



STATE OF CALIFORNIA  
**AGREEMENT SUMMARY**

STD 215 (Rev. 04/2020)

<b>AGREEMENT NUMBER</b> <b>22-OORHC-00001</b>	<b>AMENDMENT NUMBER</b>
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12. AGREEMENT

AGREEMENT	TERM FROM	TERM THROUGH	TOTAL COST OF THIS TRANSACTION	BID, SOLE SOURCE, EXEMPT
Original	Upon HCD appr	11/01/2025	\$1,949,853.00	Exempt
<input type="checkbox"/> + <input type="checkbox"/> - Amendment 1				
<input type="checkbox"/> + <input type="checkbox"/> - Amendment 2				
<input type="checkbox"/> + <input type="checkbox"/> - Amendment 3				
<b>TOTAL</b>			\$1,949,853.00	

13. BIDDING METHOD USED

- Request for Proposal (RFP) *(Attach justification if secondary method is used)*
 Use of Master Service Agreement  
 Invitation for Bid (IFB)
  Exempt from Bidding *(Give authority for exempt status)*
 Sole Source Contract *(Attach STD. 821)*  
 Other *(Explain)* SCM Vol. 1, 5.80, B.2.b

*Note: Proof of advertisement in the State Contracts Register or an approved form STD. 821, Contract Advertising Exemption Request, must be attached*

14. SUMMARY OF BIDS *(List of bidders, bid amount and small business status) (If an amendment, sole source, or exempt, leave blank)*

15. IF AWARD OF AGREEMENT IS TO OTHER THAN THE LOWER BIDDER, EXPLAIN REASON(S) *(If an amendment, sole source, or exempt, leave blank)*

16. WHAT IS THE BASIS FOR DETERMINING THAT THE PRICE OR RATE IS REASONABLE?  
 N/A

17a. JUSTIFICATION FOR CONTRACTING OUT *(Check one)*

- Contracting out is based on cost savings per Government Code 19130(a). The State Personnel Board has been so notified.
  Contracting out is justified based on Government Code 19130(b). When this box is checked, a completed JUSTIFICATION - CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 547.60 must be attached to this document.  
 Not Applicable (Interagency / Public Works / Other Grant )

17b. EMPLOYEE BARGAINING UNIT NOTIFICATION

- By checking this box, I hereby certify compliance with Government Code section 19132(b)(1).*

AUTHORIZED SIGNATURE	SIGNER'S NAME <i>(Print or Type)</i>	DATE SIGNED
	N/A	N/A

18. FOR AGREEMENTS IN EXCESS OF \$5,000: Has the letting of the agreement been reported to the Department of Fair Employment and Housing? <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A	22. REQUIRED RESOLUTIONS ARE ATTACHED <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A
19. HAVE CONFLICT OF INTEREST ISSUES BEEN IDENTIFIED AND RESOLVED AS REQUIRED BY THE STATE CONTRACT MANUAL SECTION 7.10? <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A	
20. FOR CONSULTING AGREEMENTS: Did you review any contractor evaluations on file with the DGS Legal Office? <input type="checkbox"/> None on file <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A	
21. IS A SIGNED COPY OF THE FOLLOWING ON FILE AT YOUR AGENCY FOR THIS CONTRACTOR? A. Contractor Certification Clauses <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A B. STD 204 Vendor Data Record <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A	
23. IS THIS A SMALL BUSINESS AND/OR A DISABLED VETERAN BUSINESS CERTIFIED BY DGS? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes SB/DVBE Certification Number: N/A	

24. ARE DISABLED VETERANS BUSINESS ENTERPRISE GOALS REQUIRED? *(If an amendment, explain changes if any)*  
 No *(Explain below)*  Yes \_\_\_\_\_ % of Agreement  
 N/A - Grant Agreement with no opportunity for subcontractor

25. IS THIS AGREEMENT (WITH AMENDMENTS) FOR A PERIOD OF TIME LONGER THAN THREE YEARS?  
 No  Yes *(If Yes, provide justification below)*

SCO ID:

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*I certify that all copies of the referenced Agreement will conform to the original agreement sent to the Department of General Services.*

SIGNATURE <b>Diana Malimon</b> 	NAME/TITLE ( <i>Print or Type</i> ) Diana Malimon/Contracts Analyst	DATE SIGNED Mar 17, 2023
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Digitally signed by Diana Malimon  
Date: 2023.03.17 15:26:52 -07'00'

SCO ID:

STATE OF CALIFORNIA

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**JUSTIFICATION - CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 547.60**

In the space provided below, the undersigned authorized state representative documents, with specificity and detailed factual information, the reasons why the contract satisfies one or more of the conditions set forth in Government Code section 19130(b). Please specify the applicable subsection. Attach extra pages if necessary.

N/A

*The undersigned represents that, based upon his or her personal knowledge, information or belief the above justification correctly reflects the reasons why the contract satisfies Government Code section 19130(b).*

SIGNATURE	NAME/TITLE(Print or Type)	DATE SIGNED	
PHONE NUMBER	STREET ADDRESS		
EMAIL	CITY	STATE	ZIP

**EXHIBIT A****AUTHORITY, PURPOSE, AND SCOPE OF WORK****1. Authority & Purpose**

The California Department of Housing and Community Development (hereinafter “Department” or “HCD”) is the lead and responsible entity for administering the Community Development Block Grant – Disaster Recovery (hereinafter “CDBG-DR”) funds appropriated under the Supplemental Appropriations for Disaster Relief Requirements (Appropriations Act), under United States Public Laws 115-56, 115-123, 115-254, and 116-20 to provide assistance in long-term recovery from the following 2017 and 2018 qualified federally declared natural disasters: DR-4344, DR-4353, DR-4382, and DR-4407.

**2. Scope of Agreement****A. Grant Funds**

Subject to the terms and conditions of this Standard Agreement (hereinafter “Agreement”), the Department has allocated and agrees to provide grant funds in the maximum amount identified in Exhibit B, Section 1 – Budget herein to the subrecipient identified as “Contractor” on page 1, Section 1 of the STD 213 form (hereinafter “Subrecipient”) for all Work (defined below) identified in this Agreement (hereinafter “Subrecipient Award”). All payments made to the Subrecipient will adhere to the provisions described in Exhibit B herein. In no instance shall the Department be liable for any costs in excess of this amount, nor for any unauthorized or ineligible costs or expenses.

**B. Implementation of Agreement**

By entering into this Agreement and thereby accepting the Award of grant funds, the Subrecipient agrees to comply with and implement this Agreement in a manner satisfactory to the Department and HUD and consistent with all applicable laws, regulations, policies and procedures as may be required from time to time as a condition of the Department providing the grant funds, including but not limited to, all applicable CDBG-DR Program Administration and Compliance requirements set forth by this Agreement, and in accordance with the Application documentation previously provided by the Subrecipient and made a part hereof. The Department’s providing of grant funds under this Agreement is specifically conditioned on Subrecipient’s compliance with this provision and all terms and conditions of this Agreement, as well as the final Program policies and procedures, once completed, and the most recently published version of the Department’s CDBG-DR Action Plan for 2017 disasters (<https://www.hcd.ca.gov/community-development/disaster-recovery->

**EXHIBIT A**

[programs/cdbg-dr/docs/March-2019-HCD-CDBG-DR-ActionPlan-APPROVED.pdf](#)) and for 2018 disasters ([https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/cdbg-dr-2018/docs/HCD-CDBG-DR-2018\\_AP-Final-ADA-English.pdf](https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/cdbg-dr-2018/docs/HCD-CDBG-DR-2018_AP-Final-ADA-English.pdf)) and any amendments thereto, related Federal Register notices, and the requirements of the authorities cited above, as the same may be amended from time to time.

This Agreement is subject to written modification and termination as necessary by the Department in accordance with requirements contained in any future state or federal legislation and/or state or federal regulations. All other modifications must be in written form and approved by both parties.

**3. Subrecipient Scope of Work**

- A.** The Subrecipient shall provide the funded housing counseling activities (hereinafter “Work”) as described in 24 CFR, part 214 to ReCoverCA Homeowner Assistance program clients to assist them in improving their housing conditions and in meeting the responsibilities of tenancy or homeownership, as well as assisting clients in determining if rebuilding, homeownership, or tenancy is the best outcome for them. The housing counseling activities shall consist of:
- i. **Counseling.** The Subrecipient must offer and be able to provide counseling, as opposed to just education, to current and potential homeowners or tenants to assist them in improving their housing conditions and in meeting the responsibilities of homeownership or tenancy. Participating agencies must provide counseling on the topics outlined in Section 3(D) herein.
  - ii. **Education.** All Subrecipients that offer group educational sessions must also offer individual counseling on the same topics covered in the group educational sessions.
  - iii. **Setting/Format.** HCD will refer clients to the Subrecipient based on where, geographically, the client is currently located. Counseling services may take place in the office of the Subrecipient, at an alternate location (for example at a public library), or through an alternative format, as long as the alternative format or location is mutually acceptable to the housing counselor and client. Alternative formats can include telephonic counseling or remote counseling systems designed using virtual meeting technology such as Skype, Teams, Zoom, etc., video cameras and the internet. Virtual meeting technology systems can also be used to deliver group education workshops and sessions. If a referred client requests in-person counseling in a geography outside of the in-person geographic service area specified by the Subrecipient in Exhibit F, the Subrecipient

**EXHIBIT A**

will immediately inform HCD and HCD shall refer the client to a housing counseling service provider that provides in-person services in the client's geographic area.

- iv. Work Plan. A Subrecipient must be in compliance with the scope of work as described in Section 3(D) herein as well as the approved work plan set forth in the Subrecipient's application included in the Agreement herein labeled Exhibit F. The Subrecipient shall deliver housing counseling services consistent with the Subrecipient's housing counseling work plan which must address all items listed here in Section 3.
- v. Geographic Scope. For the purposes of this Agreement, the Subrecipient has specified in their response to the Housing Counseling Notice of Funding Availability (NOFA), herein and set forth in Exhibit F, the geographic scope they will provide in-person services and remote services in and must provide all Work in those areas.
- vi. Civil Rights. The Subrecipient must administer their housing counseling programs in accordance with and remain in compliance with all corresponding State and Federal regulations and guidance and the following nondiscrimination regulatory and legislative requirements:
  - a. Title VI of the Civil Rights Act of 1964,
  - b. Title VIII of the Civil Rights Act of 1968,
  - c. Executive Order 11063,
  - d. Section 504 of the Rehabilitation Act of 1973,
  - e. The Age Discrimination Act of 1975
  - f. Americans with Disabilities
  - g. Title IX of the Education Amendments of 1972.
  - h. The Fair Employment and Housing Act (federal)
  - i. The Unruh Civil Rights Act of 1959
  - j. California Fair Employment and Housing Act

The California requirements expand upon the federal requirements and are designed to prevent discrimination in the delivery of benefits and services because of race, color, religion, sex/gender, gender identity, gender expression, sexual orientation, marital status, medical condition, military or veteran status, national origin, ancestry, disability (mental and physical), genetic information, or age (over 40).

- vii. Fair Housing. In accordance with Section 808(e)(5) of the Fair Housing Act, the Subrecipient must affirmatively further fair housing for classes protected under the Fair Housing Act (Protected classes include race,

**EXHIBIT A**

color, national origin, religion, sex, disability, and familial status.) the Subrecipient is expected to help remedy discrimination in housing and promote fair housing rights and fair housing choice.

- viii. Accessibility and Facilities. In accordance with 24 CFR 214.103 the Subrecipient, its branches, affiliates, and sub-grantees must (1) Have a clearly identified office, with space available for the provision of housing counseling services. The office should operate during normal business hours and offer extended hours when necessary; (2) Provide privacy for in-person counseling and confidentiality of client records; (3) Provide accessibility features or make alternative accommodations for persons with disabilities, in accordance with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), 24 CFR parts 8 and 9, and the Americans with Disabilities Act (42 U.S.C. 12101 et seq).
- ix. Religious Discrimination and Influence. The Subrecipient and their affiliates and branches are prohibited from:(1) discriminating on behalf of or against any segment of the population in the provision of services or outreach, including those of other religious affiliations; and, (2) requiring religious instructions or religious counseling, conducting mandatory religious services or worship, engaging in religious proselytizing, and exerting religious influence in the provision of assistance under the Subrecipient's or its affiliate's or branch's housing counseling Work.
- x. Limited English Proficiency (LEP). The Subrecipient must make reasonable efforts to provide language assistance to persons who are LEP. See guidance in "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons" published in the Federal Register on January 22, 2007, or an updated version, to determine the extent of the assistance the Subrecipient should offer based on the client's circumstances.

All clients referred to the Subrecipient by the ReCoverCA Homeownership Assistance program must be served. In cases where the Subrecipient does not offer the unique services requested by the client, is unable to communicate effectively with the client or does not have sufficient resources, the Subrecipient must inform the ReCoverCA Homeownership Assistance program immediately.

- B. Client Intake.** The Subrecipient's housing counselor(s) or administrative staff who is/are trained in requirements of the Privacy Act may obtain basic information to determine if the Subrecipient can assist a client referred by the

**EXHIBIT A**

ReCoverCA Homeownership Assistance Program, schedule an appointment with a housing counselor or refer the potential client to other resources. This client intake process is not housing counseling.

- C. Information Dissemination and Correspondence.** In accordance with 24 CFR 8.6 (Effective Communication and 214.103(l)(3)), Subrecipients should indicate on correspondence materials disseminated to clients and prospective clients how to access information through alternative means if they have an impairment, disability, or language barrier, etc. For example, written communications may include instructions on how to contact the Subrecipient via TTY, Relay services or access translation or interpreter services. Additionally, written communication should ask clients and prospective clients whether they need assistance for mobility impairments, visual or hearing impairments or other disabilities.
- D. Counseling Services.** In order for a client to be classified as counseled under HUD's Housing Counseling program, the client must receive all of the basic services outlined in 24 CFR §214.300(6)(b) and Items i – iv below. A housing counselor must perform and document these activities.
- i. Housing counseling. The client must have received counseling on at least one of the topics described in subparagraph I below that enables them to make informed and reasonable decisions to achieve his or her housing goal.
  - ii. Discussion of Alternatives. Counseling must include a reasonable discussion of alternatives and options available to the client. To accomplish this, counselors may discuss specific products, features, properties or programs.

For example, this type of discussion may occur if a recipient of pre-purchase counseling asks questions about a specific loan product or feature, or if the counselor feels that having information about a specific product, feature, property or program is in the best interest of the client.

However, if a counselor discusses specific products, features, properties or programs, they must provide at least three reasonable and comparable alternatives. Therefore, in the example provided the counselor should have given the client the opportunity to consider products from at least three different lenders.

Additionally, when discussing specific loan products or features, at least one of the alternatives discussed by the counselor must be Federal Housing Administration (FHA) products or features, the Federal Government's safe and affordable options for home finance.

**EXHIBIT A**

Counselors must not advise clients, or promote specific products, features or programs. Their role is to simply make counseling recipients aware of their options and empower them with the information they need to help them make smart choices. Any discussion of alternative options should be documented in client files.

- iii. Action Plan. Housing counselors and clients must establish an action plan. The action plan outlines what the housing counselor and the client will do in order to meet the client's housing goals and, when appropriate, addresses the client's housing problem(s).
  - iv. Financial Analysis. Every housing counseling session requires an analysis of the client's unique financial situation. This includes but is not limited to:
    - a) A review of the client's income, expenses, spending habits, home values and use of credit.
    - b) A comparative analysis of the client's spending habits to determine if the client's habits are more suitable for renting than owning.
    - c) The establishment of a household budget that the client can afford.
- E. Referrals.** If a Subrecipient is unable to provide a service and the Subrecipient is aware of a local, state, and federal resource that would help meet the client's needs, the Subrecipient should make the ReCoverCA Homeownership Assistance program aware of this and make referrals to such resources. Referrals made by counselors should be documented in the client file. Examples of referrals may include social service programs, energy assistance programs, fair housing agencies, legal services, etc. In no event or circumstance will the Department have any liability to the client or any other party for any referrals made by the Subrecipient.
- F. Follow-up.** Subrecipients must make a reasonable effort to have follow-up communication with the client, to assure that the client is progressing toward his or her housing goal, to modify or terminate housing counseling, and to learn and report outcomes. Client follow-up should be conducted by a qualified housing counselor. Per the most recently published version of the ReCoverCA Housing Counseling Policies and Procedures.
- G. Client File.** Set up a confidential client file documenting the activities required by this Work in accordance with applicable HUD approved housing counseling program requirements.

**EXHIBIT A**

**H. Termination of Counseling.** In alignment with Sections F and G, herein, the Subrecipient must document in the client's file when housing counseling services are terminated. The housing counselor must notate the client's file with the date and cause/explanation of termination. Client files must not remain open indefinitely. All terminations of counseling must follow the requirements as set forth in the most recently published version of the ReCoverCA Housing Counseling Policies and Procedures and associated federal requirements for contact attempts, form of contact attempts and documentation.

**NOTE:** Pursuant to Exhibit B, Section 3A, if the Subrecipient does not have any client contact within a 90-day period, the Subrecipient must not bill or count the nonresponsive client as an active file against any future billing periods.

The Subrecipient should not bill a client file against this ReCoverCA Housing Counseling Grant or continue to count the file as activity under the grant solely because the Subrecipient maintains the file in an open status. Actual counseling, education, preparation, or follow-up activity must occur to justify billing the ReCoverCA Housing Counseling Grant. If a client file remains open over multiple reporting cycles or quarters, the initial counseling or education activity is only billed once against the Housing Counseling Grant, in the quarter it occurred. Even if follow-up occurs in the next billing cycle, it is still a part of the initial counseling interaction already recorded in the previous quarter and must not be counted again. The Subrecipient can, however, bill the grant for follow-up activity that occurs as part of subsequent sessions.

**Termination of counseling occurs or may occur under any of these conditions:**

1. The client meets his or her housing need and the client has been referred to the appropriate ReCoverCA Homeownership Assistance program, or along with the client, determines, tenancy is the best housing option;
2. The Subrecipient determines that further housing counseling will not meet the client's housing need or resolve the client's housing problem;
3. The Subrecipient attempts to, but is unable to locate the client;
4. The client does not follow the agreed upon action plan;
5. The client otherwise terminates housing counseling;
6. Client fails to appear for housing counseling appointments or fails to respond to Subrecipient inquiries concerning the client's progress in resolving his or her housing need or problem within the timeframe and protocols set forth in the most recently published version of the ReCoverCA Housing Counseling Policies and Procedures; or
7. Other circumstances beyond the participating Subrecipient's or client's control such as a natural disaster that might prevent continuation of counseling.

**EXHIBIT A**

I. Approved Housing Counseling, Education topics. The following are examples of approved housing counseling, education topics that the Subrecipient may provide to, and discuss with, clients:

- i. Pre-Purchase/Home Buying/Home Reconstruction. This includes but is not limited to: advice regarding readiness and preparation for maintaining homeownership following reconstruction, and/or new homeownership; Federal Housing Administration insured financing; housing selection and mobility; search assistance; fair housing, fair lending and predatory lending; budgeting and credit; loan product and feature comparison; purchase procedures and closing costs; money management (does not include debt management plan programs); selecting a real estate agent; and home inspection. Home maintenance and financial management for homeowners including the preservation of accessible housing features.

This also may include guidance on: alternative sources of mortgage credit; down payment assistance; locating housing that provides universal design and visibility; how to apply for special programs available to potential homebuyers; how to purchase a home using the Section 8 Homeownership Voucher Program; and referrals to community services and regulatory agencies.

Additionally, for homeownership or tenancy, counseling must include guidance on homeowner and rental insurance for multiple perils and/or standalone fire insurance such as the California Fair Plan. Counseling will include the different coverage levels and features including value coverage, replacement coverage, extended replacement coverage, and additional living expenses coverage, as well as providing information on what the different coverages mean in terms of the ability to recover from another fire or disaster, what the cost is, and how that cost may impact the client's finances.

- ii. Resolving or Preventing Mortgage Delinquency or Default. This includes but is not limited to the consequences of default and foreclosure; loss mitigation, budgeting, and credit; restructuring debt; obtaining re-certification for mortgage subsidy; and establishing reinstatement plans. It may also include helping clients affected by predatory lending; foreclosure prevention strategies; explaining the foreclosure process; providing referrals to other sources; and assisting clients with locating alternative housing.

The earlier that the housing counselor and lender establishes contact with the client, identifies the cause of default and begins to discuss reinstatement options, the more likely it is that the default will be cured,

**EXHIBIT A**

and the homeowner will be able to retain ownership. Efforts to assist the client should ideally begin as soon as the loan becomes delinquent. The housing counselor should conduct follow-up housing counseling with the client on an as-needed basis until the default is corrected or the mortgage lender completes foreclosure, and the client has found alternate housing.

- iii. Non-Delinquency Post-Purchase, including Improving Mortgage Terms and Home Improvement. Home maintenance and financial management for homeowners, including, but not limited to: escrow funds; budgeting; refinancing; home equity; home improvement; insurance costs; utility costs; energy efficiency; and rights and responsibilities of home owners.

It may also include: loan and grant options; housing codes and housing enforcement procedures; accessibility codes and how to design features to provide accessibility for persons with disabilities; non-discriminatory lending and funding for persons who modify their dwellings to accommodate disabilities; visibility and universal design; how to specify and bid construction work; and how to enter into and manage construction contracts including actions to address the non-performance of contractors.

- iv. Locating, Securing, or Maintaining Residence in Rental Housing. This refers to rental topics including, but not limited to: HUD rental and rent subsidy programs; other federal, state, or local rental assistance; fair housing; housing search assistance; landlord tenant laws; lease terms; rent delinquency; budgeting for rent payments and renters insurance; and providing assistance with locating alternate housing.
- v. Homeless Assistance. This includes but is not limited to information regarding emergency shelter; other emergency services; and transitional housing.

**J. Fair Housing and Other Civil Rights Requirements and Guidance****i. Nondiscrimination under 24 CFR §§ 5.105 and 214.503**

Pursuant to 24 CFR § 214.503, all participating agencies must comply with HUD's general nondiscrimination and equal opportunity requirements at 24 CFR § 5.105. For additional information on fair housing, please visit the Office of Fair Housing and Equal Opportunity (FHEO) on HUD's website at [www.hud.gov](http://www.hud.gov).

