials.** Tenant shall not use any Hazardous Materials in/or on Site or the Premises, except as necessary in the ordinary course of business and in full compliance with all Environmental Laws. Tenant will promptly notify Landlord of any release or presence of any Hazardous Material in/on the Premises of which Tenant becomes aware.

a. Remediation. If Hazardous Materials are released at the Site and/or Premises by Tenant, its agents, employees, or contractors, then Tenant is solely responsible for the removal and/or remediation of any Hazardous Materials to the extent required by governmental authorities in compliance with applicable Environmental Laws.

b. Indemnification. Tenant shall indemnify and hold Landlord harmless from and against any and all claims, actions, suits, proceedings, loss, liabilities, damages, fines, costs, or expense (including reasonable attorneys' fees, consultants' fees, investigation and laboratory fees, court costs, and litigation expenses), which arise from the presence of Hazardous Materials at the Site and/or Premises released by Tenant or its agents, employees, or contractors.

**Section 13. Default.** Tenant shall pay said rent to the Landlord without deduction, default or delay. In the event of the failure of Tenant to do so, or in the event of a breach of any other terms, covenants or conditions herein contained on the part of Tenant to be kept and performed and if such default continues for a period of thirty (30) days after receipt of written notice from Landlord to Tenant of such default, this Lease may be terminated. Landlord may not terminate the Lease if (a) Tenant cures the default within the thirty (30) day period after notice of default is given, or (b) the default cannot reasonably be cured within thirty (30) days after notice of default is given, but Tenant reasonably commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default. In the event of termination of this Lease, it shall be lawful for Landlord to reenter into and upon the Premises and every part thereof and to remove and store at Tenant's expense all property therefrom and to repossess and occupy the Premises. In addition thereto, Landlord shall have such other rights or remedies as may be provided for by law.

**Section 14. Holding Over.** In case Tenant holds over beyond the term herein provided with the consent, express or implied, of the Landlord, such tenancy shall be from month-to-month only, subject to the same terms and conditions of this Lease, but shall not be a renewal hereof. Such month-to-month tenancy shall be terminable on thirty (30) days written notice by either party to the other party.

**Section 15. Cancellation Provision.** Notwithstanding any other provisions contained herein, either party shall have the right to cancel this Lease, without cause, at anytime, upon ninety (90) days prior written notice to the other party.

**Section 16. Landlord's Access.** Tenant agrees to permit the Landlord or Landlord's authorized agents, upon reasonable advance notice, free access to the Premises at all reasonable times for the purpose of inspection of the Premises or for making necessary alterations, improvements or major repairs.

**Section 17. Discrimination.** The Tenant herein covenants by and for itself, its heirs, executors, administrator, and assigns, and all persons claiming under or through it that this Lease is made, accepted and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, the leasing, subleasing, transferring, use, occupancy, tenure, enjoyment of the Premises herein leased nor shall the Tenant itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with referenced to the selection, location, number, use of occupancy, of tenants, subtenants, or vendees in the Premises herein leased.

**<u>Section 18.</u>** **<u>Indemnification</u>.** Tenant shall indemnify and save harmless the Landlord**,** its officials, officers, employees, agents and volunteers (collectively hereafter the "Landlord"), against any and all damages to property or injuries to or death of any person or persons, and shall defend, indemnify and save the Landlord from any and all liability and expense, including reasonable defense costs and legal fees, and claims, demands, suits, actions or proceedings of any kind or nature, including Workers' Compensation claims, of or by anyone whomsoever in any way resulting from or arising out of Tenant's**,** its employees, contractors, agents or invitees negligent or intentional acts in or on the Premises, or from conduct of Tenant, its employees, contractors, agents or invitees practice or business from any activity, work or things done.

This indemnification and hold harmless obligation does not extend to claims arising out of the sole negligence or willful misconduct of the Landlord**.**

**<u>Section 19.</u>** **<u>Partnership Disclaimer</u>.** Tenant and any and all agents of Tenant shall act in an independent capacity and not as officers or employees of the Landlord. Nothing herein contained shall be construed as constituting the parties herein as partners.