- ii. **Promoting Fair Housing and Protecting Civil Rights.** All participating agencies must take reasonable steps to affirmatively further fair housing and to ensure that persons are not denied housing counseling services or

**EXHIBIT A**

treated differently on the basis of race, color, sex, religion, national origin, disability, or familial status:

- iii. **Identify Impediments to Fair Housing Choice.** Participating agencies should review the Consolidated Plan and Analysis of Impediments (AI) that cover the jurisdictions in their service area. Another activity that participating agencies may undertake to identify barriers to fair housing choice is a review of their own policies, procedures, and facilities to see if they pose barriers to particular groups receiving housing counseling services.
- iv. **Fair Housing Counseling and Education Activities.** The following are examples of fair housing counseling, education, and outreach topics that participating agencies may provide to, and discuss with, clients in accordance with HUD's regulations at 24 CFR § 214.300 – especially clients in groups that have experienced impediments to fair housing choice:
  1. **Pre-purchase/Home buying--** including, but not limited to: advice regarding readiness and preparation, fair housing rights of clients, identifying housing and lending discrimination and predatory lending;
  2. **Resolving or preventing mortgage delinquency--** including, but not limited to: default and foreclosure, rights of clients, identifying discriminatory or predatory loan terms, loss mitigation, budgeting, and credit;
  3. **Home maintenance and financial management for homeowners--** including, the preservation of accessible housing features; and
  4. **Rental topics--** including, but not limited to: HUD rental and rent subsidy programs; other federal, state or local assistance; fair housing laws; housing search assistance; landlord tenant laws; lease terms; rights of Subrecipients and clients, rent delinquency; reasonable accommodations and modifications for persons with disabilities.
- v. **Responsibilities of intermediaries and sub grantees---** HUD funded grant recipients are obligated under various laws not to discriminate in housing or services directly or indirectly based on race, color, religion, sex, national origin, familial status, or disability. HUD regulations further require that recipients of Federal financial assistance comply with Civil Rights-Related Program Requirements (CRRPRs) that affect nearly every aspect of each program. The Subrecipient must adhere to these CRRPRs whether they receive Federal financial assistance or not as a condition of their participation in ReCoverCA Housing Counseling Program.) All intermediaries and sub grantees are held to the same nondiscrimination and equal opportunity responsibilities of direct recipients of ReCoverCA

**EXHIBIT A**

Housing Counseling Services program funds or resources, including but not limited to:

1. Maintaining records and actions taken.
2. Training of staff with applicable civil rights laws and their applications.
3. Counseling and Education and Activities.

Contracts and agreements between the Subrecipient and their affiliates or sub grantees, if any, must include terms to this effect.

- vi. **How to File a Discrimination Complaint with HUD.** For complaints under the Fair Housing Act (42 U.S.C. § 3601, *et seq.*) (nondiscrimination because of race, color, national origin, sex, religion, disability, or familial status), clients of the Subrecipient and the ReCoverCA Homeownership Assistance program may file a discrimination complaint if they believe that they have been subjected to unlawful discrimination. The Subrecipient or a client's representative may file a complaint on the client's behalf. For complaints filed with HUD, the complaint must be filed no later than one year after the last alleged discriminatory act occurred.

If a Subrecipient has a client that needs fair housing assistance the Subrecipient should refer the client to a state, county, or municipal fair housing agency. Discrimination complaints that arise in a jurisdiction that administers a law that HUD has certified as substantially equivalent to the Fair Housing Act will be referred by HUD to the respective state or local government agency. For these certified agencies, the statute of limitations for filing a complaint may vary. For other civil rights complaints such as: Title VI of the Civil Rights Act, 42 U.S.C. § 2000d *et seq.*, (prohibits discrimination on the basis of race, color, and national origin, codified at 24 C.F.R. part 1); **Section 504 of the Rehabilitation Act of 1973** (prohibits discrimination based on disability in any program or activity receiving federal financial assistance, codified at 24 C.F.R. part 8); and Executive Order 11063 (prohibits discrimination on the basis of race, color, religion, national origin and sex, codified, 24 C.F.R. part 107), clients of participating agencies may file a discrimination complaint if they believe that they have been subjected to unlawful discrimination. Participating agencies or a client's representative may file a complaint on the client's behalf.

Complaints filed pursuant to Title VI of the Civil Rights Act and Section 504 of the Rehabilitation Act of 1973 shall be filed within 180 days of the alleged act of discrimination, unless the time limit is extended for good cause shown. Complaints filed pursuant to Executive Order 11063 must

**EXHIBIT A**

be filed within one year of date of the alleged act of discrimination unless the time for filing is extended by the Assistant Secretary for FHEO.

HUD offers multiple ways to file a complaint. The client, Subrecipient or a representative may: (1) File a written complaint with the nearest HUD office; or (2) Call the nearest HUD office or (3) Use the following link to access HUD's Fair Housing complaint form:

<http://www.hud.gov/offices/fheo/nov108online-complaint.cfm>. Please note that the TTY numbers listed for those offices are not toll free, or call the toll free national TTY hotline at 1-800-927-9275. Please contact HUD's Office of Fair Housing and Equal Opportunity for additional information at 1-800-669-9777 or for the hearing impaired TTY 1 (800) 927-9275. A list of HUD local offices is available at <http://www.hud.gov/complaints/housediscrim.cfm>.

- K. Industry Standards.** HCD may require, promote or incentivize the adoption of, and implementation of, housing counseling and education standards, by the Subrecipient. These standards may include minimum acceptable counseling and education content and activities, training and testing. These industry standards may be developed or implemented by HUD or by other entities and endorsed by HCD.
- L. Debt Management or Liquidation.** HCD considers debt management service as an activity related to, but apart from, the ReCoverCA Housing Counseling Program process. Negotiating payment plans with creditors and handling the client's money and making payment to the creditors for the client are usually done under a separate client-counselor contract. If the Subrecipient provides this service, the Subrecipient must assure HCD in writing that they comply with all state and local laws, including agency bonding, that govern these services. Fees charged for this service must meet HUD's guidelines and are not related to or connected in any way at all to the ReCoverCA Housing Counseling Program being funded through this Agreement. HCD recognizes that a client may enter a debt management plan as a result of housing counseling. Administration of client debt management plans is not housing counseling and must not be included in an Subrecipient's housing counseling work plan or counseling activity reporting. The Department shall have no liability or obligation of any nature arising from the provision of any debt management services to a client by a Subrecipient or any of its housing counselors.
- M. Knowledge of HUD Programs.** The Subrecipient's housing counselors must have an up-to-date working knowledge of HUD housing and fair housing programs including FHA Single Family mortgage programs.

**EXHIBIT A**

- N. Referrals to Community Resources.** The Subrecipient must have established working relationships with private and public service agencies or provide HCD with a plan to actively develop and engage local public service agencies in the geographic area the Subrecipient is completing the Work in, and commensurate with the timing of the Work as described in Exhibit F, that could assist clients, when additional services not offered by the Subrecipient are needed.
- O. Discussion of For-Profit Entities.** Helping clients resolve their housing problems may include discussing for-profit entities such as lenders or real estate professionals. If a client requests information or asks questions about a particular for-profit entity, or if the counselor feels that having information about a specific for-profit entity is in the best interest of the client, the Subrecipient may discuss the entity but must also identify and discuss a minimum of three reasonable alternative for-profit entities, if available.

In the case of lenders, the alternatives must include a discussion of FHA mortgage insurance programs and features.

**NOTE:** Counselors must not advise clients or promote specific for-profit entities. Their role is to simply make counseling recipients aware of their options and arm them with the information they need to help them make smart choices. Safeguards and disclosures must be used as described in The HUD Housing Counseling Handbook 7610.1 REV-5 Chapter 6, Paragraphs 6-1, Items F and G to avoid conflict of interest.

- P.** The Subrecipient shall perform the funded housing counseling activities described herein. All written materials or alterations submitted as addenda to the original Application, and which are approved in writing by the Department are hereby incorporated as part of the Application as set forth in Exhibit F. The Department reserves the right to require the Subrecipient to modify any or all parts of the Application in order to comply with CDBG-DR and ReCoverCA Homeownership Assistance program requirements. The Department reserves the right to monitor all Work to be performed by the Subrecipient, its contractors, and subgrantees in relation to this Agreement. Any proposed revision to the Work must be submitted in writing for review and approval by the Department and may require an amendment to this Agreement. Approval shall not be presumed unless such approval is made by the Department in writing.
- Q.** For the purposes of performing the Work, the Department agrees to provide the amount(s) identified in Exhibit B Budget. Unless amended, the Department shall not be liable for any costs in excess of the total approved budget. The Department shall not, under any conditions, be liable for any unauthorized or ineligible costs or costs not deemed reasonable and necessary by the Program (see Definitions in Exhibit D).

## EXHIBIT A

R. Housing Counseling Work carried out pursuant to this contract shall meet one of the two CDBG-DR National Objectives:

1. Benefit to Low/Moderate Income Persons; or
2. Urgent Need

S. Subrecipient shall collect data and submit reports to the Department in accordance with the reporting requirements detailed in Exhibit D.

T. If the Subrecipient uses subcontractors to carry out the Work, the Subrecipient shall monitor all housing counseling activities in accordance with the requirements of 2 CFR 200.300-200.346.

#### 4. Effective Date and Commencement of Work

A. This Agreement is effective upon approval by the Department representative's signature on page one of the fully executed Standard Agreement, STD 213 (the "Effective Date").

B. Subrecipient agrees that no Work toward the implementation of the Program activity or program activity, as identified herein, shall commence prior to the execution of this Agreement by the Department without prior written authorization from the Department .

#### 5. Term of Agreement and Performance Milestones

A. Term of Agreement:

All grant funds, including grant closeout, must be expended by: **11/01/2025, unless expressly extended by the department in writing.** If CDBG-DR activity funds are not expended by the aforementioned deadline, the Department reserves the right to disencumber the Subrecipient's Award amount in this Agreement by the amount then unspent.

This Agreement will expire on: **11/01/2025**

B. Performance Milestones: Subrecipient shall adhere to the performance milestones below. Time is of the essence with respect to all such milestones.

## EXHIBIT A

1. Subrecipient must submit monthly report data. The contents of the report shall comply with the requirements set out in Exhibit D.
2. All HCD-referred clients must be contacted within 7 calendar days from the date of referral.
3. Subrecipient will make every effort to ensure completion of the client's action plan within 90 calendar days from the date of referral. Subrecipient will report on the progress of all clients whose action plans have not been completed within 90 calendar days.

### Failure to meet performance milestones:

If any performance milestones listed above are not met, the Department reserves the right to withhold further payments to Subrecipient until such time as satisfactory progress is made toward meeting the performance measures. Subrecipient shall diligently work with CDBG-DR staff to submit: (a) a written mitigation plan specifying the reason for the delay; (b) the actions to be taken to complete the task that is the subject of the missed measure deadline; and, (c) the date by which the completion of said task will occur.

The Department reserves the right to reallocate unobligated grant funds within the CDBG-DR program, in its sole and absolute discretion if the Department determines the Subrecipient is unable to meet the performance milestones in a timely manner following the failure to meet said milestones. The Department reserves all rights and remedies available to it in case of a default by Subrecipient of its responsibilities and obligations under the terms of this Agreement. All remedies available to the Department are cumulative and not exclusive.

- C. The Subrecipient and its Contractors, as applicable, shall adhere to all Program performance and milestones as established above.

## 8. **CDBG-DR Program Contract Management**

- A. Department Contract Manager: The Department Contract Manager for this Agreement is the CDBG-DR OOR Program Manager or the Program Manager's designee. Written communication regarding this Agreement shall be directed to the Department Contract Manager at the following address:

CA Department of Housing and Community Development

## EXHIBIT A

Division of Financial Assistance – Disaster Recovery Branch  
P.O. Box 952054  
Sacramento, CA 94252-2054

- B. Contract Management: Day-to-day administration of this Agreement shall take place via Grants Network, including but not limited to:
1. Financial Reports (Funds Requests)
  2. Activity Reports
  3. Other Reports, as required
  4. Submittal of any and all requested supporting documentation
  5. Standard Agreement Issuance and Amendments
- C. Subrecipient Contract Administrator: The Subrecipient Contract Administrator (must be a Subrecipient employee) is identified in the Profile attached to Exhibit F. Unless otherwise directed by the Department, any notice, report, or other communication required by this Agreement shall be directed via Grants Network or written to the Subrecipient's Contract Administrator.

**EXHIBIT B**

**BUDGET DETAIL AND PAYMENT PROVISIONS**

**1. Budget**

- A. Budget Detail: The activity shall follow the budget as detailed in Exhibit E, Section V.
- B. Program Income: All Program Income is considered a part of state administered CDBG-DR funding and is subject to the same federal requirements for financial administration as grant awards. Program Income, including both cash-on-hand and future projected receipts, if identified as a funding source for any given activity, must be included in the activity budget and must be substantially expended prior to drawing grant award funds. Program Income must be identified separately from grant funds in the activity budget and must be broken out into activity and general administration funding, as applicable. The Department will not encumber locally administered Program Income against NOFA grant funds in the state's accounting system. Only new grant awards made under a NOFA or in conjunction with an Urgent Need application will be encumbered in the state's accounting system.

Funding in this Agreement may include, as applicable, either or both:

- 1) The total new grant award from the NOFA to be encumbered by the Department from grand funds; and/or
- 2) The total locally held Program Income acquired as a result of grant-funded activities by the Subrecipient that will **not** be encumbered by the Department.

This Agreement is for the sum total of funds to be used in the activity including grant funds and Program Income, as applicable. Program Income receipts, if applicable, must be reported no less frequently than quarterly.

- C. Other Non-State CDBG-DR Funding Sources: The Subrecipient shall report on the value of other contributions included as leverage for each activity via the Funds Request (Financial Report) required for such activity. In Grants Network, funds request is called a financial report. The Financial Reports shall be accessed

## EXHIBIT B

through Grants Network portal, the online grant management system. Disaster Recovery Grant Reporting System (DRGR), Department of Housing and Urban Development (HUD) System.

### 2. **Availability of Funds**

The Department's provision of funding to Subrecipient pursuant to this Agreement is contingent on the continued availability of CDBG-DR funds and continued federal authorization for CDBG-DR activities, as well as the conditions set forth in Exhibit D, Section 34. The Department's provision of funding is subject to amendment or termination due to lack of funds or authorization. This Agreement is subject to written modification or termination as necessary by the Department in accordance with requirements contained in any future state or federal legislation and/or state or federal regulations. All other modifications must be in written form and approved by both parties.

### 3. **Eligible Costs**

- A. No activity costs may be incurred, or funds reimbursed, until the Subrecipient has documented compliance with all applicable National Environmental Protection Act (NEPA) requirements established in 24 CFR 50, 24 CFR 58, and 42 USC 4321, et seq.

Activity Delivery costs may be incurred prior to documented NEPA and CEQA compliance. See Section 4(A)(3) below for reimbursement requirements of Activity Delivery costs.

- B. Allowable Costs: Allowable costs shall mean those necessary and proper costs under 2 CFR 200.400 through 475, and as identified in the Subrecipient's application and as detailed in Exhibit E, Section , and as approved by the Department unless any or all such costs are disallowed by the State of California or HUD. Allowable costs include necessary and proper activity and administration costs incurred prior to the execution of this Agreement. All costs incurred prior to the execution of this Agreement must be eligible to be considered allowable and suitable for reimbursement. Eligible costs must, at a minimum, be costs incurred according to the procurement requirements of 2 CFR 200.317, et seq. and be costs required for the activity in this Agreement to meet a National Objective.

**EXHIBIT B**

- C. **Priority of Funds:** The Subrecipient agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available. To the extent available, the Subrecipient must disburse funds from locally held funding intended for the same purposes prior to using CDBG-DR grant resources such as, but not limited to, Program Income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments from the grant award.
- D. **Duplication of Benefits:** Subrecipients may not use CDBG-DR funds for activities or expenditures that have been previously reimbursed or provided for by another federal, state or local agency or any other potential sources of assistance. If a duplication of funding occurs, the Subrecipient must return the CDBG-DR funds expended that resulted in the duplication.
- E. **Withholding Funds:** The Department reserves the right to withhold payments pending timely delivery of program reports or documents as may be required under this Agreement. Payments are contingent upon the Subrecipient's financial management system meeting the requirements of 2 CFR 200.302, and the internal control requirements of 2 CFR 200.303. Payment may be suspended or terminated, in whole or in part, by the Department in its sole discretion in the event of a default by Subrecipient, including without limitation, the failure of Subrecipient to meet any Performance Milestone deadlines set forth herein.
- F. **Disencumbering Funds:** The Subrecipient agrees that funds determined by the Department to be surplus upon completion of the activity, or that have not been spent by Subrecipient prior to the expenditure deadline will be subject to disencumbrance by the Department.
- G. **Indirect Costs:** If Subrecipient wishes to charge for indirect costs, the Subrecipient must develop an indirect cost allocation plan for determining the appropriate CDBG-DR share of such indirect costs and submit such plan to the Department for approval prior to submission of requests for any payments for the indirect cost expenditures.
- H. **Pre-Agreement Costs:** Pre-Agreement Costs are eligible costs incurred prior to the

## EXHIBIT B

award of funds as defined in Exhibit D, Section 1. Eligible Pre-Agreement costs as identified in Exhibit E, Section V, Project Budget, may only be reimbursed upon the full execution of this Agreement and verification that the costs meet all eligibility criteria.

The Subrecipient agrees that any Pre-Agreement costs **not** previously identified in Exhibit E, Section V, Project Budget, will **not** be paid by the Department.

- I. Administration Funds: Costs related to the management, oversight and administration of a grant-funded project are considered administrative costs under CDBG-DR. Inclusion of eligible administration costs for the Subrecipient will be at the sole discretion of the Department. The Subrecipient may request reimbursement of administration costs incurred from the administration of any project under this agreement only if included in the activity budget.

#### 4. Method of Payment

The Department will not authorize payments unless it has determined the costs incurred are in compliance with the terms of this Agreement. Financial Report through must be for a minimum of \$1,000.00, with the exception of the final funds request, which must be marked "Final". Payments will be issued to the agency identified on the Taxpayer Identification Form (TIN) provided by the Subrecipient to the Department.

- A. Reimbursements: The Department will reimburse the Subrecipient its allowable costs for the services identified in this Agreement in Exhibit E, Section V, upon presentation of invoices which Subrecipient certified are true and correct copies of payments due on behalf of the Subrecipient for the activity covered by this Agreement and made in accordance and compliance with Exhibit A, Scope of Work. The Subrecipient may not request reimbursements under this Agreement until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed.
  - 1) To receive reimbursement for grant activities, including reimbursement for eligible Pre-Agreement costs, the Subrecipient must submit a "Reimbursement Request," which shall include all Department required forms as according to the applicable deadlines. Financial Reports and

## EXHIBIT B

Activity Reports are to be submitted once per month.

Activity Reports capture milestones and the progress of the reporting period. Financial Reports shall include the level of documentation specified by the Department, including proof of expenditure, and proof of cost eligibility. Subrecipients must submit documentation supporting cost amounts and cost eligibility with each funds request as part of the Financial Report.

- 2) Subrecipients shall submit funds requests (Financial Reports), as defined in 1(C), according to the schedule selected above. If no funds have been expended, the Subrecipient shall provide a description of work completed and an explanation of why no funds have been expended.
  - 3) Financial Reports shall be paid only after such costs are incurred for Work completed, provided the Department determines that the Project Milestones (see Exhibit E) in this Agreement are on track. Subrecipient may expend up to the indicated Activity Delivery amount as identified in Exhibit E.
- B. Advances: The Subrecipient must receive prior written approval from the Department before submitting an advance request. All advances are subject to the Department's consent, which may be given or withheld on its sole discretion. No advances will be issued prior to full Agreement execution.
- C. Final Payment Requests:
- 1) Funds Requests (Financial Report): All requests for final reimbursement must be submitted through Grants Network before the Expenditure Deadline referenced in Exhibit A, Section 4 of this Agreement.
  - 2) Reimbursement of Advance Payment: The last advance payment must be submitted to the Department through Grants Network no later than sixty (60) days prior to the Expenditure Deadline of this Agreement.
  - 3) Return of Unexpended Funds: All funds received in advance by the

## EXHIBIT B

Subrecipient but not expended by the Expenditure Deadline must be accounted for and returned to the Department within thirty (30) days after the Expenditure Deadline. Funds shall be returned in accordance with the current State CDBG-DR Grants Management Manual. All returned funds will be disencumbered and unavailable to Subrecipient.

- 4) **All Funds Not Previously Requested:** If the final funds disbursement request for costs expended during the term of this Agreement has not been received by the Department before the Expenditure Deadline, and the Subrecipient has not requested an extension per Exhibit A Section 4, (Term of Agreement and Performance Milestones), the Department may disencumber any funds remaining and such grant funds will no longer be available for the Subrecipient.
- 5) **Recapture of Improper Payments:** If any review of funds disbursement determines that payment was made for ineligible expenses, pursuant to this Agreement, the amount of CDBG-DR funds provided to reimburse the expenses must be recaptured by the Department. The reasons for a recapture of funds by the Department include, but are not limited to, the following:
  - The Subrecipient does not comply with the terms of this Agreement or any agreement executed by the Subrecipient and the Department in connection here with;
  - The Subrecipient withdraws from the Program prior to completion of the Approved Project(s); and/or
  - The Subrecipient fails to meet a National Objective as defined under 24 CFR § 570.208

The Subrecipient must return the amount determined ineligible by the Department no less than thirty (30) days from the written notification. The potential recapture of funds pursuant to this provision is in addition to, and not in lieu of, any other rights and remedies of the Department under this Agreement (see also Exhibit D, Section 4).

### 5. **Budget Revisions and Amendments**

Budget line item adjustments may be made in accordance with the following:

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)  
NOFA Date: 9/1/2021  
Approved Date: 6/22/22  
Prep. Date: 6/29/22

## EXHIBIT B

- A. Budget Revisions: Adjustments to the Budget that do not require an increase or reduction of total activity budget, a change in National Objective, or a change in the type or a reduction in number of beneficiaries assisted may be completed as a Budget Revision. Budget Revisions shall include but not be limited to:
- 1) Adjustments that reallocate funds between budget line items, including between Administration funding, activity funding, and Program Income resources, including both Program Income cash on hand, and Program Income projected receipts, but that otherwise does not change the overall budget total, the scope of work, the National Objective, and type and count of estimated beneficiaries. Reallocations involving Administration funding are subject to applicable Administration caps identified in the Notice of Funding Availability.
  - 2) Adjustments that increase or decrease the detail included in the submitted lined item budgets, including adding and removing budget line items, without increasing or decreasing the scope of work and without changing the overall budget.

Budget Revisions must be approved by the Department in its sole discretion prior to implementation. Submission and approval for budget revision shall be executed either through HCD's Grants Network system, or in writing, as appropriate. If approved, Budget Revisions shall automatically be deemed a part of, and incorporated into, this Agreement.

- B. Budget Amendments: Adjustments to the Budget that result in an increased or a reduced total activity budget shall require a Contract Amendment. Contract Amendments must be fully executed by both the Subrecipient and the Department prior to implementation. Adjustments may not be implemented prior to execution unless the Department has provided written notice authorizing the Subrecipient to proceed.

## 6. Grant Closing Requirements

- A. Expenditure Deadline:
- 1) All Program funds shall be expended no later than the Expenditure Deadline as defined in Exhibit A, Section 5A. All requests for funds must be submitted no later than 30 days prior to the Expenditure Deadline.
  - 2) The Final Financial Report for the activity must be marked final and submitted before the Expenditure Deadline. Financial Reports submitted

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)

NOFA Date: 9/1/2021

Approved Date: 6/22/22

Prep. Date: 6/29/22

**EXHIBIT B**

after the Expenditure Deadline will not be eligible for reimbursement.

Closeout Procedure: The Subrecipient must submit the following at the completion of the activity:

- 1) A Final Activity Report that includes all required reporting data for the activity;
- 2) A filed Notice of Completion (if applicable);
- 3) Evidence, satisfactory to the Department, of compliance with any and all other Special Conditions of this Agreement as set forth in Exhibit E hereto; and,
- 4) A resolution from the governing body acknowledging the accomplishments of the activity and confirming that the activity is complete and that all outstanding funds have been reimbursed by the Department.

If the Subrecipient identified an extended reporting period will be required to meet the National Objective for the activity in the Application, the above closeout requirements shall be submitted upon the completion of the activity, or within twenty-four (24) months after the Expiration Deadline, whichever comes first. If no extended reporting period is required, the above closeout requirements shall be submitted within thirty (30) days after the Agreement's Expenditure Deadline. Upon receipt of the above documentation, the Department will close out this Agreement and finalize the activity in DRGR for final reporting to HUD.

## EXHIBIT D

### CDBG-DR PROGRAM TERMS AND CONDITIONS

#### 1. Definitions

- A. "Activity" means one of the following HUD eligible activities as per 42 U.S.C. 5305, 24 CFR 570.482, or as identified within the applicable waivers and alternative requirements provided in the applicable Federal Register Notice.
- 1) Acquisition (§ 5305 (a)(1))
  - 2) Public Improvements (§ 5305 (a)(2))
  - 3) Public Facilities (§ 5305 (a)(2) and (5))
  - 4) Code Enforcement (§ 5305 (a)(3))
  - 5) Housing Rehabilitation (§ 5305 (a)(4))
  - 6) Public Services (§ 5305 (a)(8))
  - 7) Planning and Technical Assistance (Section 105(a)(12), (14) and (19))
  - 8) Business Financial Assistance (§ 5305 (a)(17))
  - 9) Microenterprise Assistance (§ 5305 (a)(22))
  - 10) Homeownership (§ 5305 (a)(24))
- B. "Activity Budget" means the budget included in Exhibit E, Section VI, Project Budget, as referenced by Exhibit B, Budget Detail, and Payment Provisions.
- C. "Activity Delivery" (AD) means any reasonable and necessary costs that are not directly related to labor and/or direct construction and/or direct activity implementation costs. The Subrecipient may expend up to the indicated AD as identified the NOFA that is associated with this Agreement or any relevant CDBG or CDBG-DR Management Memo. CDBG-DR funds for AD cannot be drawn

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)

NOFA Date: 9/1/2021

Approved Date: 6/22/22

Prep. Date: 6/28/22

## EXHIBIT D

down unless CDBG-DR activity costs have previously been drawn down or are being drawn down on the same funds request.

- D. "Activity Reports" are the activity reports that must be submitted at least quarterly that describe program or project progress and/or beneficiaries served during a given reporting period.
- E. "Area Median Income (AMI)" means the median family income for specific geographic areas, adjusted for household size, as calculated by HUD, and published annually by the Department at <https://www.hcd.ca.gov/grants-funding/income-limits/state-andfederal-income-limits.shtml>.
- F. "California Environmental Quality Act (CEQA)" is a state statute that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible.
- G. "Contractor" is a properly licensed person or company who is procured competitively that Subrecipients hire to undertake a contract to provide materials or labor to perform a service or do a job for a project.
- H. "Department" means the California Department of Housing and Community Development.
- I. "Disaster Recovery Grant Reporting System (DRGR)" is the electronic system primarily used by the Department to access Grant Funds from HUD and report performance accomplishments for grant-funded activities to HUD. The DRGR system is used by HUD to review grant-funded activities, prepare reports to Congress and other interested parties, and monitor program compliance.
- J. "Duplication of Benefits (DOB)" occurs when financial assistance received from another source is provided for the same purpose as the CDBG-DR funds, in accordance with Federal Register Notices 84 FR 28836 and 84 FR 28848.
- K. "Funds Request" is also identified as a Financial Report and refers to the forms and processes required to request the drawdown of CDBG-DR funds (requests

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)

NOFA Date: 9/1/2021

Approved Date: 6/22/22

Prep. Date: 6/28/22

## EXHIBIT D

for funds must be a minimum of \$1,000.00 unless it is the final Financial Report for an activity). Funds disbursements must be completed no less than quarterly for each open activity, including Program Income funded activities.

- L. "General Administration" refers to eligible administrative expenses as provided in 42 U.S.C. 5305(a)(13).
- M. "Low- to Moderate- Income (LMI)" refers to individuals or households having incomes not more than the "moderate-income" level (80% Area Median Family Income) set by the federal government for the HUD-assisted programs. This income standard changes from year to year and varies by Household size, county and the metropolitan statistical area.
- N. "National Environmental Protection Act (NEPA)" is the federal law and associated regulations which establishes a broad national framework for protecting the environment. NEPA's basic policy is to assure that all branches of government consider the environment prior to undertaking any major federal action that could significantly affect the environment.
- O. "Pre-Agreement Costs" are pre-award costs as defined at 2 CFR 200.458 and 24 CFR 570.489(p) and are costs that are eligible per 2 CFR 200.400 et.seq. that have been itemized on the approved activity budget as identified in Exhibit E, Section VI, Project Budget, as referenced by Exhibit B, Budget Detail and Payment Provisions.
- P. "Program" means an eligible activity that provides direct assistance to eligible participants within a defined service area. Programs include public services, housing assistance to households, and instances where an eligible person, household, or area is directly assisted with a unit of service.
- Q. "Program Guidelines" means the CDBG-DR Program Guidelines as adopted or amended that detail the operation of the State CDBG-DR program, as per Health and Safety Code 50826.1(a) that states that the regulations are repealed upon adoption of guidelines.
- R. "Program Income", as defined in 24 CFR 570.489(e), means gross income

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)

NOFA Date: 9/1/2021

Approved Date: 6/22/22

Prep. Date: 6/28/22

## EXHIBIT D

- received by the Subrecipient that is directly generated from the use of CDBG-DR funds. When such income is generated by an activity that is only partially assisted with CDBG-DR funds, the income shall be prorated to reflect the percentage of CDBG-DR funds used.
- S. "Project" means eligible public service program, planning effort, housing rehabilitation, or capital improvements to public facilities, infrastructure, assets, and right-of-way. Projects may also include eligible capital improvements to privately owned facilities, infrastructure, and assets that serve the public or that provide a public good, including shelters, community-based facilities, and utilities. A project may be made up of more than one eligible activity.
- T. "Subrecipient" means the jurisdiction that applied for CDBG-DR funding and has legal authority to sign this Agreement and commit to compliance with all federal requirements regarding the administration of federal funds, as identified in 2 CFR 200.

### 2. **Eligible Activities**

Subrecipient will only use funds under this Agreement for the activities identified in Exhibit E. All activities must be eligible CDBG activities as authorized under 42 U.S.C. 5305 and 24 CFR 570.482.

### 3. **National Objectives**

Subrecipient will only use funds in support of the National Objective identified in Exhibit E, Section IV. All CDBG-DR funded grant activities must meet a National Objective as defined in 42 U.S.C. 5304(b)(3), as amended, and 24 CFR Part 570.208.

Real property acquired in whole or in part with CDBG-DR funds must be used to meet the same National Objective for which it was purchased for no less than five years after project closeout. The Department may require a Use Restriction Agreement be recorded against real property acquired or improved in whole or in part with CDBG-DR funds.

## EXHIBIT D

### 4. Termination and Remedies for Noncompliance

Awards as secured by this Agreement may be terminated by the Department in whole or in part as per federal regulation at 2 CFR 200.339. All terminations shall include written notification setting forth the reason(s) for such termination, the effective date, and the portion to be terminated in the case of partial terminations and will follow termination notification requirements identified in 2 CFR 200.340.

- A. Termination without Cause: Agreements may be terminated without cause in whole or in part by the Department **only** with the consent of the Subrecipient. In the case of a whole agreement termination, the two parties shall agree upon termination conditions, including the effective date. In the case of partial termination, the two parties shall agree upon termination conditions, including the portion to be terminated and the effective date.
- B. Noncompliance and Termination with Cause: The Department may terminate this Agreement for Subrecipient's failure to comply with the terms and conditions of this Agreement. Terminations for material failure to comply with the Agreement terms and conditions must be reported by the Department to the appropriate federal program integrity and performance system accessible through the System for Award Management (SAM) as per 2 CFR 200.339(b).
- 1) The Department may initiate remedies for noncompliance as identified in 2 CFR 200.338 at any time it has been determined that the Subrecipient is no longer meeting the terms and conditions of this Agreement. Remedies for noncompliance may be required in addition to, in lieu of, or prior to termination.
  - 2) Prior to terminating this Agreement for cause or noncompliance, the Department shall submit written notice specifying noncompliance and/or specifying the event or events that if not cured would constitute an event of default. The Department's written notice shall identify remedies for cure. Subrecipient shall have thirty (30) calendar days from receipt of notice to fully cure. This period may be extended at the Department's discretion for a reasonable period of time if the Subrecipient is acting in good faith to cure the noncompliance or cause. Any extension of the cure period must

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)

NOFA Date: 9/1/2021

Approved Date: 6/22/22

Prep. Date: 6/28/22

## EXHIBIT D

be communicated in writing by the Department.

- 3) The Department's remedies for Subrecipient's noncompliance with a federal statute or regulation, a state statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere may include, as appropriate:
  - Temporarily withhold cash payments pending correction of the deficiency by the Subrecipient.
  - Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance.
  - Wholly or partly suspend or terminate the current award for the Subrecipient's program or project, as applicable.
  - Withhold further and/or future awards of CDBG-DR funds.
  - Request that HUD initiate federal suspension debarment proceedings.
  - Take other remedies that may be legally available, including, but not limited to:
    - (a) In the case of costs incurred without meeting a National Objective, require repayment of all funds reimbursed, including General Administration, Activity Delivery, and any and all Program Income, as appropriate.
- 4) In taking an action to remedy noncompliance, the Department will provide the Subrecipient an opportunity for such hearing, appeal, or other administrative proceeding to which the Subrecipient is entitled under any statute or regulation applicable to the action involved as per 2 CFR 200.341 and/or the Department's Monitoring Plan and associated exhibits.

## EXHIBIT D

- C. Effects of Suspension and Termination: Subrecipient costs resulting from obligations incurred by the Subrecipient or any of the Subrecipient's contractors during a suspension or after termination of an Agreement are not allowable unless otherwise authorized by the Department in written notice or as allowable in 2 CFR 200.342. Termination and remedies for noncompliance identified in this Section do not preclude a Subrecipient or any of the Subrecipient's contractors from being subject to non-procurement debarment and suspension requirements at 2 CFR 2424. CDBG-DR funds may not be provided to excluded or disqualified persons pursuant to 24 CFR 570.489(l).
- D. Remedies: All remedies of the Department hereunder are cumulative and not exclusive.

### 5. **Severability**

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Subrecipient shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

### 6. **Waivers**

No waiver or any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. All waivers must be in writing signed by the waiving party in order to be effective. The failure of the Department to enforce, at any time, the provisions of this Agreement or to require, at any time, performance by the Subrecipient of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

## EXHIBIT D

### 7. **Uniform Administrative Requirements**

The Subrecipient, its agencies or instrumentalities, and contractors shall comply with the policies, guidelines and Administrative Requirements of 2 CFR Part 200 et seq., as applicable, as they relate to the cost principles, audit requirements, acceptance and use of federal funds.

- A. Single Audit Compliance: Funds will not be disbursed to any Subrecipient identified by the State Controller's Office (SCO) as non-compliant with the Federal Single Audit Act, as described in the Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards at 2 CFR 200 Sub-Part F. No funds may be disbursed until compliance with the Uniform Administrative Requirements is demonstrated to the satisfaction of the Department.
- B. Accounting Standards: Subrecipient agrees to comply with, and administer the activity in conformance with, 2 CFR Part 200.300 et seq, and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.
- C. Suspension and Debarment: By executing this Agreement, Subrecipient verifies and affirms that it has not been suspended or debarred from participating in or receiving federal government contracts, subcontracts, loans, grants or other assistance programs.

### 8. **Compliance with State and Federal Laws and Regulations**

- A. Subrecipient, its agencies or instrumentalities, and contractors shall comply with all local, state, and federal laws, statutes, and regulations, as well as policies and guidelines established by the Department for the administration of the CDBG-DR program.
- B. Subrecipient shall comply with the requirements of 24 CFR 570.480 et seq., the Housing and Urban Development (HUD) regulations concerning State administered Community Development Block Grants, 2 CFR 200, Uniform

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)

NOFA Date: 9/1/2021

Approved Date: 6/22/22

Prep. Date: 6/28/22

## **EXHIBIT D**

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance, as adopted by HUD at 2 CFR 2400, Title II of the Cranston-Gonzales National Affordable Housing Act (42 U.S.C. § 12701 et seq.) and all federal regulations and policies issued pursuant to these regulations. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

### **9. Affirmatively Furthering Fair Housing**

Subrecipient shall affirmatively further fair housing, in accordance with the Civil Rights Act of 1964 (42 U.S.C 2000a, et seq.), and the Fair Housing Act (42 U.S.C. 3601, et seq.), according to 42 U.S.C. 5306, et seq. and in compliance with California statute (Gov. Code sections 65583, et seq.), as the same may be amended from time to time. Subrecipient shall comply with the Fair Housing Amendment Act of 1988 (Public Law 100-430), as the same may be amended from time to time.

### **10. Equal Opportunity Requirements and Responsibilities**

Subrecipient agrees that it undertakes hereby the same obligations to the Department that the Department has undertaken to HUD pursuant to the Department's CDBG-DR certifications. The obligations undertaken by Subrecipient include, but are not limited to, the obligation to comply with all applicable federal laws and regulations described in Subpart K of 24 CFR Part 570 and specifically with each of the following:

- A. The Housing and Community Development Act of 1974 (Public Law 93-383) that authorized the CDBG program, as amended, and legislative changes contained in the Housing and Urban-Rural Recovery Act of 1983 that authorized the state administered CDBG program for non-entitlement communities, and the Architectural Barriers Act of 1968 (42 U.S.C. Section 4151) that requires publicly funded facilities be accessible to the public;
- B. Title VI of the Civil Rights Act of 1964 (Public Law 88-352) prohibiting discrimination based on protected class, as amended, Title VIII of the Civil Rights Act of 1968 (Public Law 90-284) prohibiting discrimination in housing, as amended; the Civil Rights Restoration Act of 1987 (Public Law 100-259) requiring expanded compliance with civil rights laws for jurisdictions receiving

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)

NOFA Date: 9/1/2021

Approved Date: 6/22/22

Prep. Date: 6/28/22

## EXHIBIT D

- federal funding; Section 104(d) regarding relocation and displacement and Section 109 of Title 1 of the Housing and Community Development Act of 1974 prohibiting discrimination in CDBG-DR funded programs, as amended; Section 504 of the Rehabilitation Act of 1973 prohibiting recipients of federal funds from discrimination against persons with disability; the Americans With Disabilities Act of 1990 prohibiting all public discrimination against persons with disabilities; the Age Discrimination Act of 1975 prohibiting age-based discrimination in federally funded activities; Executive Order 11063 prohibiting discrimination in disposition of properties owned or financed with federal funds, as amended by Executive Order 12259; and Executive Order 11246 regarding fair employment, as amended by Executive Orders 11375, 11478 and 12086; and HUD regulations heretofore issued or to be issued to implement these authorities relating to civil rights;
- C. The Equal Employment Opportunity Act of 1972 that created the Equal Employment Opportunity Commission, Equal Employment Opportunity and Affirmative Action requirement (EEO/AA); Subrecipient shall, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

### 11. Procurement

The Subrecipient shall comply with the procurement provisions in 2 CFR Part 200.317 – 200.326, Procurement Standards, as well as all other Administrative Requirements for Grants and Cooperative Agreements to state, local and federally recognized Indian tribal governments as set forth in 2 CFR 200, et al, as applicable. All procurements must be conducted in a fair, open, and competitive manner in compliance with both the spirit and the letter of applicable federal and state procurement laws.

### 12. Contractors and Subrecipients

- A. Subrecipient shall comply with 24 CFR Part 2424 and shall not enter into any agreement, written or oral, with any contractor or subrecipient without the prior determination that the contractor or subrecipient is eligible to receive CDBG-DR funds and is not listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)

NOFA Date: 9/1/2021

Approved Date: 6/22/22

Prep. Date: 6/28/22

## EXHIBIT D

- B. Any agreement between the Subrecipient and any contractor or subrecipient shall include the terms and conditions in Appendix II of 2 CFR 200.
- C. Subrecipient shall ensure that any contract or subrecipient agreement includes clauses requiring the maintenance of workers' compensation insurance, as applicable, as well as general liability insurance. Contract or subrecipient agreements must require that the Subrecipient is notified in the event that any required insurance is canceled, expired, or otherwise invalidated during the performance period of the contract or subrecipient agreement.
- D. Subrecipient shall require that contractors and subrecipients comply with the Drug-Free Workplace Act of 1988.

### 13. **Construction Standards**

The Subrecipient and its contractors shall ensure that any construction activity as part of this agreement complies with the following requirements:

A. California Building Codes (CBC) (Cal. Code Regs., Title 24):

All residential construction projects shall comply with the housing construction codes of the State of California.

B. The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157):

The Architectural Barriers Act (ABA) stands as the first measure by Congress to ensure access to the built environment for people with disabilities. The law requires that buildings or facilities that were designed, built, or altered with federal dollars or leased by federal agencies after August 12, 1968 be accessible.

C. California Green Buildings Standards Code (CALGreen) (Title 24, Part 11 of the California Code of Regulations):

## EXHIBIT D

All new construction of residential buildings or reconstruction of substantially damaged buildings must incorporate California Green Buildings Standards Code (CALGreen).

### D. Sustainability Requirements:

All rehabilitation, reconstruction, and new construction must be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters. Wherever feasible, the Subrecipient, Subrecipient's Developers and Contractors must follow best practices, such as those provided by the U.S. Department of Energy, Home Energy Professionals: Professional Certifications and Standard work specifications.

### E. National Floodplain Elevation Standards:

Subrecipients and contractors must comply with the national floodplain elevation standards for new construction, repair of substantially damaged structures, or substantial improvements to residential structures in flood hazard areas. All structures designed for residential use within a 100-year (or one percent annual chance) floodplain will be elevated with the lowest floor at least two feet above the base flood elevation level and comply with the requirements of 83 FR 5850 and 83 FR 5861.

### F. Wildland-Urban Interface Building Codes (WUI Codes):

All Approved Projects under this program that are located in a CAL FIRE high fire zone must comply with applicable WUI codes, found in Title 24, Chapter 7a of the California Building Code, which offer specific material, design and construction standards to maximize ignition- resistance.

## 14. Requirements for Economic Development Activities

- A. Public Benefit Standards for Economic Development Activities: Per 24 CFR 570.482 (e) (f), (g) and 570.483(b)(4), the Subrecipient must comply with federal underwriting standards and must meet the public benefit standards for all CDBG Economic Development activities under 42 U.S. §5305(a)(17). The use of

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)

NOFA Date: 9/1/2021

Approved Date: 6/22/22

Prep. Date: 6/28/22

## EXHIBIT D

public benefit standards is mandatory.

- B. Anti-Job Pirating Certification: Pursuant to 24 CFR 570.482(h) CDBG funds may not be used to directly assist a business, including a business expansion, in the relocation of a plant, facility, or operation from one labor market area to another labor market area if the relocation is likely to result in a significant loss of jobs in the labor market area from which the relocation occurs. Job loss of more than 500 employees is always considered significant. Job loss of 25 or fewer positions is never considered significant.

### 15. **Rights to Inventions Made Under a Contract or Agreement**

Subrecipient shall comply with and require the following in contracts and subrecipient agreements: If a Federal award meets the definition of “funding agreement” under 37 CFR 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of recipient or subrecipient must comply with requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulation issued by the awarding agency.

### 16. **Prohibition Against Payments of Bonus or Commission**

The assistance provided under this Agreement shall not be used in the payment of any bonus or commission for the purpose of:

- A. Obtaining the Department's approval of the Application for such assistance or additional assistance; or,
- B. Securing any other approval or concurrence of the Department required under this Agreement, Title I of the Housing and Community Development Act of 1974, or the State regulations or Program Guidelines with respect thereto; provided, however, that reasonable fees for bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

## EXHIBIT D

### 17. Reporting Requirements

- A. Requirements: During the term of this Agreement, the Subrecipient must submit all CDBG-DR program reports required by the Department, including quarterly activity, financial, and Program Income reports, semi-annual labor and compliance reports, annual performance reports, and other reports required by the Department or HUD. The Department reserves the right to request additional detail and support for any report made. Reports must be made according to the dates identified, unless otherwise specified at the discretion of the Department. The Subrecipient's performance under this Agreement will be evaluated in part on whether it has submitted the reports on a timely basis.
- B. Reporting Period: Subrecipient shall submit reports quarterly, and as required for semi-annual and annual reports, and shall continue to submit reports until such time that the activity is complete, a National Objective has been met and beneficiaries have been identified. The reporting period for this activity may extend beyond the Expenditure Deadline as defined in Exhibit A.
- C. Final Reporting Deadline: Subrecipient shall complete all required reporting for this activity no later than five (5) years from the execution date of this Agreement as identified on the STD 213.
- D. Asset Reporting: Subrecipient shall report annually on the status of all assets (real and personal property, equipment, and vehicles) purchased in whole or in part with CDBG-DR funds for no less than five years from the completion of the activity that generated the asset. Reporting shall continue until the property is disposed, fully depreciated, or, in the event of real property, the five-year commitment to a National Objective has been completed.

### 18. Fiscal Controls

Subrecipient shall be responsible for the internal control and monitoring of fiscal and programmatic/operational goals and procedures. The Subrecipient shall establish and maintain such fiscal controls and fund accounting procedures as required by federal regulations, or as may be deemed necessary by the Department to ensure the proper disbursement of, and accounting for, funds paid to the Subrecipient under this Agreement.

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)

NOFA Date: 9/1/2021

Approved Date: 6/22/22

Prep. Date: 6/28/22

## EXHIBIT D

- A. **Deposit of Funds:** Subrecipient shall maintain separate accounts within established bookkeeping systems for the deposit of CDBG-DR funds. All cash advances must be deposited in an interest-bearing account; any interest earned in excess of \$100.00 per year (which may be retained for related administrative expenses) must be returned at least quarterly to HUD via the Department. Deposits in minority banks are encouraged.
- B. **Fund Management:** Subrecipient shall deposit funds in an account requiring two signatures for disbursement and shall submit to the Department specimen signatures for all authorized signatories prior to receipt of funds;
- C. **Fiscal Liability:** Subrecipient shall be liable for all amounts which are determined to be due by the Department including, but not limited to, disallowed costs which are the result of Subrecipient's or its contractor's conduct under this Agreement. Subrecipient shall be notified in writing and shall be permitted to respond regarding any controversy or proceeding between the Department and HUD arising from this Agreement.
- D. **Fiscal Records:** All financial transactions must be supported by complete and verifiable source documents. Records shall provide a clear audit trail and shall be maintained as specified in Section 25 of this Agreement.
- E. **Program Income:** Any and all Program Income received by Subrecipient during the administration of this Agreement must be receipted and deposited into a separate Program Income account. Program Income funds may not be comingled with CDBG-DR grant funds in a single account. Program Income funds must be reported monthly to show source, amounts, expenditures, and remaining balance. Program income remaining at the end of each quarter is remitted to the state.

### 19. **Reversion of Assets**

Upon expiration of this Agreement, Subrecipient shall transfer to the Department any CDBG-DR funds, excluding Program Income, in Subrecipient's control at the time of expiration. Further, any real property under Subrecipient's control that was acquired

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)

NOFA Date: 9/1/2021

Approved Date: 6/22/22

Prep. Date: 6/28/22

## EXHIBIT D

and/or improved in whole or in part with CDBG-DR funds (including CDBG-DR funds provided to the Subrecipient in the form of a loan and Program Income) in excess of \$25,000.00 shall be either:

- A. Used to meet one of the National Objectives in 24 CFR Part 570 until five (5) years after expiration or closure of this Agreement, the length of time to be further prescribed by mutual agreement of the parties.
- B. Disposed of in such manner that Subrecipient is reimbursed in the amount of the fair market value of the property at the time of disposition of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition and/or improvement of such property. The proceeds from such disposition is Program Income.