**<u>Section 20.</u>** **<u>Vacating Premises</u>.** Tenant shall, on the last day of said term or sooner termination of this Lease, peaceably and quietly leave, surrender and yield up to the Landlord, the Premises in good order, condition and repair, reasonable use and wear thereof and damage by acts of nature, excepted.

**<u>Section 21.</u>** **<u>Compliance with Laws</u>.** Tenant shall at its sole cost and expense, comply with all the laws and requirements of all municipal, county, state and federal authorities now in force, or which may hereafter be in force pertaining to the Premises and use of the Premises as provided by this Lease.

**<u>Section 22.</u>** **<u>Easements and Right-Of-Way</u>.** This Lease is subject to all existing easements and right of way. Landlord further reserves the right to grant additional public utility easements as may be necessary and Tenant hereby consents to the granting of any such easements. The public utility will be required to reimburse Tenant for any damages suffered by Tenant caused by the construction work on the easement area.

**<u>Section 23.</u>** **<u>Parking Access</u>.** Unless specifically provided herein, if off-street parking is provided at the Site of the Premises, Tenant, its employees and invitees may have equal access to non-restricted/non-reserved parking spaces provided to all tenants on a first-come, first-served basis.

**<u>Section 24.</u>** **<u>Relocation</u>.** Tenant acknowledges that Tenant, its employees, contractors, subordinates and assigns are not entitled to any Relocation Payment or Relocation Advisory Assistance due to their occupancy of the Premises.

**<u>Section 25.</u>** **<u>Failure to Perform</u>.** In the event of the failure, neglect or refusal of Tenant to do, or perform work, or any part thereof, of any act or thing in this Lease provided to be done and performed by Tenant, Landlord shall, at its option, have the right to do and perform the same, and Tenant hereby covenants and agrees to pay Landlord the costs thereof on demand.

**<u>Section 26.</u>** **<u>Binding on Successors</u>.** Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the successors in interest of the Landlord, and wherever the context permits or requires the successors in interest to the Tenant.

**<u>Section 27.</u>** **<u>Amendments</u>.** This Lease Agreement may be modified or amended only be written document executed by both Tenant and Landlord's City Manager and approved as to form by the City Attorney. Such document shall expressly state that it is intended by the parties to amend the terms and conditions of this Lease Agreement.

**<u>Section 28.</u>** **<u>Waivers</u>.** A waiver by either party to this Agreement of any breach of any terms, covenants or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein, whether of the same or a different character.

**<u>Section 29.</u>** **<u>Governing Law and Severability</u>.** This Agreement shall be governed by and construed under the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

Should any part of this Agreement be declared by a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement, which shall continue in full force and effect, provided that the remainder of this Agreement, absent the unexcised portion, can be reasonably interpreted to give effect to the intentions of the parties.

**<u>Section 30</u>.** **<u>Notices</u>.** All notices, demands or requests to be given under this Lease Agreement shall be given in writing and conclusively shall be deemed received when: (a) delivered personally, or (b) on the fifth day after the deposit thereof in the United States mail, postage prepaid, and addressed as hereinafter provided, or (c) one business day after send by facsimile transmission.

| | |
|---|---|
| **To LANDLORD:** | **City of Compton**<br>**205 South Willowbrook Avenue**<br>**Compton, California 90220**<br>**Attn: Director, General Services Department**<br>**(310) 605-5553**<br>**(310) 605-1753 – fax.** |
| **To TENANT:** | **Compton Local Housing Authority**<br>**700 North Bullis Road**<br>**Compton, California 90221**<br>**Attn: Director**<br>**(310) 605-3080**<br>**(310) 605-3096** |

**<u>Section 31.</u>** **<u>Entire Agreement</u>.** This Lease and any exhibits or attachments hereto and incorporated herein constitute the entire agreement of Landlord and Tenant. There are no agreements, terms, conditions or obligations other than those set forth herein. This Lease shall supersede all previous communications, representations or agreements, either verbal or written between Landlord and Tenant. This agreement may be modified only by written agreement signed by both Landlord and Tenant.