If the Subrecipient provides funds for the purchase or improvement of real property to a subrecipient that is a private non-profit organization, that subrecipient must further agree to a voluntary lien on above-referenced real property as to any CDBG funds received and that such lien will be notarized and recorded in the Office of the County Recorder where the real property is located.

### 20. Monitoring Requirements

The Department shall perform a program and/or fiscal monitoring of the CDBG-DR grant no less than once during the period of this Agreement. The Subrecipient shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department to maintain program eligibility.

Subrecipients and applicable subrecipients shall retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a minimum period of five (5) years after the Department notifies the Subrecipient that the HCD contract has been closed according to the record retention requirements at 2 CFR 200.333.

Subrecipients and applicable subrecipients shall permit the State, federal government, the state Bureau of State Audits, the Department, and/or their representatives, upon reasonable notice, unrestricted access to any or all books, records, accounts, documentation, and all other materials relevant to this Agreement for the purpose of

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)

NOFA Date: 9/1/2021

Approved Date: 6/22/22

Prep. Date: 6/28/22

## EXHIBIT D

monitoring, auditing, or otherwise examining said materials.

### 21. Inspections of Grant Activity

The Department and HUD reserves the right to inspect any grant activity(ies) performed hereunder to verify that the grant activity(ies) is being and/or has been performed in accordance with the applicable federal, state and/or local requirements and this Agreement.

- A. The Subrecipient shall inspect any grant activity performed by contractors and subrecipients hereunder to ensure that the grant activity(ies) is being and has been performed in accordance with the applicable federal, state and/or local requirements and this Agreement.
- B. The Subrecipient agrees to require that all grant activity(ies) found by such inspections not to conform to the applicable requirements be corrected, and to withhold payment to its contractor or subcontractor, respectively, until it is so corrected.

### 22. Signs

If the Subrecipient places signs stating that the activity is funded with private or public dollars and the Department is also providing financing, it shall indicate in a typeface and size commensurate with the Department's funding portion of the project that the Department is a source of financing through the CDBG-DR Program.

### 23. Insurance

Subrecipient shall comply with all requirements outlined in the (A) General Provisions section and (B) Contract Insurance Requirements outlined in this section. No payments will be made under this Agreement until the Subrecipient fully complies with all requirements.

#### A. General Provisions Applying to All Policies

## EXHIBIT D

- 1) Coverage Term – Coverage needs to be in force for the complete term of the Agreement. If insurance expires during the term of the Agreement, a new certificate must be received by the State at least thirty (30) days prior to the expiration of this insurance. Any new insurance must comply with the original terms of the Agreement.
- 2) Policy Cancellation or Termination & Notice of Non-Renewal – Subrecipient is responsible to notify the State within five (5) business days of any cancellation, non-renewal or material change that affects required insurance coverage. New certificates of insurance are subject to the approval of the Department of General Services and the Subrecipient agrees no work or services will be performed prior to obtaining such approval. In the event Subrecipient fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event, subject to the provisions of this Agreement.
- 3) Premiums, Assessments and Deductibles – Subrecipient is responsible for any premiums, policy assessments, deductibles or self-insured retentions contained within their insurance program.
- 4) Primary Clause – Any required insurance contained in this Agreement shall be primary, and not excess or contributory, to any other insurance carried by the State.
- 5) Insurance Carrier Required Rating – All insurance companies must carry an AM Best rating of at least “A–” with a financial category rating of no lower than VII. If the Subrecipient is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
- 6) Endorsements – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

## EXHIBIT D

- 7) Inadequate Insurance – Inadequate or lack of insurance does not negate the contractor’s obligations under the Agreement.
- 8) Available Coverages/Limits – All coverage and limits available to the Subrecipient shall also be available and applicable to the State.
- 9) Satisfying an SIR - All insurance required by this Agreement must allow the State to pay and/or act as the contractor’s agent in satisfying any self-insured retention (SIR). The choice to pay and/or act as the contractor’s agent in satisfying any SIR is at the State’s discretion.
- 10) Use of Contractors and Subcontractors - In the case of Subrecipient’s utilization of contractors and subcontractors to complete the contracted scope of work, the Subrecipient shall include any prime contractor as insured’s under Subrecipient’s insurance or supply evidence of the contractor’s insurance to The State equal to policies, coverages, and limits required of the Subrecipient.

### B. Contract Insurance Requirements

Subrecipient shall provide evidence of the following on a certificate of insurance evidencing the following coverages:

- 1) **Commercial General Liability** – Subrecipient shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Subrecipient’s limit of liability.

The policy must name The State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the Agreement.

## EXHIBIT D

- 2) **Automobile Liability** – Subrecipient shall maintain business automobile liability insurance for limits not less than \$1,000,000 combined single limit. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles. Should the scope of the Agreement involve transportation of hazardous materials, evidence of an MCS-90 endorsement is required.

The policy must name The State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the Agreement.

- 3) **Workers Compensation and Employers Liability** – Subrecipient shall maintain statutory worker’s compensation and employer’s liability coverage for all its employees who will be engaged in the performance of the Agreement. In addition, employer’s liability limits of \$1,000,000 are required. By signing this Agreement, Subrecipient acknowledges compliance with these regulations. A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to certificate.

### 24. **Force Majeure**

A Force Majeure is an unforeseeable event outside of a Subrecipient’s reasonable control which prevents or delays performance of that Subrecipient’s obligations under this Agreement. Such event does not include the normal risks a Subrecipient assumes when it enters a contract. A Force Majeure event is a natural disaster such as an earthquake, flood, hurricane, pandemic, an Act of God, act of war, act of public enemies of this state or of the United States, or other similar event.

Force Majeure also includes actions or measures taken by any governmental authority, including executive orders, public health orders, other governmental orders, laws, regulations, or other government actions taken in response to a “Force Majeure” event, such as a quarantine or other restriction which prevents or delays the performance of a Subrecipient’s obligations under this Agreement.

## EXHIBIT D

If a Subrecipient chooses to assert "Force Majeure", it must give notice to the Department under this Agreement within ten (10) days of the occurrence of the Force Majeure event. Notice is to be given in accordance with the notice provisions of this Agreement, and must include a description of the Force Majeure event, how said event has prevented or delayed the Subrecipient's ability to perform its obligations under this Agreement, a description of reasonable measures the Subrecipient proposes to take to resume performance of its obligations under this Agreement, and a date by which the Subrecipient anticipates it will resume performance of its obligations. Any changes or extensions to the term of the agreement due to a "Force Majeure" notice will require the Department's approval as described in Exhibit A, Section 3.

### 25. Anti-Lobbying Certification

Subrecipient shall comply with and require that the language of this certification be included in all contracts or subcontracts entered into in connection with this grant activity(ies) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00 and no more than \$100,000.00 for such failure.

- A. No federally appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)

NOFA Date: 9/1/2021

Approved Date: 6/22/22

Prep. Date: 6/28/22

## EXHIBIT D

### 26. **Conflict of Interest**

Pursuant to 24 CFR 570.489(h) and 2 CFR Part 200.112, no member, officer, or employee of the Subrecipient, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, including members and delegates to the Congress of the United States may obtain a financial interest or benefit from a CDBG assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure, or for one (1) year thereafter. The Subrecipient shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this section.

### 27. **Obligations of Subrecipient with Respect to Certain Third-Party Relationships**

Subrecipient shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Program with respect to which assistance is being provided under this Agreement to the Subrecipient. The Subrecipient shall comply with all lawful requirements of the Department necessary to ensure that the Program, with respect to which assistance is being provided under this Agreement to the Subrecipient, is carried out in accordance with the Department's Assurance and Certifications, including those with respect to the assumption of environmental responsibilities of the Department under Section 104(g) of the Housing and Community Development Act of 1974 [42 U.S.C. 5304(g)].

### 28. **Energy Policy and Conservation Act**

This Agreement is subject to mandatory standards and policies relating to energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)

NOFA Date: 9/1/2021

Approved Date: 6/22/22

Prep. Date: 6/28/22

**EXHIBIT D**

**29. State Contract Manual Requirements (Section 3.11, Federally Funded Contracts (Rev. 3/03)):**

- A. All contracts, except for State construction projects that are funded in whole or in part by the Federal government, must contain a thirty (30)-day cancellation clause and the following provisions:
- 1) It is mutually understood between the parties that this contract may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.
  - 2) This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the purpose of this Program. In addition, this contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this contract in any manner.
  - 3) The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this contract shall be amended to reflect any reduction in funds.
  - 4) The Department has the option to invalidate the contract under the thirty (30) day cancellation clause or to amend the contract to reflect any reduction in funds.
- B. Exemptions from provisions A.1 through A.4 above may be granted by the Department of Finance provided that the director of the State agency can certify in writing that Federal funds are available for the term of the contract.
- C. California Government Code § 8546.4(e) provides that State agencies receiving federal funds shall be primarily responsible for arranging for federally required financial and compliance audits, and shall immediately notify the Director of

Program Name: Community Development Block Grant Disaster Recovery (CDBG-DR)

NOFA Date: 9/1/2021

Approved Date: 6/22/22

Prep. Date: 6/28/22

**EXHIBIT D**

Finance, the State Auditor, and the State Controller when they are required to obtain federally required financial and compliance audits.

## Applications: Lori Gay - Neighborhood Housing Services of Los Angeles County

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### EXHIBIT E

**Award Number**

22-OORHC-00001

**PO Number****Record Title**

Lori Gay - Neighborhood Housing Services of Los Angeles County

**Organization Name**

Neighborhood Housing Services of Los Angeles County

**Profile**

development@nhslacounty.org

### Section 1: Threshold Eligibility Requirements

This section asks about basic threshold eligibility requirements that must be met before submitting an application. Please read all questions carefully.

**Is your organization certified by HUD to offer housing counseling services with a certificate date prior to the NOFA issue date?**

Yes

**If yes, please upload HUD certification showing date organization was certified**

HUD HC Certificate-81109.pdf

**Is your organization a Tax-exempt organization under Internal Revenue Code (IRC) section 501 (a) as described in IRC section 501(c) (26 U.S.C. 501 (a) and (c))?**

Yes

**If yes, please upload evidence of the Tax Exempt Status**

501c3 IRS Determination Letter.pdf

**Is your organization in good standing under the laws and regulations of the organization's home state?**

Yes

**Is your organization authorized to do business in the State of California?**

Yes

**Is your organization in good standing with the California Department of Housing and Community Development?**

Yes

**Has your organization, any intended sub-Applicants, contractors, subcontractors, program partners, staff, or Team Members ever been (or currently) debarred, suspended, proposed for debarment, or are declared ineligible or voluntarily excluded from participation from federally assisted programs?**

No

**If no, please upload a SAM.gov screenshot showing the date of generation that demonstrates your organization is in good standing with the Federal Government, has a registered and active DUNS number, and is not debarred or prohibited from receiving federal funds.**

SAM.GOV-EntityInformation-20211213-054704.pdf

To reduce delays in the application review, award, and contracting processes applicants are required to use the HCD Board Resolution Document in Exhibit D of the NOFA announcement. A copy can also be downloaded from the solicitation listing:  
[https://gn.ecivis.com/GO/srmng\\_downloadSolicitationFileExt/SOLICITATIONFILEID/\\_nE9W4\\_PKxs~](https://gn.ecivis.com/GO/srmng_downloadSolicitationFileExt/SOLICITATIONFILEID/_nE9W4_PKxs~)

**Upload fully executed Board Resolution**

Board Corporate Resolution-CDBG ReCover 2021.pdf

**Are there single audits of your organization on file?**

Yes

**If yes, upload your organization's most recent single audit (single file, PDF or Word format)**

NHS Audit 20.pdf

**In your organization's most recent single audit, were there any findings by the auditing entity?**

No

**Please complete and upload the form STD 204 found in the solicitation listing:**

[https://gn.ecivis.com/GO/srmng\\_downloadSolicitationFileExt/SOLICITATIONFILEID/o62ovzbuf14~](https://gn.ecivis.com/GO/srmng_downloadSolicitationFileExt/SOLICITATIONFILEID/o62ovzbuf14~)

STD 204 - Payee Data Record.pdf

**You have provided information to the Department about your organization's experience, processes, policies, and procedures related to the management of federal funding. If this application is selected, these submissions, in addition to discussions you have with the Department, have been used to inform this Agreement and are being materially relied upon by the Department in agreeing to enter into this Agreement.**

LG

**Should there be substantive changes to your organization, key personnel, methods, capacity, policies, or processes that impact the implementation of this Agreement, your organization shall promptly notify the Department of said changes**

LG

**During the term of this Agreement, your organization agrees to timely provide documents and information to facilitate the Department's Subrecipient monitoring risk assessment process. Your organization further agrees to comply with the requirements, requests, and results of the Department's risk assessment, including participation in Subrecipient monitoring events**

LG

## **Section 2: Mandatory Requirements**

2.1 Applicant must submit to HCD organizational documents, and all amendments thereto, as well as related documents, all of which will vary depending on the Applicant's organization-type, and may include (but are not limited to) Articles of Incorporation, Certificates of Limited Partnership, Articles of Organization, Bylaws, Operating Agreements, Partnership Agreements, Joint Venture Agreements, Certificates of Good Standing

**Please upload all organizational documents as one PDF or Word file**

AOI, Bylaws, Cert of Good Standing.pdf

### 2.2 Financial Controls

Please upload your organization's proposed policies and procedures to show how the organization maintains sufficient internal financial controls

**Please upload all policies and procedures as one PDF or Word file**

NHS Financial Policies 2016.pdf

**If financial management policies and procedures are included in another document reference the document name, if they are not available provide status of development.**

### 2.3 Conflict of Interest Policies and Certification

Applicant must certify that no officer, agent or employee of the Government of the State of California, HCD, or its Government Entities and instrumentalities, has a monetary interest in the Application or has participated in contract negotiations on behalf of the Government of the State of California or HCD; that the Application is made in good faith without fraud, collusion, or connection of any kind with any other Applicants; that the Applicant is competing solely in its own behalf without connection with, or obligation

to, any undisclosed person or firm; and that the Applicant has not been convicted or has plead guilty in a state or federal court or any other jurisdiction of the United States of America.

**Upload Conflict of Interest Policies and Procedures and/or Conflict of Interest certification**

Conflict of Interest Statement.pdf

**If conflict of interest policies and procedures and/or certification are included in another document reference the document name, if they are not available provide status of development.**

## Section 3: Qualification Requirements

### 3.1 Capacity to Provide Services

**Provide a brief history (Profile) of your organization's history of performing the housing counseling activities you indicated in the eligibility section.**

Our Financial Education and Counseling program has been the core work of NHS for over 37 years. The program provides underserved families and individuals with the knowledge and guidance to make healthy financial decisions. Through a variety of housing counseling activities, the program focuses on building financial capability, knowledge of financial services and products, credit management, avoiding predatory lending practices, tenant counseling and homebuyer and homeowner education. Consumers learn how to achieve, identify, and access pandemic relief funding, affordable financial products and services, establish or improve their credit, increase their savings, and/or lower their debt.

NHS works to promote and enhance the economic security of consumers, place families on the path to financial stability, teach important financial skills, and counsel individuals towards their goals. We do this through Housing Counseling Case Management, Homeownership Counseling, Homebuyer Counseling, Financial Counseling, and other services as described in section 3.3 of this NOFA. We deeply understand that these services are intended to foster resilience through public education and advocacy, especially when delivered in conjunction with other forms of housing assistance. By enhancing the financial knowledge and skills across the County, NHS stabilizes diverse communities and helps low-income families and individuals begin to work towards long-term financial prosperity.

NHS has been providing a broad array of housing counseling related services to vulnerable and underserved clients for over 37 years. Housing counseling related services include technical assistance in the areas of homeownership and financial counseling, referrals to other legal services, insurance, and affordability. For the purposes of this NOFA, other assistance will be provided as needed as part of the ReCoverCA Policies & Procedures. Additionally, NHS has experience providing vital housing counseling services to disaster impacted Clients to assist in addressing their housing and disaster recovery needs. As outlined throughout the application, NHS' past performance and quality of housing counseling services reflect the priorities and sense of urgency required to serve California residents who have been impacted by disaster.

The Financial Education and Counseling program consists of a series of classes, clinics, workshops and one-on-one counseling sessions specifically designed to provide families with the resources and tools required for them to become informed consumers, homeowners and homebuyers. NHS' pre-purchase counseling provides information on the entire process of homeownership including:

- The decision to purchase a home;
- The selection and purchase of a home;
- The home inspection process;
- Issues arising during or affecting the period of ownership of a home, including refinancing, default and foreclosure, and other financial decisions;
- The sale or disposition of a home.

#### HOMEBUYER EDUCATION CURRICULUM

- 1: Are You Ready to Buy a Home
- 2: Managing Your Money
- 3: Understanding Credit
- 4: Obtaining a Mortgage Loan
- 5: Shopping for a Home
- 6: Protecting your Investment

Pre-purchase education provides general instruction to increase client knowledge and build new skills in the area of homeownership. Subjects covered include homeownership readiness and affordability; money and credit management; types of properties and financing options available; purchase, mortgage and closing cost processes; and home maintenance and finance management after purchasing a home.

Classes are offered in tandem with 1:1 counseling, downpayment, home rehab and mortgage assistance. A crucial aspect of the housing counseling program is that all clients are required to attend financial literacy and homeownership education classes prior to accessing the affordable lending programs. These classes ensure that clients have a strong foundation in order to mitigate future loan default risk.

All sessions are offered in English and Spanish. Topics include:

- HOPE Homebuyer Workshops: Clients participate in a free tenant and homebuyer orientation as well as a pre-qualification analysis.
- FasTrak Homebuyer Education Classes: 8-hour class focused on assisting potential buyers on every aspect of the mortgage process; it allows the client, once completed to access down payment, closing cost assistance programs and mission-driven real estate services.
- Foreclosure Prevention Clinics: Group workshops that lead to 1:1 counseling with a focus on preparing homeowners to negotiate with their lender and develop an action plan to avoid foreclosure or to modify.
- Financial Fitness: Available to individuals who want helpful tips for getting out of debt and credit recovery. Clients learn to create a financial action plan for their families, which helps them reach the dream of homeownership.
- HOME Matters Workshops: Held on a quarterly basis, NHS hosts multiple workshops that can be attended by participants covering: financial literacy and budgeting, preparing for homeownership, home improvement and foreclosure prevention. The workshop is followed immediately with a bus tour (socially distanced during COVID) of local neighborhoods to tour affordable homes and to see properties of former clients who received home rehab assistance.
- The Legacy Project – Expanding in 2022 to include workshops on building your financial portfolio, estate planning, increasing home value, insurance protection and being an engaged citizen. The project also involves Legacy Talks podcast, Legacy Summit and the Legacy Fund to facilitate property work to preserve cultural neighborhoods, acquire troubled properties and anti-gentrification strategies to help make communities of color more sustainable.

**Provide your organization's tax-ID**

953938955

**Provide the year your organization was formed**

1984

**Does your organization have a valid, active registration in the System for Award Management (SAM)?**

Yes

**Provide your organization's Data Universal Numbering System (DUNS) identifier.**

195130562

**Please provide a detailed description of your organization's form of business**

The mission of Neighborhood Housing Services of Los Angeles County (NHS) is to serve as a catalyst for local residents, business, and government representatives to work together to build stronger neighborhoods, improve the quality of life for low-to-moderate income families and to revitalize communities into neighborhoods of choice. NHS strengthens communities through the development and maintenance of quality affordable housing, creation and preservation of affordable homeownership opportunities, support of local leaders, providing financial education and increasing the financial independence of families and people in need.

Since 1984, NHS has developed and rehabilitated more than 25,600 housing and commercial units, placed 4.6 million families on the road to homeownership, created 250 block clubs, employed over 255 neighborhood youth, and reinvested more than \$7.1 billion back into some of Los Angeles County's most underserved neighborhoods.

NHS is a HUD certified housing counseling agency and a national NeighborWorks America network affiliate. The majority of clients that the organization assists are families who have historically been targeted by unfavorable lending practices and are unaware of the critical role credit plays in their financial security. Overall, the populations served are made up predominantly of low-to-moderate income (LMI) families. In the last fiscal year, 94% of NHS' clients were ethnic minorities and 95% were considered LMI. NHS has always made it a priority to provide services and accommodate specialized groups such as seniors, those with disabilities, and veterans; at least 10% of the clients have veteran status.

The benefits of NHS programs extend beyond local neighborhoods and contribute tens of millions in direct community reinvestment and residual economic impact. Historically, NHS community reinvestment activity generates \$101 for every \$1 in lending, and creates \$231 in economic and social impact for every \$1 invested through our financing programs (including job creation, commercial and community revitalization).

Today, the organization operates five (5) business lines -- Financial Education and Counseling, Affordable Mortgage Lending, Construction Project Management Services, Mission-Driven Real Estate Services, and Neighborhood Revitalization & Advocacy. NHS is the largest, non-profit, affordable homeownership provider in Southern California.

Funding will support and leverage NHS' existing housing counseling infrastructure and place an emphasize on servicing disaster-impacted individuals, which will include outreach and intake, one required counseling opportunity and up to two optional counseling opportunities to support their housing recovery process. As part of the goals of the ReCoverCA Housing Counseling Program, NHS will provide Clients with guidance and counseling related to housing needs in connection to their housing recovery plans from the 2017 and 2018 qualified natural disasters. Current homeowners will receive counseling services on property maintenance, financial management, disaster recovery funding resources, financial and credit literacy, and other areas as needed and appropriate to assist in helping Clients determine their housing recovery plan, improve their housing conditions, and meet their financial needs.

**Provide a list of the names, telephone numbers and email addresses of your organization's officers, directors, members, and any partners, if applicable**

NHS Senior Management:  
213-381-2862  
seniorops@nhslacounty.org

Lori Gay, President & CEO  
Rhonda McMillan, Vice President & Chief Corporate Affairs Officer  
JP Veen, Vice President & Chief Operating Officer  
James Price, Controller

NHS Board of Directors:

Sal Mendoza, Chairperson  
Steve Herman, Vice Chair  
Zeeda Daniele  
Warren Harris  
Lori R. Gay  
Gloria Tang, Secretary/Treasurer  
Rigoberto Reyes  
Ron Turner

Partner/Sub-Grantee for this grant - Shalom Center  
Jee Lee, Executive Director - jeelee@shalomcenter.net  
Grace Jeong, Housing Counselor  
Willie Lee, Housing Counselor

Partner/Sub-Grantee for this grant - Community Housing Development Corporation (CHDC)  
Donald Gilmore, Executive Director - dgilmore@communityhdc.org

Partner/Sub-Grantee for this grant - NeighborWorks Sacramento  
Crystal Smith, Executive Director & CEO - csmith@nwsac.org

Partner/Sub-Grantee for this grant - Community Housing Improvement Program (CHIP)  
Seana O' Shaughnessy, President/CEO - sosh@chiphousing.org

Formalized agreements with all partnering entities will be sent to HCD following contract execution.