**IN WITNESS WHEREOF,** Tenant has executed this Lease and the Landlord, by its City Manager, who is authorized to do so, has executed this Lease.

**COMPTON LOCAL HOUSING AUTHORITY**
**TENANT**
**Recommended for Approval:**

**By** ______________________________ **Dated:** ______________
**Alena Sall, Housing Services Supervisor**
**Compton Local Housing Authority**

**Approved by:**

**By** ______________________________ **Dated:** ______________
**Thomas Thomas, Executive Secretary**

**CITY OF COMPTON/LANDLORD**
**Recommended for Approval:**

**By** ______________________________ **Dated:** ______________
******, Director**
**General Services Department**

**Approved by:**

**By** ______________________________ **Dated:** ______________
**Thomas Thomas, City Manager**

**Approved as to form:**

**By** ______________________________ **Dated:** ______________
**Eric J. Perrodin, City Attorney**

**ATTEST:**

**Dated:** ______________ **By** ______________________________
**Vernell McDaniel, City Clerk**

**April 18, 2023**

**TO:** **HONORABLE CHAIRPERSON AND COMMISSIONERS**

**FROM:** **EXECUTIVE SECRETARY**

**SUBJECT:** **A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMPTON LOCAL HOUSING AUTHORITY AUTHORIZING THE EXECUTIVE SECRETARY TO REPAY UNOBLIGATED FUNDS FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AS PART OF THE CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT ($170,641)**

## SUMMARY

The adoption of the attached Resolution will authorize the Executive Secretary to reimburse One Hundred Seventy Thousand Six Hundred Forty-One Dollars ($170,641) to repay unobligated Coronavirus Aid, Relief and Economic Security ("CARES") Act of 2020 funds to the U.S. Department of Housing and Urban Development.

## BACKGROUND

The Compton Housing Authority is funded by HUD to implement program that provide housing assistance to low and very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing.

The Housing Authority was allocated funds from HUD through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which was enacted on March 27, 2020. The CARES Act provided additional appropriations for housing assistance payments (HAP), administrative fees and other Covid-19 related expenses incurred by Housing Authority in its response to the coronavirus.

## STATEMENT OF THE ISSUE

The Housing Authority was allocate funds in the amount of $339,880 from the U.S. Department of Housing and Urban Development (HUD) as part of the CARES Act. The Housing Authority expended $169,239. During the 2020 funds cycle period, there was a remaining unobligated funds in the amount of $170,641; thus these funds must be returned to HUD by May 01, 2023

## FINANCIAL IMPACT

The unobligated funds balance of $170,641 is available through Unearned Grant Revenue 2820-000-000-2093.

**<u>RECOMMENDATION:</u>**

The staff recommends that the Urban Community Development Commission adopt the attached Resolution.

**ALENA SALL-PHOK, HOUSING SERVICES SUPERVISOR**
**COMPTON LOCAL HOUSING AUTHORITY**
**COMMUNITY DEVELOPMENT DEPARTMENT**

**APPROVED FOR FORWARDING:**

**THOMAS THOMAS**
**EXECUTIVE SECRETARY**

**RESOLUTION NO. ___________**

**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMPTON LOCAL HOUSING AUTHORITY AUTHORIZING THE EXECUTIVE SECRETARY TO REPAY UNOBLIGATED FUNDS FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AS PART OF THE CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT ($170,641)**

**WHEREAS,** the Compton Local Housing Authority ("LHA") is funded by the U.S. Department of Housing and Urban Development ("HUD") to implement programs that provide housing assistance to low and very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing; and

**WHEREAS,** the LHA was allocated funds from HUD through the Coronavirus Aid, Relief and Economic Security ("CARES") Act of 2020, which was enacted on March 27, 2020; and

**WHEREAS,** the CARES Act provided additional appropriations for housing assistance payments ("HAP"), administrative fees and other COVID-19 related expenses incurred by the LHA in its response to COVID-19; and

**WHEREAS,** during the 2020 funds cycle period, there was a remaining unobligated funds in the amount of $170,641; thus these funds must be returned to HUD by May 01, 2023

**NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMPTON LOCAL HOUSING AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** That the Executive Secretary is hereby authorized to reimburse One Hundred Seventy Thousand Six Hundred Forty-One Dollars ($170,641) to repay unobligated Coronavirus Aid, Relief and Economic Security ("CARES") Act of 2020 funds to the U.S. Department of Housing and Urban Development from Unearned Grant Revenue account 2820-000-000-2093.

**Section 2.** The unobligated funds balance of $170,641 is available through Unearned Grant Revenue 2820-000-000-2093.

**Section 3.** That a certified copy of this Resolution shall be filed in the offices of the Executive Secretary, City Controller, Commission Clerk and the Community Development Department (Compton Local Housing Authority).

**Section 4.** That the Chairperson shall sign and the Commission Clerk shall attest to the adoption of this Resolution.

**ADOPTED** this _______ day of _______________, 2023.

______________________________________

**CHAIRPERSON OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION**

**ATTEST**:

______________________________________

**CLERK OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION**

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Vernell McDaniel, Clerk of the Urban Community Development Commission, hereby certify that the foregoing Resolution was adopted by the Commission, signed by the Chairperson, attested to by the Commission Clerk at a regular meeting thereof held on the ________ day of _______________, 2023.

That said Resolution was adopted by the following vote, to wit:

**AYES: BOARD MEMBERS-**
**NOES: BOARD MEMBERS-**
**ABSTAIN: BOARD MEMBERS-**
**ABSENT: BOARD MEMBERS-**

________________________________
**CLERK OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION**

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Washington, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING
Office of Housing Voucher Programs
Quality Assurance Division

# DEMAND LETTER
## Notice of *Delinquency*
## CARES Act
## Notice of Funds owed to HUD/Treasury

PHA Name: City of Compton Housing Authority (CCHA)
PHA#: CA071
Date: March 30, 2023

Ms. Rachel Dimond, Executive Director
City of Compton Housing Authority
700 North Bullis Road
Compton, CA 90221

Dear Ms. Dimond:

This is to inform you that you are ***delinquent*** in responding to HUD's request for the return of *unobligated/unused* funds in the amount of **$170,641** that were identified in your submission of **Federal Financial Report SF-425 for CARES Act** Financial Activity Housing Choice Voucher, Mainstream Vouchers and Moderate Rehabilitation Programs. The Financial Management Division (FMD) sent two (2) electronic communications related to CARES Act financial activity through the period of performance that closed on December 31, 2021.

The Financial Management Center (FMC) will be recapturing housing assistance payment (HAP) funds provided under the CARES Act. However, the *unobligated/unused administrative fee* funds cannot be recaptured. The administrative fee funds must be returned to HUD/Treasury by the PHA.

The first communication was sent August 8, 2022. The SF-425 was due on September 6, 2022, following guidance through PIH Notice 2022-21, CARES Act Funding Reconciliation and Closeout - Housing Choice Voucher Program, Mainstream Vouchers, and Moderate Rehabilitation Program**,** published on August 3, 2022 (see attached link https://www.hud.gov/sites/dfiles/OCHCO/documents/2022-21pihn.pdf). The second communication was sent September 23, 2022. The certified form SF-425 was required to be submitted to HUD within seven (7) calendar days, in its' original Excel format.

HUD received the form SF-425 and determined there were ***unobligated/unused*** CARES Act funds. The ***unobligated/unused*** funds were to be returned within thirty (30) days of the communication sent on December 5, 2022. HUD has not received the return of the ***unobligated/unused*** funds as required.