**Provide a point of contact for this application (minimum name, job title, email, phone number)**

Regina Chen, Fundraising Coordinator  
development@nhslacounty.org  
213-381-2862

**Upload an Organizational Chart of your organization with lines of responsibility and authority in the administration of the Applicant's business as a housing counseling organization.**

Org Chart NHS 2021.pdf

Provide an availability chart that shows: immediate availability; availability of the staff in a year; percentages of available time; and committed time to other projects.

NOTE: If your organization is not based in California, you must provide the functional full-time equivalents (FTEs) that will be based and staffed in California.

**Upload your availability chart as a single document (single file, PDF or Word format)**

Availability.docx

**Is there any pending, threatened, or recent (within the past five (5) years) litigation, arbitration, sanctions and/or administrative complaints against your organization or your subcontractor, if subcontracting applies?**

No

**Describe how performance on previous housing counseling projects and contracts for federal programs qualifies your organization to develop and implement this project, especially any disaster related housing counseling projects**

NHS responds best to crises. Given our experience over 37 years of service to families in disenfranchised, low-income, high minority neighborhoods, we've established ourselves as the region's largest non-profit affordable homeownership provider. We protect and serve the needs of thousands of families, in crises, or in normal busy times. We've learned to reinvest program proceeds into the lives of families of modest means, always leaving room to facilitate financial wealth building for those who typically don't achieve long term homeownership opportunities. Our programming works best in high volume and has creative high precision production systems that require excellent standards, high compliance and high level client care. Our system works. The financial counseling, affordable lending, construction management, full service real estate and neighborhood revitalization work that we do has created a system of borrowing and home rehabilitation work that helps low-income families and tenants achieve high levels of success.

The key major engagement during the past five (5) years serving a government entity has been working with local municipalities, continuing to be designated as a HUD approved housing counseling agency, and in managing the delivery of HUD disaster related assistance through managing the Neighborhood Stabilization Program 2 (NSP2). NHS received the second largest grant allocation in the country of \$60MM of assistance to respond to foreclosure related neighborhood properties that had been or would be foreclosed upon; while the program contract was initiated in 2010, and expenditure deadlines met, the program continues through closeout with the use of program income. NHS worked to reinvest more than \$40MM of program income during the past five years that was earned through purchase/rehab and resale of properties to new homebuyers who were low to moderate income. NHS managed a consortium of 22 partners, including 9 municipalities to help ensure the program's success. More than \$15MM of the program income has been utilized for larger scale redevelopment projects, and NHS has raised an additional \$100MM to build and/or rehab properties to serve low-income families in underserved neighborhoods with both single family and multi-family affordable developments (impact of nearly 600 units, including lending efforts). NSP2 was a major accomplishment for NHS in providing housing counseling programs/services to populations that have been affected by a major disaster (individuals, households, businesses, organizations) and vulnerable populations.

In 2020, NHS was allocated \$3,230,000 in CalHome Disaster Round II funds from the CA Department of Housing and Community Development to implement Mortgage Assistance and Owner-Occupied Rehabilitation activities. CalHome Disaster Assistance funds were awarded to local jurisdictions or nonprofits in counties impacted by 2017 and 2018 disasters included in four Federal Disaster Declarations - Federal Disaster Declaration DR-4344, Federal Disaster Declaration DR-4353, Federal Disaster Declaration DR-4382, and Federal Disaster Declaration DR-4407. First-Time Homebuyer Mortgage Assistance for gap loans is available to households at or below 120 percent of AMI who were either formerly renters physically or economically displaced by 2017 and/or 2018 disasters in order to assist them in purchasing newly constructed and existing homes and become owner-occupants in affected counties (homes must be ready for occupancy) OR formerly owners of a dwelling unit whose structure is not in compliance with building codes due to 2017 and/or 2018 disasters and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure. Owner-Occupied Rehabilitation Assistance (including repair, full reconstruction, or the addition of an ADU or JADU) for gap loans is available to households at or below 120 percent of AMI who were owner-occupants of a dwelling unit whose structure was damaged or destroyed due to 2017 and/or 2018 disasters.

### 3.2 Managerial, Organization, and Technical Capabilities

**Provide a description which demonstrates your organization has personnel capable of handling the services required herein, include names of all Key Personnel who will administer the proposed CDBG-DR activities**

NHS has several key personnel capable of handling the services required to administer the proposed CDBG-DR activities.

NHS is led by:

- Lori Gay - President and Chief Executive Officer

Lori has worked in the community development field for over 30 years and has focused her efforts on rebuilding impoverished communities and creating mechanisms for community empowerment and ownership. Ms. Gay has served on numerous boards and community coalitions which further social policy agendas and implementation of community development initiatives. She is a member of the JP Morgan Chase Advisory Council, Race & Inclusion Steering Committee, and Chair of the National Stabilization Task Force. Some of her activities have included serving as Chair of the California Organized Investment Network (COIN), a former

Board Member of the Federal Reserve Bank of San Francisco Los Angeles Branch, the California Housing Finance Agency, National NeighborWorks Association, and as a member of the FDIC's Alliance for Economic Inclusion Steering Committee. Ms. Gay has worked for NHS since 1990, holds an M.B.A. degree from Pepperdine University and a B.S. degree in Development, Resource and Consumer Economics from the University of California at Davis.

- Rhonda McMillan - Vice President and Chief Corporate Affairs Officer

Rhonda joined NHS of Los Angeles County in 2002. A Chicago native, she relocated to California in 1984. Among her numerous responsibilities, she handles corporate governance and relationship management for the organization, corporate investments, Human Resources, as well as tenant relations and property management of the NHS headquarters site, and the Center for Sustainable Communities in Compton, California. Her previous employment includes having worked at the UCLA School of Medicine, Department of Obstetrics and Gynecology in Gynecologic Oncology, for the Visiting Nurses Association (VNAcare) in Glendale, and as a Communicable Disease Investigator for the City of Chicago, Department of Health. Rhonda attended Loyola University in Chicago, and Chicago State University.

- J.P. Veen - Vice President and Chief Operating Officer

J.P. has 20 years of experience in finance and operations management. He joined the NHS staff in March 2008 and in this capacity, is currently responsible for direct supervision of the Lending, Construction, Information Technology, and Operations Departments to ensure that production and reporting in all areas are analyzed, developed, and maintained effectively. JP attended Pasadena City College. He brings considerable experience and skills to his position, including a number of years in the lending field. Immediately prior to joining us, J.P. was employed as Team Manager of the Retail Call Center at Countrywide Home Loans. He has also worked in management positions at ALG Capital and Aames Financial Corporation.

- James Price - Controller

James has been a member of NHS' finance department since June 2019 as Controller. James is responsible for overseeing an overall budget of approximately \$6,000,000-\$7,000,000. He is also responsible for the financial management of investments, and real estate and construction account management. In addition, he supervises the accounting and payroll staff. James has a B.S. in Business Administration with a major in Finance with a concentration in Financial Management and Investments from California State University, Long Beach. Most recently he was the Accounting Manager/Acting Controller for Squar Milner in Newport Beach. Prior to that, he had worked in various accounting management positions at Anajet, Inc., Outsource Technical, Omni Financial Management Group, and for Robert Half International.

NHS' Financial and Homeownership Counselor Team is HUD-certified and follows the National Industry Standards for Homeownership & Small Business Education and Counseling.

- Elvia Jimenez—Education Team Manager: Elvia is responsible for coordinating the overall team management and service delivery effort; organizing all pre/post-purchase classes and home maintenance classes as well as personal finance/budgeting and foreclosure prevention courses for the FasTrack Homebuyer Education classes. Elvia also is responsible for working with clients to review loan files to cure the delinquency/prevent foreclosure and for working closely with HUD/FHA homeowners to review loan files for predatory practices

- Yolandra McClinton—Pre-Purchase Team Manager: Yolandra helps facilitate the pre-purchase team at NHS, conducts the personal finance and budgeting and foreclosure prevention courses of the Homebuyer Education and Fast-Track classes and manages program by recruiting, coordinating, teaching classes, account maintenance, one-on-one counseling and case management. Yolandra also works closely with HUD/FHA homeowners to review loan files for predatory practices.

- Cesar Villavicencio—Senior Homeownership Counselor: Cesar is responsible for conducting Homebuyer Education Classes, Foreclosure Prevention Clinics, conducting client interviews and gathering information to perform complex analysis of financial information. Cesar is certified as a HUD Housing Counselor; certified in Post-Purchase Homeownership Education and certified in Foreclosure Intervention and Default Counseling with Neighborworks America Network. He is a California Licensed Realtor and speaks fluent Spanish.

- Anabel Ortega—Homeownership Counselor: Anabel joined NHS with over seven years of counseling experience. She also is knowledgeable in community lending, affordable housing finance and community development. Anabel also has a solid background in adult education presentations, individual counseling, credit counseling and financial management. Prior to NHS, Anabel worked as a Project Intern for the Los Angeles Housing Department; a Housing Counselor of Vivienda Digna and East LA Community Corporation; and, an Intake Specialist of Fannie Mae/West Angeles CDC.

- Wayne Madere—Senior Homeownership Counselor: As a HUD Certified Homeownership Counselor, Wayne coordinates and conducts group clinic counseling, individual client counseling, and foreclosure prevention and loss mitigation intervention services. Wayne also works closely with HUD/FHA homeowners to review loan files for predatory practices and provides reports

on program performance and tracking to proper authorities.

Provide resumes for all Key Personnel. Resumes must include: title, tenure at current position, main responsibilities, experience including begin and end dates, skills, and education, including HUD Certification(s).

At minimum, the personnel should cover the following areas of responsibility:

- Executive Management
- Financial Oversight of Expenditures
- Project Management
- Program Compliance & Reporting
- Housing Counseling Services

**Upload resumes for all Key Personnel (single file, PDF or Word format)**

Senior Mgmt and Education Resumes + Shalom.pdf

**Does the applicant represent and certify that Applicant staff, Key Personnel, and Team Members shall have and maintain, throughout the duration of the Agreement, valid and current licenses or authorizations when applicable and required to perform the tasks or works to be performed under the Agreement?**

Yes

**Describe your organization's experience in maintaining compliance with the financial management requirements of 2 CFR §200, including the single audit requirements of 2 CFR §200.501**

NHS has over 37 years of experience in maintaining compliance with financial management requirements. Our most recent single audit and financial policies are attached.

### 3.3 Applicant Experience

**Provide a brief description of your organization's experience and major accomplishments in providing programs/ services to populations that have been affected by a major disaster (individuals, households, businesses, organizations) and/or vulnerable populations.**

In FY20, NHS and its affiliates:

- Reinvested \$459 million into Los Angeles County communities, through lending, real estate and neighborhood revitalization activities, preserving \$311 million in property values during the year.
- Assisted 593 families to preserve their homes and prevent foreclosure through education fairs, clinics, and workshops, affordable lending, and loan modifications.
- Educated and counseled 1,949 families regarding homeownership purchase, budgeting, credit repair, home maintenance, and insurance services.
- Helped 339 families purchase homes which resulted in \$72.1 million of direct lending impact.
- Successfully completed 60 site visits and 7 notices of Completion on projects.
- Coordinated 200+ volunteers on 3 blocks who contributed over 1,000 service hours that generated \$184,120 in revitalization impact.
- California Department of Housing and Community Development (HCD) – While most of the funding for the State of California was Proposition A funded, a percentage of the funds were utilized to assist low-income residents to become homebuyers and homeowners to rehabilitate their properties. NHS was most recently awarded \$8.23MM to facilitate disaster recovery in communities impacted by the 2018 and 2019 fires, home rehabilitation and first-time homebuyers in Los Angeles County. The HCD CalHome contract has been a part of NHS' portfolio for more than 20 years. NHS has passed all audits with no findings.
- U.S. Department of Housing and Urban Development (HUD), NSP2 Program – As cited above, NHS utilized the funding from this disaster related contract to facilitate home rehabilitation of foreclosed properties. NHS purchased and rehabilitated 322 properties, selling all but three large scale properties that are in development. The remaining properties will facilitate a 122 unit multi-family project for extremely low to low-income residents, 77 unit property that includes an urban farm and will provide affordable homeownership for low-income families and a 54 unit affordable home property that will include opportunities for displaced veterans. NHS has passed all monitoring and audit visits and has cured all past findings.

### 3.4 Staffing

Please upload an organization chart for all Team Members who will administer CDBG-DR funded activities. At minimum, the organization chart should cover the following areas:

- Executive Management
- Financial Oversight of Expenditures
- Project Management
- Program Compliance & Reporting
- Housing Counseling Services

**Upload CDBG-DR activities organization chart (single file, PDF or Word format)**

Org Chart NHS 2021.pdf

**Please describe your staffing plan in detail**

NHS' full-time Financial and Homeownership Counseling Team is HUD-certified and follows the National Industry Standards for Homeownership and Counseling. All counselors are full time and are fully dedicated to serve clients who need housing stability counseling, along with pre-purchase education and counseling. On average, the counselors split their time equally amongst these services. The staff who work with the counselors include administrative and lending staff who assist/support with housing stability and pre-purchase intake work. The administrative staff focus on providing administrative support throughout either pre or post-purchase service delivery, while the lending team is focused on processing and closing loan clients. The lending team will provide backup intake and budget counseling or loss mitigation support if the client volume warrants it. All counselors are HUD certified and have passed required exams. NHS staff counselors are also licensed realtors, and most have NMLS certifications.

In addition to our own staff, NHS will partner with up to 5 other HUD approved counseling teams to implement grant activities statewide. Among them are Shalom Center, Community Housing Development Corporation (CHDC), NeighborWorks Sacramento (NWSAC), and Community Housing Improvement Program (CHIP). All partners will be sub-grantees for this project and will be available to provide services throughout the three year grant term.

Shalom Center is a non-profit, 501(c)(3) faith-based organization founded in 1997 that provides comprehensive housing counseling, training and client advocacy services to help low- and moderate-income homebuyers and tenants in the Los Angeles County and Orange County areas secure and maintain safe and affordable housing. Shalom Center's goal is to prevent homelessness and to promote long-term housing opportunities by providing families and communities with the skills and confidence necessary to gain control over their own lives and environment. Shalom Center places a priority on removing barriers for groups with inadequate access to services, such as minority, immigrant, limited English proficiency, disabled, homeless, and elderly populations. For 15 years, this organization has served low-and moderate-income families in Los Angeles County, helping them open the door to the American Dream of successful long-term home ownership; and those families, in turn, have become the seeds that strengthen their neighborhoods across Los Angeles County. Since April 2005, more than 50,300 families have participated in our housing services and programs, and Shalom Center, in partnership with the community, has assisted nearly \$350 million in mortgages for low-and moderate-income families. Shalom's counselors are HUD-certified.

CHIP is a private, non-profit 501(c)(3) corporation serving Butte, Glenn, Tehama, Shasta, Sutter, Yuba and Colusa counties. "Helping People Help Themselves" is CHIP's mission. They assist low-income and rural disadvantaged residents, seniors and others who lack financial resources or knowledge to improve or provide adequately for their housing. CHIP has built more than 2,600 housing units in our seven-county service area and is acknowledged as an innovator and leader in rural housing issues. CHIP will assist with Level 1 outreach efforts.

CHDC provides a broad range of affordable housing opportunities and services to enable low/moderate income residents to gain better housing and financial stability. Their unique approach to community development engages residents at the grassroots level and ensures that the whole neighborhood benefits from the affordable housing and neighborhood services provided. They serve households throughout the San Francisco/Oakland Bay Area, including Oakland, Richmond, Pittsburg, Antioch and beyond. They serve people of all income levels but specialize in serving low and moderate-income families. A large majority of their clients have incomes below 80% of the area median income. CHDC's counselors are HUD-certified.

NeighborWorks Sacramento was founded in 19787 by a small group of residents who wanted to improve their distressed neighborhood. The organization has been a landmark in the Sacramento area for over 35 years. Their vision of service and strong healthy communities, is as vibrant and alive today, as it was in 1987. The mission of NWSAC is to partner with underrepresented communities to build healthy, sustainable, and equitable neighborhoods. Through education, counseling, housing development, empowerment, and advocacy, NWSAC makes communities feel like home. NWSAC's counselors are HUD-certified.

## **Section 4: Workplan Requirement**

#### 4.1 Service Activity Scope

**Certify that you have viewed and understand the activity area map attached to the solicitation listing:**

**[https://gn.ecivis.com/GO/srmng\\_downloadSolicitationFileExt/SOLICITATIONFILEID/1XC3GZM3jwc~](https://gn.ecivis.com/GO/srmng_downloadSolicitationFileExt/SOLICITATIONFILEID/1XC3GZM3jwc~)**

I have reviewed the eligible service area maps attached in the solicitation listing

**Which of the services below can your organization provide? (Check all that apply)**

Reviewing the process involved in obtaining financing (including the selection of a lender), Explaining insurance options including budget impacts and risks, Short and long-term budgeting counseling, Financial resources assessment, Credit Repair counseling, Negotiating mortgage and rent forbearance, Acting as a safeguard against fraud and scams including identifying discrimination, when applicable, Connection to other resources that provide home repair relief and emergency assistance, Individualized education addressing how to remediate mold, lead, or other health hazards, Establish a property purchase eligibility and affordability threshold on an applicant-by-applicant basis, Evaluating a client's completed Uniform Residential Loan Application (Fannie Mae Form 1003/Freddie Mac Form 65), Pre-purchase homebuyer education, Relocation counseling for home purchase options, Other Housing Counseling management services permitted under HUD Housing Counselor activities

**Which of the areas below can your organization serve? (Check all that apply)**

Butte County, Lake County, Los Angeles County, Mendocino County, Napa County, Nevada County, Orange County, Santa Barbara County, San Diego County, Shasta County, Sonoma County, Ventura County, Yuba County

**For each proposed activity indicated above, please describe the 1) target population(s), 2) service delivery areas, and 3) staffing**

NHS regularly serves all census tracts throughout Los Angeles County (100% of eligible project area) making each proposed activity indicated above available to an estimated 4.4 million low-to-moderate income (LMI) populations. More than 94% of NHS' clients are ethnic minorities (Asian/Pacific Islander -- 14%; Latino -- 34%, and Black -- 46%). Ninety-five percent of NHS' clients earn 80% or less of LA County's Area Median Income (AMI). In addition, NHS has always made it a priority to provide services and accommodate vulnerable and specialized groups such as seniors, those with disabilities, and veterans; at least 10% of our clients have veteran status. Notably, 58% of our clients are female, and 42% male, with 40% being single-female heads of households.

In addition to LA County, NHS and our partners will be able to offer virtual and in person counseling services to qualified applicants in other parts of Southern California as well as Northern California. NHS will leverage our partnerships with HUD-certified housing counseling agencies to maximize reach and impact in at least 7 counties covered by this NOFA. When possible and necessary, in-person door to door outreach and events will be conducted to reach clients who do not have access to virtual services or prefer in person support and counseling. Clients will receive 1-3 counseling sessions, as needed. It is assumed most clients will need 2-3 financial counseling sessions.

Southern California - NHS will provide virtual and in person services (English, Spanish) to Los Angeles, Orange, San Diego, Santa Barbara, and Ventura counties. Shalom Center will provide virtual and in person services (English, Korean) to Los Angeles, Orange, San Diego, Santa Barbara, and Ventura counties.

Northern California - NHS will provide virtual services to Lake, Mendocino, Napa and Sonoma counties. CHIP will provide in person services to Butte and Yuba Counties. CHIP can provide facilities to host clients and counseling events for Butte and Yuba County residents. NeighborWorks Sacramento will provide virtual and in person services to Butte, Shasta, Yuba, and Nevada counties. CHDC will offer in person services and primarily provide virtual counseling, but can also host conversations in their offices and in the field for Butte, Shasta, Yuba, and Nevada counties.

- o Level 1 - Client intake and document review - complete basic intake forms and review/update program and client details -- \$300/client
- o Level 2 - Client counseling session to verify information, assess situation and assist client in completing a Budget and Action plan; if a client can be closed out to then receive HCD assistance they can at this juncture -- \$850/client (HUD certified counselors only)
- o Level 3 - Optional: Client counseling session to help assess further details on an Action Plan, submit additional documentation and prepare for program participation -- \$400/client (HUD certified counselors only)
- o OPTIONAL - means the client may not need additional counseling beyond Level 2 (\$1150 total if Level 1 and Level 2 completed); if a client wants additional counseling, Level 3 could be completed

Key personnel that will deliver the services indicated above are from HUD-Certified housing counseling organizations that

regularly provide expert, unbiased guidance, and information to help families and individuals, particularly the most vulnerable, meet their housing needs through an informed decision-making process. Our organizations act as an important safeguard in the prevention of housing scams and discrimination as well as an important gateway to local, state, federal, and private housing assistance and resources.

This program will provide wrap-around educational services to promote understanding of housing and financial options such as: financial literacy education, homebuyer counseling, credit repair counseling, and mitigation of default/foreclosure proceedings.

Counseling services will range from one-on-one counseling to help residents identify and address barriers to permanent, safe, and affordable housing, to credit repair advocacy and education to avoid mortgage scams, to homeowner budgeting and post-purchase counseling. Accommodations will be made for individuals with wide-ranging disabilities including mobility, sensory, developmental, emotional, and other impairments through communication standards and or program policies and procedures that adhere to HUD policies such as Americans with Disabilities Act (ADA) compliance and Section 504 of the Rehabilitation Act of 1973 (504). Services may also be provided related to rental counseling if deemed necessary on an individual basis.

#### 4.2 Applicant Understanding of Regulations and Population Needs

**Provide description of past experience or plan to acquire knowledge and build capacity with: The needs and difficulties or challenges facing the disaster impacted populations**

When NHS began in 1984, we worked primarily in revitalizing low-income neighborhoods destabilized by crime and gang violence and that were experiencing business and economic divestiture. In 1992, public unrest in Los Angeles due to the televised police beating of a Black American led to riots and extreme damage across the County. NHS was there to help with restoration efforts. When the 1994 Northridge earthquake hit, not only was there loss of life, but the damage to homes and commercial buildings was immense. NHS has served the communities hardest hit by disasters. The 2008 Foreclosure crisis resulted in approximately 4 million foreclosed properties in the U.S. Because of our community-based efforts to support mortgage and housing efforts during those times, NHS is now well positioned to help those caught in the current crossfire of the pandemic and facing foreclosures due to unpaid rents and mortgages. While crises management has deepened our commitment to community-level investment, it also helped to expose the additional needs of disaster impacted populations.

**Provide description of past experience or plan to acquire knowledge and build capacity with: The ReCoverCA Owner-Occupied Rehabilitation Program**

NHS provides housing counseling for homeowners and potential homeowners who fit the eligible criteria outlined from the ReCoverCA Owner-Occupied Rehabilitation Program. NHS is actively engaged with HCD's CalHome program to implement Owner-Occupied Rehabilitation Program activities in disaster areas and has run the non-disaster program for more than 21 years. Additionally, NHS staff will use ReCoverCA resources to get educated about the program throughout the course of the funding.

**Provide description of past experience or plan to acquire knowledge and build capacity with: Developing a housing recovery plan for each individual assisted**

Individualized financial coaching is built into NHS' existing Financial Education & Counseling program. One-on-one counseling sessions provide LMI families with personalized resources and tools required for them to become informed homeowners. NHS pre-purchase counseling provides information on the entire process of homeownership including:

- The decision to purchase a home;
- The selection and purchase of a home;
- The home inspection process;
- Issues arising during or affecting the period of ownership of a home, including refinancing, default and foreclosure, and other financial decisions;
- The sale or disposition of a home.