This is the *official* notification of HUD's intention to collect the debt and provide you with your options to repay the administrative fees provided to your PHA through the **CARES Act** Financial Activity Housing Choice Voucher in the amount of **$170,641**. See below for regulations and references related to the HCV program CARES Act funding related to the COVID-19 pandemic:

PIH Notice 2020-08, CARES Act – HCV Program Administrative Fees, published April 28, 2020 provided the following guidance:

> *4. Eligible Expenses for CARES Act funds as well as administrative fees under the FY 2020 Appropriations Act. Under the CARES Act, this supplemental administrative fee funding may be used only for two purposes: (1) any currently eligible HCV (including Mainstream voucher) administrative costs during the period that the program is impacted by coronavirus; and (2) new coronavirus-related activities, including activities to support or maintain the health and safety of assisted individuals and families, and costs related to the retention and support of participating owners. Currently eligible HCV administrative costs under (1) include necessary upgrades to information technology or computer systems to enhance telework capacities and overtime pay for PHA staff to carry-out HCV Program responsibilities.*
>
> *The CARES Act further provides that administrative fees appropriated under HUD's FY 2020 Appropriations Act (P.L.116-94) for the regular HCV program may also be used for the new coronavirus-related activities. Mainstream program administrative fees appropriated under HUD's FY 2020 Appropriations Act are not eligible to be used for these new coronavirus-related activities. However, PHAs may use the supplemental fees to cover any of the new coronavirus-related activities listed below in support of their Mainstream voucher programs.*
>
> PIH Notice 2020-08
> https://www.hud.gov/sites/dfiles/OCHCO/documents/2020-08pihn.pdf
>
> PIH Notice 2020-09, CARES Act Mainstream Funding for Public Housing Authorities:
> https://www.hud.gov/sites/dfiles/OCHCO/documents/2020-09pihn.pdf
>
> PIH Notice 2020-18, CARES Act, HCV Program Administrative Fees – Second Award:
> https://www.hud.gov/sites/dfiles/OCHCO/documents/2020-18pihn.pdf

The *unobligated/unused* CARES Act administrative fee funds must be returned to HUD/Treasury as required by Federal law. The deadline to return the CARES Act funds is **May 1, 2023**.

The following are options to resolve the HCV CARES Act debt(s) identified in this letter:

1. PHA provides evidence (e.g., copy of cancelled check and/or confirmation of the wire) of the return of unused administrative fee funds; ***OR***
2. PHA makes full payment within 30 days: ***OR***
3. PHA is unable to make full payment in 30 days for the amount owed HUD.

If you have concluded that your PHA is *unable* to fully remit the funds owed HUD, please explain why you cannot pay within **thirty (30) days** and when payment can be submitted.

- HUD will undertake an analysis of your PHA's ability to repay (see Appendix A for required documents to complete this assessment) the funds including, through the liquidation of assets, a claim on insurance, and an examination of all PHA finances.
- If funds have been improperly removed from the program the PHA must consult their fidelity insurer and be prepared to review this matter with HUD.
- All outstanding debts ***must*** be recorded as a **liability (payable to HUD)** on your financial statements until the time that such debt is paid in full. This may affect your ability to obtain financing, enter mixed finance ventures, etc. This may also impact any Rental Assistance Demonstration (RAD) applications you submit to the Department.

Please respond to this notice, *in writing*, **no later than May 1, 2023** stating 1) PHA's compliance with proof of the return of the *administrative fee* funds or options 2 or 3 above. Failure to send the HCV debt collection/repayment agreement (DCRA) point of contact a response by that date may be subject to administrative actions stated below.

> *Failure to make payment to HUD within 30 days or respond to this notice will result in your account being declared delinquent. All accounts found delinquent will be subject to default processing and will be referred to the Chief Financial Officer (CFO) and/or Departmental Claims Collection Officer (DCCO) and may be referred to the U.S. Treasury Department Debt Collections in accordance with the Office of Management and Budget (OMB) Circular A-129 Policies for Federal Credit Programs and Non-Tax Receivables and HUD Debt Collections Handbook. Please note that delinquent accounts may be subject to additional administrative actions and charges such as sanction of administrative fees, penalties, and interest charges from the date of notice of restricted funds owed HUD.*

There are three (3) ways to make payment. Here are the three (3) different ways funds can be sent to the Fort Worth Accounting Center:

1. A check, money order, or cashier's check along with correspondence (including the grant number where the funds should be returned) can be sent to the below HUD lockbox address - Make checks/money orders/cashier's checks payable to: HUD-FAD Collections Ft Worth:

   Lockbox Mailing Address:

   Housing and Urban Development (HUD)
   HUD FAD Collections – Ft. Worth
   P.O. Box 6200-05
   Portland, OR 97228-6200
   Memo Notation: **"Repayment to Treasury; CA071 CARES Act administrative Fees – Increment Number CA071AF0132/0133"**

Lockbox Mailing Address:

Housing and Urban Development (HUD)
HUD FAD Collections – Ft. Worth
P.O. Box 6200-05
Portland, OR 97228-6200
Memo Notation: **"Repayment to Treasury; CA071 CARES Act administrative Fees – Increment Number CA071AF0132/0133"**

2. Use this pay.gov form link: https://www.pay.gov/public/form/start/76749239 This link states a ONAP grant repayment but, you also can process other grant (e.g., OHVP) program repayments and other miscellaneous payments to HUD. The "Grant Number" (e.g., **Increment Number CA071AF0132/0133**) field must have at least 11 characters (numbers and/or letters) for it to be valid. You may put your Section 8 Subsidy Contract Number in the "Grant Number" field. One can send at minimum $100 and maximum $5,000,000 through pay.gov. We have not used the pay.gov option previously, but you might want to include the same memo notation (options 1 & 3) to ensure proper posting.

3. Your bank can send a wire. There's no minimum or maximum dollar amount you can send in a wire.

   Bank Name: U.S. Treasury FRB New York
   Bank Address: New York, NY
   ABA Routing Number: 021030004
   Beneficiary: D
   Account Number: 86011101
   Account Holder: U.S. Department of HUD (Ft Worth, TX)
   Memo Notation: **"Repayment to Treasury; CA071 CARES Act administrative Fees – Increment Number CA071AF0132/0133"**

You **must** include the Increment Number and statement that this is repayment of CARES Act ***administrative fees*** for the payment(s) to be properly processed. The funds will be received by HUD, processed, and sent to the Treasury. We would appreciate being copied when you return the funds (e.g., copy of check and/or wire confirmation).

*Remainder of page left blank intentionally*

**Please respond no later than May 1, 2023**. If you have any questions, please contact me at (865) 474-8251 or yvonne.c.stevens@hud.gov

Sincerely,

Yvonne C. Stevens

Yvonne C. Stevens
Sr Quality Assurance Specialist
Debt Collection/Repayment Agreement Team

cc: Ms. Emma Sharif, Board Chairperson
Meena Bavan, PIH Director, Los Angeles Field Office (9DPH)
Diane Chan, Team Lead, Financial Management Center (FMC)
Financial Management Division (FMD)
Branch Chief, Ft Worth Accounting Center (FWAC), Office of Chief Financial Officer (OCFO), Accounts Receivable Branch

# APPENDIX A

If your agency responds it has financial difficulty to make the complete payment in 30 days, a debt repayment agreement is required. If you plan to enter into a Repayment Agreement, please provide the following information along with your response.

The required documents submitted **must** be as of the *most current closed monthly accounting cycle:*

- **Entity wide** balance sheet
  - Must show clear delineation between programs/projects
  - Must show Unrestricted Net Position (UNP) and Restricted Net Position (RNP) balances
  - Cash/investment balances must represent true cash available to each program/project
    - If a common checking account or revolving fund (capital account) is used, monthly reconciliation of cash must take place. This means the cash balances recorded on the balance sheet under each program should reflect the actual share of cash of that program as if no common checking or revolving fund existed.
- **Entity wide** income statement
  - Must show clear delineation between programs/projects
- Bank statements and their reconciliations (for ***ALL*** programs including **non-federal resources**)
  - All investment records showing all cash and investments available to the PHA
  - Separation of funds between programs should be reflected on the balance sheets
- Housing Choice Voucher Program Latest Final "Monthly" Trial Balance
- Explanation for any current and non-current "other" liabilities (HCV only).
- Explanation for any inter-program transfers remaining un-cleared at month end
  - Due To
  - Due From