In times of disaster, 1:1 financial coaching is crucial to long-term recovery efforts. Our counselors provide vital housing counseling services to disaster impacted Clients to assist in addressing their housing and disaster recovery needs. Clients will receive counseling services on property maintenance, financial management, disaster recovery funding resources, financial and credit literacy, and other areas as needed and appropriate. Additionally, clients will work 1:1 with counselors to determine their housing recovery plan, improve their housing conditions, and meet their financial needs.

Pre-purchase counseling offers individualized services to help clients overcome particular obstacles or address specific concerns in the home-buying process. Counseling is typically delivered through face-to-face meetings. In response to COVID-19, counseling sessions have taken place over the telephone and via Zoom video conferencing. Counseling services tend to be more intensive than education programming as it includes an analysis of a client's financial situation, assessment of one's ability to qualify for a mortgage, development of a corrective action plan to overcome any barriers to achieving homeownership, links with housing industry professionals, and thorough review of various aspects of an individual's unique purchasing and financing process.

In addition to pre purchase counseling, clients can also receive Foreclosure Prevention counseling with a focus on preparing homeowners to negotiate with lenders and develop an action plan to avoid foreclosure.

After a client receives counseling, counselors follow up with clients to answer any additional questions and to determine the outcome of the counseling sessions. Counselors communicate with clients on an on-going basis to track their progress against the developed action plan. This works to ensure NHS has been instrumental in assisting clients in progressing toward their housing goals and meeting their financial needs, to modify or adjust housing counseling, and to measure and evaluate the program to report outcomes.

Counselors make reasonable efforts to conduct a verbal follow-up within 60 days after the counseling session. If the counselor is successful in reaching the client by phone, the counselor reviews information discussed during the session and materials provided to the client. If a counselor performs emergency counseling and the client receives the information packet during or after the counseling session, counselors wait 24 to 48 hours to contact the client. Counselors are required to emphasize that the client may call the counselor at any time with additional questions or concerns.

Within three to six months counselors send a letter to the client to closeout counseling services. This letter is accompanied with a survey for the client to report the outcome of the sessions.

NHS' counselors are skilled and experienced in providing services to individuals with a variety of needs.

**Provide description of past experience or plan to acquire knowledge and build capacity with: Budgetary needs for conventional mortgage financing, and/or rebuilding costs, including potential property tax increases, and hazard/fire/flood insurance availability and costs**

NHS has staff members that provide counseling services for the housing needs addressed above, and have familiarity working in Los Angeles County for over 37 years. As the organization has provided services to the community through the years, the organization's knowledge and ability to relay the knowledge has grown to respond to the needs of the community over time. NHS will continue to stay up to date on these topics for the requirements of the disaster recovery grants; and provide this information and knowledge to the recipients of the counseling.

**Provide description of past experience or plan to acquire knowledge and build capacity with: Predatory lending practices and how to educate participants**

A crucial aspect of the housing counseling program is that all clients are required to attend financial literacy and homeownership education classes prior to accessing the affordable lending programs. These classes ensure that clients have a strong foundation in order to avoid predatory lending practices and mitigate future loan default risk. Dealing with predatory lending and foreclosures has been a key focus of ours since early 2006. During the 2008 Foreclosure Crisis, NHS became the nation's highest volume counseling organization.

To educate as many participants as possible, sessions are offered in English, Spanish, and Korean. Topics include:

- HOPE Homebuyer Workshops: Clients participate in a free tenant and homebuyer orientation as well as a pre-qualification analysis.
- FasTrak Homebuyer Education Classes: 8-hour class focused on assisting potential buyers on every aspect of the mortgage process; it allows the client, once completed to access down payment, closing cost assistance programs and mission-driven real estate services.
- Foreclosure Prevention Clinics: Group workshops that lead to 1:1 counseling with a focus on preparing homeowners to negotiate with their lender and develop an action plan to avoid foreclosure or to modify.
- Financial Fitness: Available to individuals who want helpful tips for getting out of debt and credit recovery. Clients learn to create a financial action plan for their families, which helps them reach the dream of homeownership.
- HOME Matters Workshops: Held on a quarterly basis, NHS hosts multiple workshops that can be attended by participants covering: financial literacy and budgeting, preparing for homeownership, home improvement and foreclosure prevention. The workshop is followed immediately with a bus tour (socially distanced during COVID) of local neighborhoods to tour affordable homes and to see properties of former clients who received home rehab assistance.
- The Legacy Project - Expanding in 2022 to include workshops on building your financial portfolio, estate planning, increasing home value, insurance protection and being an engaged citizen. The project also involves Legacy Talks podcast, Legacy Summit and the Legacy Fund to facilitate property work to preserve cultural neighborhoods, acquire troubled properties and anti-gentrification strategies to help make communities of color more sustainable.

**Provide description of past experience or plan to acquire knowledge and build capacity with: How the organization will address one or more of these needs and problems with its available resources**

An understanding of financial literacy has been shown to increase overall wealth, support affordable home buying opportunities, strengthen retirement planning, and improve financial health. This program offers specialized resources, information, and counseling regarding pre and post purchase homeownership, including buying a new home, preventing foreclosures, and working with other neighbors and community groups to define and address issues in their community. NHS works to provide LMI individuals with a stable financial foundation that:

- Increases understanding of how to establish and maintain a positive credit history or improve credit;
- Develops sustainable financial behaviors, attitudes, and practices needed to reach personal financial goals;
- Creates a financial action plan that helps families reach the dream of homeownership
- Assists in developing a plan to manage and reduce debt;
- Opens access to capital with safe and affordable financial products with a free homebuyer orientation and pre-qualification analysis;
- Provides one-on-one coaching with a focus on preparing homeowners to negotiate with their lender and develop an action plan to avoid foreclosure

Financial security has never been more important to keep families safe and healthy in their homes. Through our Financial Education & Counseling programming, we are stabilizing diverse communities and helping LMI families begin to work towards long-term financial prosperity, improve economic security, achieve equitable access to social capital and improve overall health outcomes. We aim to empower a marginalized population to be confident participants in society.

Our programs and services work to advance homeownership opportunities and preserve affordable housing for LA County's most vulnerable.

**Provide description of past experience or plan to acquire knowledge and build capacity with: The geographic service area to be served**

Since 1984, NHS has developed and rehabilitated more than 26,000 housing and commercial units, placed 4.6 million families on the road to homeownership, created 255 block clubs, employed over 260 neighborhood youth, and reinvested more than \$7.1 billion back into some of Los Angeles County's most underserved neighborhoods.

LA's homeownership rate is one of the lowest in the nation. The housing crisis continues to plague the region. Helping the County's most vulnerable break social and economic barriers through homeownership remains a critical priority. Through services such as, pre- and post-purchase counseling, homebuyer education, debt management, asset and credit building, affordable home lending, and mortgage relief, NHS transforms some of Los Angeles County's most underserved neighborhoods into communities of choice for BIPOC residents and homebuyers while creating knowledgeable, empowered and healthy homeowners.

**Provide description of past experience or plan to acquire knowledge and build capacity with: The anticipated results (outcomes) to be achieved within the term of the Agreement**

Our immediate recovery-focused outcomes include:

- Increased outreach to disaster-impacted communities by 25% through engagement activities so that NHS will increase the number of clients and tenants who become more aware of tools and programs for achieving long-term recovery and long-term housing. Measurement: Number and percentage of consumers that attend classes.
- Increase the number of disaster-impacted LMI families obtaining Financial Education by 45% by increasing the number of monthly foreclosure prevention and mortgage assistance workshops classes so that clients in mortgage assistance and foreclosure clinics are able to remain in their homes. Measurement: Number and percentage of successful resolutions of foreclosure counseling cases.
- Place 15% more clients on the path to homeownership by increasing the number of hours of 1:1 counseling. As a result, clients become more financially empowered and aware consumers. Measurement: Number and percentage of clients with action plans and long-term housing plans.

#### 4.3 Implementation Methodology

**Explain your organization's methodology for the proposed service project implementation.**

As community members continue to spend a greater percentage of their income on living expenses, the program focuses on building financial capability, knowledge of financial services and products, credit management, avoiding predatory lending practices, and homebuyer and homeowner education.

An understanding of financial literacy has been shown to increase overall wealth, support affordable home buying opportunities, strengthen retirement planning, and improve financial health. This program offers specialized resources, information, and counseling regarding pre and post purchase housing, including buying a new home, preventing foreclosures, and working with other neighbors and community groups to define and address issues in their community.

One of the biggest challenges that we had with the program was that the COVID-19 pandemic and the Governor's Safe At Home orders caused us to have to transition from our normal in-person, face-to-face operations and move over to virtual operations. This slowed down some production and significantly expanded others. The demand for our financial counseling went up significantly, while some construction delays occurred due to social distancing and families not wanting to have construction workers in their homes.

To address these challenges and to honor social distancing, we upgraded our servers and made equipment purchases that allowed our employees to continue to serve and engage with the community who were limited at home but still in dire need for our services. Our Financial Education & Counseling program continues to be offered virtually through Zoom. Clients are able to schedule a time to meet with a counselor online or via phone/e-mail. In person counseling sessions will follow public health guidelines and take place at a centralized location that is convenient to clients. Appointments and walk-ins will be accepted. Several counselors will be on-site to conduct 1:1 sessions.

For this service project implementation, NHS and our partners will utilize a hybrid model to deliver services that includes phone, email, in-person, 1:1, and virtual software. NHS maintains a close relationship with our community partners. As housing counseling agencies, we are deeply familiar with the activities outlined in this NOFA. To provide in-person coverage to Butte and Yuba counties, CHIP will serve as the hosting site for clients and counseling events. NHS, NeighborWorks Sacramento and CHDC can travel to CHIP's offices to assist with in person counseling services to residents in these counties, but will provide the virtual counseling sessions needed for those clients who welcome assistance online. CHDC and NWSAC could also serve as an in person sites for Butte, Shasta, Yuba, and Nevada counties.

Referrals will be assigned to organizations based on geographic need and caseload to maximize impact and efficiency. NHS' counseling team is supervised by our Vice President/Chief Corporate Affairs Officer who will work closely alongside managers of the other counseling teams to ensure that clients are moving smoothly through the pipeline. Our current collaborative work has a referral system that assigns clients to an agency, there is follow within 48 hours, a report out of the counseling session and then next steps planned per client. If a client need additional support, particularly relative to the impact of the HCD resources, timing and implementation and how that impact their daily lives, more counseling will be provided. We've estimated that approximately 67% of the clients will take advantage of the Level 2 counseling and 33% of the Level 3 counseling.

The in person session will be a series of larger group workshops that end in 1:1 counseling (3 events planned through the budget), and then 1:1 sessions in the offices of CHIP, CHDC and NeighborWorks Sacramento. In southern California, NHS will host at least one larger scale event for Los Angeles, Santa Barbara, Ventura, and Orange counties, but is available through both of its southern California offices and/or other location with community partners as may be needed for in person if required.

Services will be offered in English, Spanish, and Korean and collateral will be translated to Spanish and Korean to meet the needs of a large percentage of our priority population.

**What is your organization's proposed timeline for the project?**

Upon referral from HCD, the housing counselor will make initial contact with the client within 48 hours. All efforts will be made to complete the counseling session within 3-5 business days after initial contact.

NHS provides housing counseling services year-round. Our fiscal year is from July to June. NHS and our partners understand the vital role of continuing to stabilize California's housing market by helping individuals and families obtain housing or rebuild their homes through responsible homeownership or affordable rental housing. Therefore, we are committed to the three year grant term in order to respond to the needs of residents and deliver a wide variety of housing counseling services to displaced home/property owners, potential homebuyers, and renters.

#### 4.4 Monitoring and Evaluation

##### **Describe your organization's experience on how to track and monitor (evaluation tools) the progress of the services and/or activities utilizing CDBG-DR funds**

Long-term disaster recovery work is not new to NHS. When the housing and foreclosure crisis hit in 2008, NHS became a leader in community responses efforts. From 2006 to 2014, almost 10 million homeowners in the U.S. lost their homes. Families in Los Angeles County were some of the hardest hit. We adapted our programming to meet the immediate needs of our families and shifted our goals in response to unprecedented crises. We established the Los Angeles County NeighborWorks® Center for Foreclosure Solutions (CFS) to address the foreclosure issue. The CFS provided a unique opportunity for over 50 nonprofits, investors, financial and business sector participants and consumers to become partners in providing a sustainable solution to the foreclosure crises. The Center served over 3,500 families per month. Some of the services provided included pre and post-foreclosure interventions. While much of the work was initially focused on pre-foreclosure efforts (i.e. outreach to borrowers, delinquency and foreclosure counseling, loan modification and loss mitigation), the coalition also focused on finding and implementing solutions to address the post foreclosure impact in a hot market like Los Angeles...where supply and demand issues are in constant conflict; we have higher demand than we do affordable supply of housing, along with population growth, regional in-migration and overall low housing vacancies. NHS' response during that period resulted in us becoming the largest foreclosure crisis response hub in the region.

NHS regularly uses a variety of databases and software to track quantitative data points for accuracy and ease in reporting. More specifically, NHS tracks the number of clients who are serviced through various programs with intake and survey forms as well as with digital record keeping and data compiling software. Evaluation occurs at various points of the process for each program area. Affiliated groups working with NHS are asked to share all relevant statistics and deliverables data with NHS.

A deep commitment and dedicated experience has strengthened NHS' ability to collect qualitative data, personal stories, and interpret long-term changes and transformations. Tracking of outcomes informs the work of NHS past the impact, to reflect change in community behavior, improvements in quality of life, and revitalization of local neighborhoods.

Senior staff members are responsible for the oversight and management of counselors responsible for: pre and post-purchase counseling; conducting education classes; preparing the education curriculum; conducting one-on-one and group counseling sessions; preparing client Action Plan; managing progress of education and counseling clients in the Salesforce HomeEdge software system. The trained housing counselors are responsible for monitoring the pipeline and making sure client files are moving efficiently through the system.

The monitoring includes:

- Review of files over 30 and 60 days;
- Close-out of files over 90 days on Salesforce HomeEdge;
- Review of Pre-qualifications for HBE clients;
- On-going evaluation of classes;
- On-going training as needed;
- Evaluation of intake and survey forms;
- Review of loan modification denial;
- Review and referral to Legal Assistance partners where HAMP violations are identified;
- All reviews are documented in notes on Salesforce HomeEdge.

Client complaint calls or client issues are also monitored by the following process:

- Client complaints are referred to the Operations Manager;
- Operations Manager reviews notes from Salesforce HomeEdge and calls clients;
- If client is not satisfied, client is referred to the Vice President & Chief Operations Officer;
- All conversations are documented in Salesforce HomeEdge.

NHS has an effective and efficient set of systems, policies, and procedures that enable the organization to carry out and track a broad range of services and ensure compliance. NHS uses a standardized approach that is consistently reviewed for improvements and designed to be responsive to community needs and governmental regulations.

As a foundation of its compliance process, NHS has adopted the National Industry Standards for Homeownership Education and Counseling as well as the Foreclosure Intervention Specialty Standards. To best track and maintain compliance, NHS utilizes the Fund E-Z and Community Central software programs to ensure accurate reports. This software represents the industry standard

for education counseling activities.

Corrective steps include re-review of the file by the counselor, increased trainings and on-going trainings for counselors throughout the year, and more extensive monitoring as required. Follow up and compliance are addressed at regular officer meetings and prior to all audits. Any changes in compliance and oversight procedures and/or policies are finalized by the President and Chief Executive Officer, in coordination with Senior Management.

**Explain how your organization will track and monitor (evaluation tools) the progress of the services proposed and/or activities utilizing CDBG-DR funds**

Evaluation of NHS' overall counseling program performance is generated through a client management system's reporting tools, which provides the organization with the following:

- Number and demographic profile of clients served via pre and post service surveys and feedback forms;
- Weekly client tracking reports that allow NHS to streamline quarterly and yearly reports requested by funders and granting agencies;
- Client outcome results and ongoing client credit report data and status;
- Website and social media responses, workshop assessment forms/surveys
- Grant program reports for funders;
- Program success benchmarks for individual counseling programs;
- Annual data trends, which are cross-analyzed with HMDA, Neighborhood Knowledge and title/escrow data to help evaluate program performance and impacts;

Additionally, NHS will adhere to Grants Network reporting requirements as required by this NOFA and standard HUD guidelines.

A deep commitment and dedicated experience has strengthened NHS' ability to collect qualitative data, personal stories, and interpret long-term changes and transformations. Tracking of outcomes informs the work of NHS beyond the impact, to reflect change in community behavior, improvements in quality of life, and revitalization of local neighborhoods.

Senior staff members are responsible for the oversight and management of counselors responsible for: pre and post-purchase counseling; conducting education classes; preparing the education curriculum; conducting one-on-one and group counseling sessions; preparing client Action Plan; managing progress of education and counseling clients in the Salesforce HomeEdge software system. The trained housing counselors are responsible for monitoring the pipeline and making sure client files are moving efficiently through the system.

NHS has an effective and efficient set of systems, policies, and procedures that enable the organization to carry out and track a broad range of services and ensure compliance. NHS uses a standardized approach that is consistently reviewed for improvements and designed to be responsive to community needs and governmental regulations.

Evaluation tools include: pre- and post-service surveys, client stories that qualify our services and the impact we make on a personal level, and data mapping to show what areas have been most impacted by our services.

#### 4.5 Compliance with Federal Policy and Procedure

### **Describe your organization's experience complying with federal policy and procedural requirements**

NHS is a HUD certified housing counseling agency and a national NeighborWorks America network affiliate. As the recipient of numerous state and federal grants, NHS has the framework in place to comply with the procedural requirements.

NHS is currently partnering with LISC to provide tenant counseling under the CA COVID-19 Rent Relief program. The CA COVID-19 Rent Relief program provides financial assistance for unpaid rent to eligible renters and landlords who have been impacted by COVID-19. In addition to this program, NHS is also currently working with Los Angeles County to run the County's Foreclosure Prevention & Mortgage Relief Program. This program was developed in partnership with the LA County Board of Supervisors, NHS Center for Economic Recovery and the Department of Consumer & Business Affairs. This program provides foreclosure counseling and mortgage relief to L.A. County property owners. If a property owner has experienced financial distress between March 1, 2020 and December 31, 2021 as a result of COVID-19 and the property is located in a community highly impacted by COVID-19, they can apply for mortgage relief. The program is structured to benefit single-family homeowners and property owners with four or fewer units living in communities highly impacted by COVID-19. This includes low- and moderate-income (LMI) communities and those who have suffered a higher percentage of significant health impacts during the ongoing COVID-19 pandemic. NHS is administering the relief fund and deploying funds to qualified applicants. DCBA and NHS-LA worked together to determine qualification requirements for applicants.

NHS has served the following municipalities and government entities in managing the delivery of and/or advisory services for home or small business rehabilitation, reconstruction and new construction, first-time homebuyer, small business assistance during the past five (5) years:

- City of Compton – NHS is the current manager of the City's home rehabilitation and first-time homebuyer programs.
- City of Pasadena – NHS manages the city's Home Rehabilitation contract that includes providing loan and construction project management services for low-income families throughout underserved neighborhoods in the city. The contract was monitored by HUD, and NHS successfully passed all audits with no findings.
- Cities of Downey, Norwalk, Pico Rivera, Huntington Park – Home Rehab, Homebuyer & Lead Abatement contracts – NHS managed these contracts for each of the cities to help facilitate creating new homebuyers and/or helping existing homeowners maintain and preserve their homes.
- City of Inglewood – Solar Home Rehab & NSP2 contract partner – NHS completed its three year contract of solar home rehab, which included providing solar roofs and full scale home rehabilitation to low-income residents citywide. Upon successful completion, NHS then partnered with the city to help facilitate the NSP2 program expending more than \$10MM of HUD funding for families. NHS and its city partners passed all audits and monitoring visits by HUD and OIG.
- California Department of Housing and Community Development (HCD) – While most of the funding for the State of California was Proposition A funded, a percentage of the funds were utilized to assist low-income residents to become homebuyers and homeowners to rehabilitate their properties. NHS was most recently awarded \$8.23MM to facilitate disaster recovery in communities impacted by the 2018 and 2019 fires, home rehabilitation and first-time homebuyers in Los Angeles County. The HCD CalHome contract has been a part of NHS' portfolio for more than 20 years. NHS has passed all audits with no findings.
- U.S. Department of Housing and Urban Development (HUD), NSP2 Program – As cited above, NHS utilized the funding from this disaster related contract to facilitate home rehabilitation of foreclosed properties. NHS purchased and rehabilitated 322 properties, selling all but three large scale properties that are in development. The remaining properties will facilitate a 122 unit multi-family project for extremely low to low-income residents, 77 unit property that includes an urban farm and will provide affordable homeownership for low-income families and a 54 unit affordable home property that will include opportunities for displaced veterans. NHS has passed all monitoring and audit visits and has cured all past findings.

NHS is currently in contract negotiations with the cities of Culver City, Montebello, Pico Rivera, Los Angeles, Norwalk and Long Beach to help facilitate homebuyer, homeowner rehab, homeowner foreclosure prevention and/or small business recovery programs.

### **Explain how your organization will comply with federal policy and procedural requirements**

NHS has managed multiple local, state and federal government contracts during its 37 year history of serving families throughout Los Angeles County and beyond. During crises, NHS has been a first responder and has maintained adequate staffing levels to respond to major interventions as required. Given ongoing relationships with local chambers of commerce, minority trade associations, faith-based organizations, non-profit organizations and other community-based entities, NHS has an extensive network of service providers. Our service to the typically underserved, minority and low-income neighborhoods throughout the region has provided a well sourced MBE/WBE, veteran and caring public response team that reflects the communities served.

**Does your organization represent and certify you will adhere to any requirements applicable to the CDBG-DR Program?**

I represent and certify that my organization will adhere to any requirements applicable to the CDBG-DR Program

## Section 5: Budget Worksheets

**Enter the total funding you are requesting from the CDBG-DR grant.**

\$1,949,853.00

**How many beneficiaries does your organization intend to serve with the funds requested from this NOFA?**

985

**Comments or clarifications on budget proposal:**

NHS understands the complexities of disaster recovery and it is assumed most clients will need 2-3 financial counseling sessions. Depending on the unique needs of each client, session 1 may consist of client intake, budget & document review, financial counseling, action plan, full analysis, and closeout (if possible). Session 2 will offer additional financial counseling, action plan, full analysis & closeout. Session 3 will offer additional financial counseling & closeout.

Prep work involves intake, budget, and document review. Counseling will take place either in person or virtually. Post counseling work and closeout will involve data analysis, entry, and reporting as needed.

Over the 3 year grant period:

Session 1 = 8 hours a client x 985 clients = 7880 hours x \$100/client

Session 2 = 4 hours a client x 495 clients = 1980 hours x \$100/client

Session 3 = 2 hours a client x 150 clients = 300 hours x \$100/client

Supervisory staff refers to the Chief of Homeownership Counseling Programs. Supervisory staff member refers to the Education Team Coordinator. Operations staff refers to an Administrative Analyst. Administrative staff refers to an Administrative Associate. Compliance and monitoring staff refers to the Chief Compliance Officer. Finance staff refers to the Sr. Accountant. Travel expenses will be for in-person events and in-person services. Program support costs refers to miscellaneous expenses such as training, supplies, technology, and equipment).

**IMPORTANT: Before submitting your application, please scroll down to the bottom of this listing and complete the eCivis Budget Worksheet. IF this worksheet is not submitted, then the total award amount will appear as "0" after you submit your application**

Yes, I certify that I have completed the eCivis budget worksheet

**Average Score**

150.00

**View Budget Worksheet**

<https://portal.ecivis.com/#/peerBudget/76C513AA-11D5-4672-8473-764876246456>

**View Application Goals**

<https://portal.ecivis.com/#/peerGoals/50A8FA4E-D0CC-493E-93F3-1450C84D924A>

**# of Reviews**

1

**# of Denials**

0

## Applications: File Attachments

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**If yes, please upload HUD certification showing date organization was certified**

HUD HC Certificate-81109.pdf

**If yes, please upload evidence of the Tax Exempt Status**

501c3 IRS Determination Letter.pdf

**If no, please upload a SAM.gov screenshot showing the date of generation that demonstrates your organization is in good standing with the Federal Government, has a registered and active DUNS number, and is not debarred or prohibited from receiving federal funds.**

SAM.GOV-EntityInformation-20211213-054704.pdf

**Upload fully executed Board Resolution**

Board Corporate Resolution-CDBG ReCover 2021.pdf

**If yes, upload your organization's most recent single audit (single file, PDF or Word format)**

NHS Audit 20.pdf

**Please complete and upload the form STD 204 found in the solicitation listing:**

[https://gn.ecivis.com/GO/srmng\\_downloadSolicitationFileExt/SOLICITATIONFILEID/o62ovzbuf14~](https://gn.ecivis.com/GO/srmng_downloadSolicitationFileExt/SOLICITATIONFILEID/o62ovzbuf14~)

STD 204 - Payee Data Record.pdf

**Please upload all organizational documents as one PDF or Word file**

AOI, Bylaws, Cert of Good Standing.pdf

**Please upload all policies and procedures as one PDF or Word file**

NHS Financial Policies 2016.pdf

**Upload Conflict of Interest Policies and Procedures and/or Conflict of Interest certification**

Conflict of Interest Statement.pdf

**Upload an Organizational Chart of your organization with lines of responsibility and authority in the administration of the Applicant's business as a housing counseling organization.**

Org Chart NHS 2021.pdf

**Upload your availability chart as a single document (single file, PDF or Word format)**

Availability.docx

**Upload resumes for all Key Personnel (single file, PDF or Word format)**

Senior Mgmt and Education Resumes + Shalom.pdf

**Upload CDBG-DR activities organization chart (single file, PDF or Word format)**

Org Chart NHS 2021.pdf



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# HUD APPROVAL AS A HOUSING COUNSELING AGENCY

The U. S. Department of Housing and Urban Development approves the following named entity as a Local Housing Counseling Agency.

## Los Angeles Neighborhood Housing Services Inc. #81109

The Department approved this housing counseling agency to provide the following types of housing counseling in accordance with their counseling work plan.

- **Financial Management and Budget Counseling**
- **Mortgage Delinquency and Default Resolution Counseling**
- **Pre-purchase Counseling**
- **Financial, Budgeting and Credit Workshops**
- **Pre-purchase Homebuyer Education Workshops**
- **Home Improvement and Rehabilitation Counseling**
- **Non-Delinquency Post Purchase Workshops/Counseling**
- **Predatory Lending Education Workshops**
- **Resolving/Preventing Mortgage Delinquency**

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**June 19, 2020**  
Date of Approval

**June 17, 2022**  
Date Approval Expires

***Kisha J. Wright***  
**Kisha J. Wright**  
**Director, Oversight and Accountability**  
**Office of Housing Counseling**

P.O. Box 2508, Room 4010  
Cincinnati OH 45201

In reply refer to: 4077550279  
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NEIGHBORHOOD HOUSING SERVICES OF  
LOS ANGELES COUNTY  
3926 WILSHIRE BLVD 200  
LOS ANGELES CA 90010-3303

004852

Employer Identification Number: 95-3938955  
Person to Contact: Sophia Brown  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Nov. 28, 2012, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in April 1987.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website [www.irs.gov/eo](http://www.irs.gov/eo) for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

4077550279

Feb. 14, 2013 LTR 4168C 0  
95-3938955 000000 00

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NEIGHBORHOOD HOUSING SERVICES OF  
LOS ANGELES COUNTY  
3926 WILSHIRE BLVD 200  
LOS ANGELES CA 90010-3303

If you have any questions, please call us at the telephone number  
shown in the heading of this letter.

Sincerely yours,



Cindy Thomas  
Manager, EO Determinations



# NEIGHBORHOOD HOUSING SERVICES OF LOS ANGELES COUNTY

DUNS Unique Entity ID <b>195130562</b>	SAM Unique Entity ID <b>X89AUE87M6Z2</b>	CAGE / NCAE <b>8A4G4</b>
Purpose of Registration <b>All Awards</b>	Registration Status <b>Active</b>	Expiration Date <b>Feb 10, 2022</b>
Physical Address <b>3926 Wilshire BLVD STE 200 Los Angeles, California 90010-3303 United States</b>	Mailing Address <b>3926 Wilshire BLVD., Suite 200 Los Angeles, California 90010-3303 United States</b>	

## Business Information

Doing Business as <b>NHS Neighborhood Lending Services</b>	Division Name <b>(blank)</b>	Division Number <b>(blank)</b>
Congressional District <b>California 34</b>	State / Country of Incorporation <b>California / United States</b>	URL <b>http://www.nhslacounty.org</b>

## Registration Dates

Activation Date <b>Feb 13, 2021</b>	Submission Date <b>Feb 10, 2021</b>	Initial Registration Date <b>Jun 21, 2005</b>
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## Entity Dates

Entity Start Date <b>Jul 20, 1984</b>	Fiscal Year End Close Date <b>Jun 30</b>
--	---

## Immediate Owner

CAGE <b>(blank)</b>	Legal Business Name <b>(blank)</b>
------------------------	---------------------------------------

## Highest Level Owner

CAGE <b>(blank)</b>	Legal Business Name <b>(blank)</b>
------------------------	---------------------------------------

## Executive Compensation

Registrants in the System for Award Management (SAM) respond to the Executive Compensation questions in accordance with Section 6202 of P.L. 110-252, amending the Federal Funding Accountability and Transparency Act (P.L. 109-282). This information is not displayed in SAM. It is sent to USAspending.gov for display in association with an eligible award. Maintaining an active registration in SAM demonstrates the registrant responded to the questions.

## Proceedings Questions

Registrants in the System for Award Management (SAM) respond to proceedings questions in accordance with FAR 52.209-7, FAR 52.209-9, or 2.C.F.R. 200 Appendix XII. Their responses are not displayed in SAM. They are sent to FAPIIS.gov for display as applicable. Maintaining an active registration in SAM demonstrates the registrant responded to the proceedings questions.

## SAM Search Authorization

I authorize my entity's non-sensitive information to be displayed in SAM public search results:

**Yes**

## Entity Types

### Business Types

Entity Structure <b>Corporate Entity (Tax Exempt)</b>	Entity Type <b>Business or Organization</b>	Organization Factors <b>(blank)</b>
Profit Structure <b>Non-Profit Organization</b>		

### Socio-Economic Types

Check the registrant's Reps & Certs, if present, under FAR 52.212-3 or FAR 52.219-1 to determine if the entity is an SBA-certified HUBZone small

business concern. Additional small business information may be found in the SBA's Dynamic Small Business Search if the entity completed the SBA supplemental pages during registration.

**Other Entity Qualifiers**

**Community Development Corporation**

**Financial Information**

Accepts Credit Card Payments  
**Yes**

Debt Subject To Offset  
**No**

EFT Indicator  
**0000**

CAGE Code  
**8A4G4**

**Points of Contact**

**Electronic Business**

♀  
Lori R Gay, Mrs

**3926 Wilshire BLVD.  
200  
Los Angeles, California 90010  
United States**

**Government Business**

♀  
Lori R Gay, President & CEO

**3926 Wilshire BLVD  
Suite 200  
Los Angeles, California 90010  
United States**

**Service Classifications**

**NAICS Codes**

Primary	NAICS Codes	NAICS Title
<b>Yes</b>	<b>624229</b>	<b>Other Community Housing Services</b>

**Disaster Response**

This entity does not appear in the disaster response registry.



THE GOVERNING BOARD OF  
NEIGHBORHOOD HOUSING SERVICES OF LOS ANGELES COUNTY

**A RESOLUTION APPROVING SUBMITTAL OF AN APPLICATION AND THE  
EXECUTION OF A SUBRECIPIENT AGREEMENT AND ANY AMENDMENTS  
THERE TO FROM THE CDBG-DR PROGRAM**

**BE IT RESOLVED** by the **Board of Directors** of Neighborhood Housing Services of Los Angeles County, a nonprofit public benefit corporation (“Applicant”), as follows:

**SECTION 1:**

Applicant hereby authorizes the submittal of an application (“Application”) to the California Department of Housing and Community Development (“HCD”) for funding under the Community Development Block Grant - Disaster Recovery (“CDBG-DR”) ReCoverCA 2021 Housing Counseling Services Notice of Funding Availability (the “NOFA”), and if selected for such funding, the execution of a Subrecipient Agreement (“Agreement”), together with any amendments thereto, and the execution of any related documents necessary or desirable to participate in the CDBG-DR program.

The Applicant wishes to receive an allocation of funds (“Award”) from HCD under the CDBG-DR Program in the aggregate amount, not to exceed, **\$1,949,853** to perform the following activities, as further detailed in the Application: **Housing Counseling Case Management, Homeownership Counseling, Homebuyer Counseling, and Financial Counseling.**

**SECTION 2:**

The Applicant hereby authorizes and directs Lori Gay, President & Chief Executive Officer to enter into, execute and deliver the Agreement and any and all subsequent amendments thereto with the State of California for the purposes of the Award.

**SECTION 3:**

Lori Gay, President & Chief Executive Officer is authorized to execute and deliver all applications or any and all related documentation, as needed for the purpose of effectuating the terms of the Agreement; and to act on the Applicant’s behalf in all matters pertaining to all such applications and documentation necessary to carry out the Agreement.

**SECTION 4:**

If an application is approved, Lori Gay, President & Chief Executive Officer is authorized to enter into, execute and deliver any and all subsequent amendments thereto with the State of California for the purposes of the Award.

**SECTION 5:**

If an application is approved, Lori Gay, President & Chief Executive Officer is authorized to sign and submit Funds Requests and all required reporting forms and other documentation as may be required by the State of California from time to time in connection with the Agreement for purposes of the Award.

*\* Important Note: If the designee is signing any application, agreement, or any other document on behalf of the designated representative of the Applicant, written proof of designee authority to sign on behalf of such designated representative must be included with the Resolution, otherwise the Resolution will be deemed deficient and rejected. Additionally, do not add limitations or conditions on the ability of the signatory or signatories to sign documents, or the Resolution may not be accepted. If more than one party's approval is required, list them as a signatory. Inclusions of additional limitations or conditions on the authority of the signer will result in the Resolution being rejected and will require your entity to issue a corrected Resolution prior to the Department issuing a Subrecipient Agreement.*

PASSED AND ADOPTED at a regular meeting of the **Board of Directors** of Neighborhood Housing Services of Los Angeles County held **May 11, 2022** by the following vote:

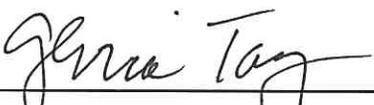
Instruction: Fill in all four vote-count fields below. If none, indicate "0" for that field.

AYES: **5**                      NOES:                      **0**                      ABSENT: **3**                      ABSTAIN:                      **0**

**CERTIFICATE OF THE SECRETARY**

The undersigned, Secretary of Neighborhood Housing Services of Los Angeles County, a nonprofit public benefit corporation, does hereby attest and certify that the foregoing Resolution is a true, full, and correct copy of a resolution duly adopted at a meeting of the Board of Directors of said Corporation which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed, or rescinded since its date of adoption and is in full force and effect as of the date hereof.

Date: May 11, 2022

  
\_\_\_\_\_  
Gloria Tang, Board Secretary/Treasurer

NEIGHBORHOOD HOUSING SERVICES  
OF LOS ANGELES COUNTY  
*(A California Non-Profit Public Benefit Corporation)*

AUDITORS' REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2020

Submitted by:  
HODGES AND HAMMONS  
CERTIFIED PUBLIC ACCOUNTANTS Inc.  
8616 La Tijera Blvd. Suite 505  
LOS ANGELES CA. 90045  
310.645-0295; FAX 310.645-9886

LEAD AUDITOR: PAUL R. HAMMONS, CPA

## NEIGHBORHOOD HOUSING SERVICES OF LOS ANGELES COUNTY INC.

### Table of contents

Independent auditor's report	3
Statement of financial position	5
Statement of activities	6
Statement of functional expenditures	7
Statement of cash flows	8
Notes to financial statements	9
<b>Supplementary information required by Government Auditing Standards</b>	
Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards	17
Independent auditor's report on compliance for the major federal program and on internal control over compliance required by Uniform Guidance	19
Schedule of expenditures of federal awards	22
Notes to schedule of expenditures of federal awards	23
Schedule of findings and questioned costs	24

**HODGES AND HAMMONS  
CERTIFIED PUBLIC ACCOUNTANTS Inc.  
8616 La Tijera Blvd. Suite 505  
LOS ANGELES CA. 90045  
310.645-0295; FAX 310.645-9886**

To the Board of Directors  
**Neighborhood Housing Services of Los Angeles County Inc.**  
Los Angeles, California

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of **Neighborhood Housing Services of Los Angeles County Inc.**, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenditures and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2020, and the changes in its net assets and its cashflows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Organization as a whole. The accompanying Schedule of Expenditures of Federal Awards on pages 22 & 23, is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2021 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

HODGES & HAMMONS, CPA's



Paul R. Hammons  
Certified Public Accountant

January 15, 2021

**NHS NEIGHBORHOOD HOUSING SERVICES  
 OF LOS ANGELES COUNTY INC.  
 STATEMENT OF FINANCIAL POSITION  
 At June 30, 2020**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 4,577,871
Grants and contributions receivable	1,109,949
Prepaid expenses and other	39,151
<b>Total current assets</b>	<u>5,726,971</u>

**NONCURRENT ASSETS:**

Property and equipment, net (Note 3)	3,939,111
Loan fees, net	23,132
<b>Total noncurrent assets</b>	<u>3,962,243</u>

<b>Total assets</b>	<u><u>\$ 9,689,214</u></u>
---------------------	----------------------------

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES:**

Accounts payable and accrued expense	\$ 298,705
Deferred revenue	4,500
Intercompany payable	7,952,340
Current Portion-Notes and loans payable (Note 4)	149,147
<b>Total current liabilities</b>	<u>8,404,692</u>

**NONCURRENT LIABILITIES:**

Security deposits	9,686
Lines of credit-net current portion (Note 5)	665,889
Payroll Protection Program Loan (Note 4)	331,490
Notes and loans payable-net of current portion (Note 4)	2,880,503
<b>Total noncurrent liabilities</b>	<u>3,887,568</u>

<b>Total liabilities</b>	<u>12,292,260</u>
--------------------------	-------------------

**NET ASSETS:**

Without donor restrictions	(2,603,046)
<b>Total net assets</b>	<u>(2,603,046)</u>

<b>Total liabilities and net assets</b>	<u><u>\$ 9,689,214</u></u>
---	----------------------------

The accompanying notes are an integral part of these financial statements

**NHS NEIGHBORHOOD HOUSING SERVICES  
OF LOS ANGELES COUNTY INC.**  
STATEMENT OF ACTIVITIES  
At June 30, 2020

<b>REVENUES:</b>	<u>All Unrestricted</u>
Grants and contributions	\$ 1,918,904
Commercial rental income	16,430
Interest and other income	3,733
Total revenue	<u>1,939,067</u>
<b>EXPENSES:</b>	
Program services	1,491,839
Administrative	193,062
Fundraising	203,957
Total expenses	<u>1,888,858</u>
Increase in net assets	50,209
Net assets, beginning of the year	(2,653,255)
Net assets, end of the year	<u>\$ (2,603,046)</u>

The accompanying notes are an integral part of these financial statements

**NHS NEIGHBORHOOD HOUSING SERVICES  
 OF LOS ANGELES COUNTY INC.  
 STATEMENT OF FUNCTIONAL EXPENSES  
 At June 30, 2020**

	<u>Program services</u>	<u>General and administrative</u>	<u>Fundraising</u>	<u>Total</u>
<b>EXPENSES:</b>				
Personnel cost	\$ 818,838	\$ 105,967	\$ 38,534	\$ 963,339
Legal Fees	59,293	7,673	2,790	69,756
Interest expense	122,822	15,895	5,780	144,497
Equipment rental and maintenance	109,886	14,221	5,171	129,278
Service charges and other fees	46,279	5,989	2,178	54,446
Professional service fees	54,502	7,053	2,565	64,120
Depreciation and amortization	85,389	11,050	4,018	100,457
Marketing, printing and publication	59,320	7,677	2,791	69,788
Other operating expenses	135,510	17,537	6,377	159,424
Special Events	-	-	133,753	133,753
<b>Total expenses</b>	<u><u>\$ 1,491,839</u></u>	<u><u>\$ 193,062</u></u>	<u><u>\$ 203,957</u></u>	<u><u>\$ 1,888,858</u></u>

The accompanying notes are an integral part of these financial statements

**NHS NEIGHBORHOOD HOUSING SERVICES  
 OF LOS ANGELES COUNTY INC.  
 STATEMENT OF CASH FLOWS  
 At June 30, 2020**

<b>Cash flows from operating activities:</b>	
Increase in net assets	\$ 50,209
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>	
Depreciation and amortization	100,457
<b>Changes in operating assets and liabilities:</b>	
<b>(Increase) decrease in assets:</b>	
Grants and contributions receivable	(27,651)
Prepaid expenses	78,480
<b>Increase ( decrease) in liabilities:</b>	
Accounts payable and accrued expenses	(179,450)
Deferred revenue	(61,500)
Intercompany payable	3,904,606
Security deposits	2,812
<b>Net cash provided by operating activities</b>	<u>3,867,963</u>
 <b>Cashflows from investing activities:</b>	
Net cash used to purchase property and equipment	(25,738)
<b>Net cash used in investing activities:</b>	<u>(25,738)</u>
 <b>Cash flows from financing activities:</b>	
Net principle payments on loans and notes payable	(279,849)
<b>Net cash provided by financing activities</b>	<u>(279,849)</u>
 <b>Net decrease in cash</b>	 3,562,376
Cash and cash equivalents - beginning of the year	<u>1,015,495</u>
<b>Cash and cash equivalents - end of the year</b>	<u>\$ 4,577,871</u>
 <b>SUPPLEMENTAL INFORMATION:</b>	
Cash paid for interest expense	<u>\$ 144,496</u>

The accompanying notes are an integral part of these financial statements

**NHS NEIGHBORHOOD HOUSING SERVICES  
OF LOS ANGELES COUNTY INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1- NATURE OF ACTIVITIES**

**Neighborhood Housing Services of Los Angeles County**

NHS was incorporated in 1984 to promote the restoration and revitalization of certain neighborhoods within LA County. NHS assigned its lending and redevelopment services to NHSNLS and NHSNRC, respectively, in 1997. NHSNLS and NHSNRC are separately incorporated and are separately governed organizations. These entities are independent and unconsolidated organizations.

The Organizations together collaborate to provides an array of services to improve social and physical conditions in targeted neighborhoods. Core services include financial education, affordable lending programs, construction management, mission-driven real estate, neighborhood revitalization and advocacy. The Organization is currently organized to serve the County of Los Angeles, California (LA County).

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**CHANGE IN ACCOUNTING REPORTING**

In prior years Neighborhood Housing Services of Los Angeles County and its affiliated organizations, NHS Neighborhood Lending Services, Inc. (NHSNLS), and NHS Neighborhood Redevelopment Corporation (NHSNRC) was presented as consolidated reports. The organization is operationally and financially moving away from consolidated statements to separate statements of reporting for each entity. Management believes that separate statements best reflect the current operations of the entities. NLS currently services loans to borrower related mortgages to underserved communities that enable targeted underserved and low-income individuals to purchase homes. NRC currently provides real estate construction, development, sales and management of housing communities for the benefit of low-income individuals and underserved communities within Los Angeles County. NHS will continue to procure grants and revenues to provide all activities not provided by NLS and NRC in pursuit of its mission to provide education, advocacy and promotion of the programs provided by the overall business model to improve social and physical conditions in targeted neighborhoods.

**BASIS OF PRESENTATION**

The accompanying financial statements are prepared on the accrual basis in accordance with the AICPA's Audit and Accounting Guide, "Not-for-Profit Organizations" which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**NHS NEIGHBORHOOD HOUSING SERVICES  
OF LOS ANGELES COUNTY INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, -(continued)**

Net assets without Donor Restrictions: - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors. Also, contributions that are restricted by the donor are reported as increases in net assets Without Donor Restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Net assets with Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**CASH AND CASH EQUIVALENTS**

The Organization considers all short-term financial instruments with an original maturity of three months or less to be cash equivalents.

**GRANTS AND CONTRIBUTIONS RECEIVABLE**

Grants and contributions consist primarily of donations from government agencies, foundations, businesses, and the general public. Grants and contributions are accrued when committed to the Organization by the donor. Management anticipates all grants and contributions receivable will be collected within one year and, accordingly, has provided no allowance for doubtful accounts.

**CONDITIONAL TRANSFERS AND CONDITIONAL PROMISES TO GIVE**

Under a conditional promise to give, the promisor is not bound until the occurrence of some future event, other than the passage of time or demand from the organization. A promise or transfer of assets is also conditional if the promisor or transferor has a right of return. A conditional promise to give generally is not recorded as a contribution until the condition on which it depends is substantially met. If the promise contains vague stipulations that do not clearly indicate an unconditional promise to give, FASB ASC 958-605-25-14, "*Determining Whether a Promise is Conditional or Unconditional*," requires the promise to be treated as a conditional promise. As of June 30, 2020, the Organization did not have any conditional promises to give.

**NHS NEIGHBORHOOD HOUSING SERVICES  
OF LOS ANGELES COUNTY INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(continued)**

**PROPERTY AND EQUIPMENT**

Purchases of property and equipment are recorded at cost. Donated items are recorded at fair value when received. Depreciation and amortization on both purchased and donated items are recorded using the straight-line method over the following estimated useful lives:

Buildings and improvements	Furniture and equipment
20-40 years	
3 -5 years	

**FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing various programs and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on an evaluation made by management.

**ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**CONCENTRATIONS**

The Organization places its cash and cash equivalents with high-credit quality Federal Deposit Insurance Corporation (FDIC) insured financial institutions. The FDIC limit is \$250,000 for various interest bearing accounts and non-interest bearing accounts. Account totals in the amount of approximately \$4.6 million are over the FDIC limit and are uninsured as of June 30, 2020. The Organization has not experienced any losses relating to uninsured account balances.

**INCOME TAXES**

The Organization has qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the Revenue and Taxation Code of the State of California and, generally, is subject to state and federal income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purpose for which the Organization was granted exemption. No income tax provision has been recorded from any unrelated trade or business. In the opinion of management, unrelated business income, if any, is not material to the financial statements taken as a whole.

**NHS NEIGHBORHOOD HOUSING SERVICES  
 OF LOS ANGELES COUNTY INC.**

NOTES TO FINANCIAL STATEMENTS

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(continued)**

The Organization follows the provisions of ASC Topic 740, *Income Taxes*, which provides standards for establishing, classifying, and disclosing any tax provisions for uncertain tax positions. As of June 30, 2020, the Organization has concluded that there are no uncertain positions taken or expected to be taken that would require recognition of tax assets or liabilities or disclosure in the financial statements. The Organization has recognized no interest or penalties related to uncertain tax positions. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations by federal and state taxing authorities for years prior to 2015.

**NEW ACCOUNTING PRONOUNCEMENT**

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. The update addressed the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has begun the implementation of the new standard.

**NOTE 3 - PROPERTY AND EQUIPMENT**

Property and equipment owned and the related accumulated depreciation at June 30, 2020 is summarized as follows:

<u>Description</u>	<u>Cost</u>	<u>Accum.</u>	<u>Net book value</u>
Land	\$ 1,259,643	\$ 0	\$ 1,259,643
Building and improvements	3,107,224	(558,220)	2,549,004
Furniture and equipment	<u>442,053</u>	<u>(311,590)</u>	<u>130,463</u>
Totals	<u>\$ 4,808,920</u>	<u>\$ (869,810)</u>	<u>\$ 3,939,110</u>

The depreciation and amortization expense for the year ended June 30, 2020 is \$97,768.

**NHS NEIGHBORHOOD HOUSING SERVICES  
 OF LOS ANGELES COUNTY INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - NOTES AND LOANS PAYABLE**

Notes and loans payable consist of the following at June 30, 2020:

<u>Description</u>	<u>Amount</u>
Citizens Business Bank-Note payable in the original amount of \$2,700,000 dated May 31, 2019, secured by a deed of trust on real property located at 3920-3928 Wilshire Boulevard, payable in monthly installments, including annual interest at 4.8%. The loan matures on May 15, 2034. The note is divided into one-third interests among NHS, NHSNLS and NHSNRC.	877,521
Torrey Pines-Note payable in the original amount of \$4,300,000, dated August 17, 2018, secured by a deed of trust on real property located at 1051 W. Rosecrans Avenue, Compton. The loan payable in monthly installments, including annual interest at 4.75%. The loan matures on September 21, 2028.	1,386,553
NeighborWorks Salt Lake (NWSL)-Note payable in the amount of \$2,000,000 made to Neighborhood Housing Services of Los Angeles County. Proceeds of Loan is to be used as working capital for those lines of business which conform to the definition of Community Development. The note is divided into one-third interests among NHS, NHSNLS and NHSNRC. Interest only payments at a Rate is 5.5% per annum. Loan Matures on 1/1/2025	666,666
SBA Personal Protection Protection Program Loan ("PPP")-First Republic Bank Neighborhood Housing Services applied for a PPP loan and was executed on 4/1/2020 with a 2 year maturity date. The interest rate is 1%. The loan payment deferral period is 10 months from the end of the 8 week covered period.	430,400
Total notes and loans payable	3,361,140
Less current portions	149,147
Notes and loans payable, net of current portion	\$ 3,211,993

These notes are an integral part of the preceding financial statements.

**NHS NEIGHBORHOOD HOUSING SERVICES  
 OF LOS ANGELES COUNTY INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - LINES OF CREDIT**

Lines of credit consist of the following at June 30, 2020

City National Bank-Two unsecured lines of credit for \$1,500,000 and \$500,000 to support lending activities. The lines of credit bear an annual interest rate of 3% and 3.5%. Interest only payments are due on a quarterly basis. The lines mature on December 1, 2022. The note is divided into one-third interest among, NHS, NHSNLS, AND NHSNRC.

665,889

Total lines of credit

665,889

Current portions

0

Lines of credit payable, net of current portion

\$ 665,889

**Future maturities of the notes and loans payable is as follows:**

	<u>For the year ended June 30,</u>	<u>Amount</u>
	2021	\$ 149,147
	2022	383,446
	2023	719,676
	2024	55,721
	2025	724,428
Thereafter		<u>1,994,611</u>
Total		<u><u>\$ 4,027,029</u></u>

These notes are an integral part of the preceding financial statements.

**NHS NEIGHBORHOOD HOUSING SERVICES  
OF LOS ANGELES COUNTY INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6- RELATED PARTY TRANSACTION**

NHS has significant intercompany activity with its affiliated organizations, NHSNRC and NHSNLS. NHS pays operating expenses on behalf of NHSNRC and NHSNLS and is reimbursed for these on a regular basis. The entities allocate shared assets between entities and loan funds to each other on an as needed basis. As of June 30, 2020, NHS owes NHSNRC \$2,495,065 and NLS \$5,457,275 for a total payable intercompany balance of \$7,952,340.

**NOTE 7-RETIREMENT PLAN**

The Organization sponsors a qualified defined contribution retirement plan. There was no significant change during the year in the employer's rate of contribution to the Plan. For the year ended June 30, 2020, the Organization's contribution to the Plan was \$65,461.

**NOTE 8- CONTINGENCIES**

**GRANT AND PROPERTY USE RESTRICTION**

Some of the properties owned and operated by the Organization were developed using funds provided by grants and low-interest rate loans. The terms of these grants and loans restrict the use of the property and generally require qualified low-income persons to benefit for the period of the grant or related loan term. The Organization also receives grants with restrictions other than property use. Failure to comply with the terms of the grants or loans would result in a requirement to repay a portion or all the proceeds received. Management believes the Organization is in compliance with the terms of its grants and loans.

**LITIGATION**

The Organization is named in various claims and legal actions in the normal course of business. Based upon the opinion of counsel, management believes the outcome of such matters will not have a materially adverse effect on the financial statements.

**NOTE 9 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through January 15, 2021, which was the date the financial statements were available to be issued. Management determined that there were no material subsequent events that would require disclosure or recognition in the accompanying financial statements for the year ended June 30, 2020.

*SUPPLEMENTARY INFORMATION SECTION REQUIRED BY  
GOVERNMENT AUDITING STANDARDS*

**HODGES AND HAMMONS**  
**CERTIFIED PUBLIC ACCOUNTANTS Inc.**  
**8616 La Tijera Blvd. Suite 505**  
**LOS ANGELES CA. 90045**  
**310.645-0295; FAX 310.645-9886**

To the Board of Directors  
**Neighborhood Housing Services of Los Angeles County Inc.**  
Los Angeles, California

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of American and the standards applicable to financial audit s contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of **Neighborhood Housing Services of Los Angeles County Inc.**, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **NHS Neighborhood Housing Services of Los Angeles County Inc.'s** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effective ness of **Neighborhood Housing Services of Los Angeles County, Inc.'s** internal control. Accordingly, we do not express an opinion on the effectiveness of **Neighborhood Housing Services of Los Angeles County, Inc.'s** internal control.

A deficiency in in ternal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Neighborhood Housing Services of Los Angeles County Inc.'s** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HODGES & HAMMONS, CPA's



Paul R. Hammons  
Certified Public Accountant

January 15, 2021

**HODGES AND HAMMONS  
CERTIFIED PUBLIC ACCOUNTANTS Inc.  
8616 La Tijera Blvd. Suite 505  
LOS ANGELES CA. 90045  
310.645-0295; FAX 310.645-9886**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL AND REPORT ON SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors, Stovall Development Corporation

**Report on Compliance for Each Major Federal Program**

We have audited **Neighborhood Housing Services of Los Angeles County Inc.** with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Neighborhood Housing Services of Los Angeles County Inc.**'s major federal programs for the year ended June 30, 2020. **Neighborhood Housing Services of Los Angeles County Inc.**'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of **Neighborhood Housing Services of Los Angeles County Inc.**'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Neighborhood Housing Services of Los Angeles County Inc.**'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **Neighborhood Housing Services of Los Angeles County Inc.**'s compliance.

***Opinion on Each Major Federal Program***

In our opinion, **Neighborhood Housing Services of Los Angeles County Inc.** complied, in all **material** respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its **major** federal programs for the year ended June 30, 2020.

### ***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

### **Report on Internal Control over Compliance**

Management of **Neighborhood Housing Services of Los Angeles County Inc.** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **Neighborhood Housing Services of Los Angeles County Inc.**'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Neighborhood Housing Services of Los Angeles County Inc.**'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of **Neighborhood Housing Services of Los Angeles County Inc.**'s as of and for the year ended June 30, 2020, and have issued our report thereon dated January 15, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Hodges & Hammons, CPAs



Paul R. Hammons  
Certified Public Accountant  
Los Angeles, California  
January 15, 2021

**NHS NEIGHBORHOOD HOUSING SERVICES  
 OF LOS ANGELES COUNTY INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the year ended June 30, 2020**

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Federal CFDA#</u>	<u>Contract No.</u>	<u>Expenditures</u>
Pass through from NeighborWorks America	***	various	\$ 575,660
SBA Personal Protection Program Loan-First Republic Bank	***		430,400
Total			<u>\$ 1,006,060</u>

\*\*\* CFDA# unknown at this time.

**NEIGHBORHOOD HOUSING SERVICES OF  
LOS ANGELES COUNTY INC.**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal award programs of Neighborhood Housing Services of Los Angeles County. Federal awards reported on the Schedule include both federal financial assistances received directly from a federal agency, as well as federal funds received indirectly from pass-through agencies. Only the portions of program expenditures that are reimbursable with such federal funds are reported in the accompanying Schedule. Program expenditures in excess of the maximum federal reimbursement authorized were excluded from the accompanying Schedule.

**2. Summary of Significant Accounting Policies**

The information in the accompanying Schedule is prepared on the accrual basis of accounting, which is described in Note 2 to the Organization's financial statements. Under the accrual basis of accounting, expenditures are recognized when incurred, regardless of timing of cash flows.

The Organization elected not to use the federally allowable 10 percent de minimis indirect cost rate.

**NEIGHBORHOOD HOUSING SERVICES OF  
 LOS ANGELES COUNTY INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS:**

Type of auditor's report issued Unmodified

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

Material weakness identified No  
 Significant deficiency identified. None reported  
 Noncompliance material to financial statements noted. No

**FEDERAL AWARDS:**

Internal control over major federal programs:  
 Material weakness identified. No  
 Significant deficiency identified. None reported

Type of auditor's report issued on compliance for  
 major federal programs. Unmodified

Any audit findings disclosed that are required to be  
 reported in accordance with 2CFR 200.516(a) No

**IDENTIFICATION OF MAJOR FEDERAL PROGRAMS:**

<b>CFDA No.</b>	<b>Name of Program</b>	<b>Amount</b>
	Federal Fund Grants	\$1,006,060
	Dollar threshold to distinguish between type A and type B programs:	\$750,000

Auditee is a low-risk auditee.

**NEIGHBORHOOD HOUSING SERVICES OF  
LOS ANGELES COUNTY INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None noted.

**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None noted.

**SECTION IV - STATUS OF PRIOR YEAR FINDINGS**

There were no prior year findings noted.

STATE OF CALIFORNIA – DEPARTMENT OF FINANCE

**PAYEE DATA RECORD**

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)  
 STD 204 (Rev. 03/2021)

**Section 1 – Payee Information**

**NAME** (This is required. Do not leave this line blank. Must match the payee's federal tax return)

Neighborhood Housing Services of Los Angeles County

**BUSINESS NAME, DBA NAME or DISREGARDED SINGLE MEMBER LLC NAME** (If different from above)

**MAILING ADDRESS** (number, street, apt. or suite no.) (See instructions on Page 2)

3926 Wilshire Blvd., Suite 200

**CITY, STATE, ZIP CODE**  
 Los Angeles, CA. 90010

**E-MAIL ADDRESS**  
 lgay@nhslacounty.org

**Section 2 – Entity Type**

Check one (1) box only that matches the entity type of the Payee listed in Section 1 above. (See instructions on page 2)

- |  |   |
|--|---|
| <input type="checkbox"/> <b>SOLE PROPRIETOR / INDIVIDUAL</b><br><input type="checkbox"/> <b>SINGLE MEMBER LLC</b> <i>Disregarded Entity owned by an individual</i><br><input type="checkbox"/> <b>PARTNERSHIP</b><br><input type="checkbox"/> <b>ESTATE OR TRUST</b> | <input type="checkbox"/> <b>CORPORATION</b> (see instructions on page 2)<br><input type="checkbox"/> <b>MEDICAL</b> (e.g., dentistry, chiropractic, etc.)<br><input type="checkbox"/> <b>LEGAL</b> (e.g., attorney services)<br><input checked="" type="checkbox"/> <b>EXEMPT</b> (e.g., nonprofit)<br><input type="checkbox"/> <b>ALL OTHERS</b> |
|--|---|

**Section 3 – Tax Identification Number**

Enter your Tax Identification Number (TIN) in the appropriate box. The TIN must match the name given in Section 1 of this form. Do not provide more than one (1) TIN. The TIN is a 9-digit number. **Note:** Payment will not be processed without a TIN.

- For **Individuals**, enter SSN.
- If you are a **Resident Alien**, and you do not have and are not eligible to get an SSN, enter your ITIN.
- Grantor Trusts (such as a Revocable Living Trust while the grantors are alive) may not have a separate FEIN. Those trusts must enter the individual grantor's SSN.
- For **Sole Proprietor or Single Member LLC (disregarded entity)**, in which the sole member is an individual, enter SSN (ITIN if applicable) or FEIN (FTB prefers SSN).
- For **Single Member LLC (disregarded entity)**, in which the sole member is a business entity, enter the owner entity's FEIN. Do not use the disregarded entity's FEIN.
- For all other entities including LLC that is taxed as a corporation or partnership, estates/trusts (with FEINs), enter the entity's FEIN.

**Social Security Number (SSN) or Individual Tax Identification Number (ITIN)**

\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

OR

**Federal Employer Identification Number (FEIN)**

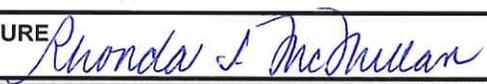
9 5 - 3 9 3 8 9 5 5

**Section 4 – Payee Residency Status** (See instructions)

- CALIFORNIA RESIDENT** – Qualified to do business in California or maintains a permanent place of business in California.
- CALIFORNIA NONRESIDENT** – Payments to nonresidents for services may be subject to state income tax withholding.
- No services performed in California
- Copy of Franchise Tax Board waiver of state withholding is attached.

**Section 5 – Certification**

I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the state agency below.

<b>NAME OF AUTHORIZED PAYEE REPRESENTATIVE</b> Rhonda J. McMillan	<b>TITLE</b> VP & CCAO	<b>E-MAIL ADDRESS</b> rmcmillan@nhslacounty.org
<b>SIGNATURE</b> 	<b>DATE</b> 06/09/2022	<b>TELEPHONE</b> (include area code) 213 381-2862

**Section 6 – Paying State Agency**

Please return completed form to:

<b>STATE AGENCY/DEPARTMENT OFFICE</b>		<b>UNIT/SECTION</b>	
<b>MAILING ADDRESS</b>		<b>FAX</b>	<b>TELEPHONE</b> (include area code)
<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>	<b>E-MAIL ADDRESS</b>

J8

on line [7] for JEH \* Pg 4/7

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NCS

1313485

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FILED  
in the office of the Secretary of State  
of the State of California

JUL 20 1984

MARCI ... U. Secretary of State  
By Carmel M. Guy  
Deputy

ARTICLES OF INCORPORATION  
OF  
NEIGHBORHOOD HOUSING SERVICES OF LOS ANGELES

1. Name: The name of the corporation is NEIGHBORHOOD HOUSING SERVICES OF LOS ANGELES, INC. ("NHS of Los Angeles").

2. Purpose: This corporation is a non-profit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation law for public purposes.

The purposes for which this corporation is organized are the transaction of any or all lawful business for which non-profit corporations may be incorporated under the laws of the State of California, as they may be amended from time to time, and which further exclusively charitable, educational, or scientific purposes, and specifically, but not in limitation thereof, the purpose of combatting the decline and decay of existing residential neighborhoods. More specifically, the purpose of the NHS of Los Angeles is to improve and restore the NHS of Los Angeles neighborhoods primarily for the benefit of the neighborhood residents by promoting reinvestment, restoring confidence and emphasizing pride through the efforts of neighborhood residents acting in concert with financial institutions, local government, insurance companies, the business community and others.

3. Limitation of Powers: This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954,

Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or corresponding provision of any future United States Internal Revenue Law).

No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

ARTICLES OF INCORPORATION  
Page 2

4. Initial Business: The corporation intends to conduct the business of combatting the decline and decay of residential areas in designated NHS neighborhoods in Los Angeles, California by disseminating information concerning housing and community development programs; by stimulating an increase in the availability of home improvement loans and such other financing as will encourage and assist the City of Los Angeles to engage in creative and innovative methods of (1) encouraging the renovation and repair of abandoned and substandard housing within the neighborhood; (2) delivering city services more efficiently and in a manner which is more responsive to the individual needs of the neighborhoods; improving communication between the financial community, the City of Los Angeles, and neighborhood residents and owners; making loans to owners who desire to make home improvements and to residents who desire to acquire property within the neighborhoods served by this corporation where the respective owners and/or residents cannot qualify for conventional financing from conventional sources; and to assist neighborhood residents and owners in attaining technical assistance necessary to improve housing and the quality of life in the NHS neighborhoods.
5. Statutory Agent: The name and address of the corporation's initial agent for service of process is Donald W. Crocker  
San Marino Savings; 18102 Irvine Blvd.; Tustin, CA 92680
6. Place of Business: The known place of business of the corporation shall be 650 So. Spring Street #704; Los Angeles, CA 90014 or such other location as shall be determined by the Board of Directors.
7. Indemnification of Officers, Directors, Employees and Agents: The corporation shall indemnify any and all of its existing and former directors, officers, employees, and agents as provided in the by-laws.
8. Dissolution: The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer, or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a non-profit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLES OF INCORPORATION  
Page 3

DATED: 7/9/84

[Signature]  
(Incorporator)

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.

[Signature]  
Donald W. Crocker

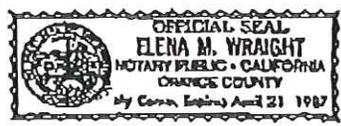
STATE OF California )  
County of Orange )

ss.

SUBSCRIBED AND SWORN TO before me this 9th day of June 1984  
by Donald W. Crocker and \_\_\_\_\_

My Commission Expires:

[Signature]  
NOTARY PUBLIC



#1313485

A458487

**CERTIFICATE OF AMENDMENT  
OF  
ARTICLES OF INCORPORATION**

**FILED**  
In the office of the Secretary of State  
of the State of California

FEB 27 1995

*Bill Jones*  
Secretary of State

Luis Sahagun and Jack Duggan

1. They are the Chairman of the Board and Treasurer, respectively of NEIGHBORHOOD HOUSING SERVICES OF LOS ANGELES, INC., a California Corporation;
2. Article (1) of the Articles of Incorporation is amended to read as follows:  
  
NAME: LOS ANGELES NEIGHBORHOOD HOUSING SERVICES, INC.;
3. The foregoing Amendment of Articles of Incorporation has been duly approved by the members & the Board of Directors.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: 12-12-94

*[Signature]*  
LUIS SAHAGUN  
CHAIRMAN OF THE BOARD

DATE: 12-12-94

*[Signature]*  
JACK DUGGAN  
TREASURER



RecordproC.docx(11/18/94)  
January 31, 1995

**ENDORSED - FILED**  
in the office of the Secretary of State  
of the State of CaliforniaCERTIFICATE OF AMENDMENT

MAY 26 2011

OFARTICLES OF INCORPORATIONOFLOS ANGELES NEIGHBORHOOD HOUSING SERVICES, INC.

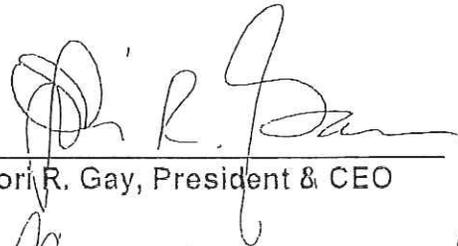
The undersigned certify that:

1. They are the President and Secretary, respectively, of Los Angeles Neighborhood Housing Services, Inc., a California non-profit public benefit corporation.
2. Article 1 of the Articles of Incorporation of this corporation is amended to read as follows:  

"1. Name: The name of this corporation is Neighborhood Housing Services of Los Angeles County."
3. The foregoing amendment of Articles of Incorporation has been duly approved by the Board of Directors.
4. The corporation has no members.

We further declare under penalty of perjury under the laws of the State of California the matters set forth in this certificate are true and correct of our own knowledge.

DATED: March 21, 2011



Lori R. Gay, President & CEO



Constance Anderson, Secretary



*Strengthening Families  
for 35 years*

**BY-LAWS**  
**OF**  
**NEIGHBORHOOD HOUSING SERVICES  
OF LOS ANGELES COUNTY**  
*A California Nonprofit Public Benefit Corporation*

Adopted as of July 18, 1984  
Revised October 21, 1992  
Revised April 25, 2003  
Revised July 19, 2006  
Revised February 27, 2019

## PURPOSE

Neighborhood Housing Services of Los Angeles County (NHS) serves as a catalyst for local residents, business and government representatives to work together to build stronger neighborhoods, improve the quality of life for families of modest means and to revitalize communities into neighborhoods of choice. NHS strengthens communities through the development and maintenance of quality affordable housing, creation and preservation of affordable homeownership opportunities and housing, support of local leaders, providing financial education and housing counseling, and increasing the financial independence of families and people in need.

## ARTICLE I. OFFICES

Section 1. Principal Office. The principal office of the corporation for the transaction of the business of the corporation shall be fixed and located at such place within or without the State of California as the Board of Directors (herein the "Board") shall determine. The Board is granted full power and authority to change such principal office from one location to another.

Section 2. Other Offices. Branch or subordinate offices may be established at any time by the Board at any place or places.

## ARTICLE II. DIRECTORS

Section 1. Powers. Subject to the limitations of the Articles of Incorporation and the California Nonprofit Public Benefit Corporation Law, the activities and affairs of the corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the corporation to any person or persons, a management company, or committees however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws:

(a) To select and remove the officers, agents and employees of the corporation, prescribe powers and duties for them as may not be inconsistent with compensation, and require from them security for faithful service. Such compensation may be increased or decreased at the pleasure of the Board.

(b) To make such rules and regulations for the conduct of the affairs and activities of the corporation as the Board may deem advisable and as are not inconsistent with law, the Articles of Incorporation or these Bylaws.

(c) To borrow money and incur indebtedness for the purpose of the corporation, and to cause to be executed and delivered therefore, in the corporate name, promissory

notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation, or other evidences of debt and securities therefore.

Section 2. Number of Directors. The authorized number of directors shall consist of not less than two (2) nor more than fifteen (15) directors, with the exact number of directors to be fixed within the limits specified herein by resolution of the Board as enacted from time to time. No reduction of the authorized number of directors shall have the effect of shortening the term of any incumbent director.

Section 3. Election of Term of Office. Directors who do not serve by designation shall be elected at a regular meeting of the Board from a slate of nominations presented by the Nominating Committee, but if any such regular meeting is not held or the directors are not elected thereat, the directors may be elected at special meeting of the Board held for that purpose. Each director who does not serve by designation shall hold office for a term of three (3) years, with three (3) renewable terms and until a successor has been elected and qualified. Notwithstanding the foregoing, of the first directors appointed by the incorporator of the corporation, three shall hold office for a term three years and four for two years, to be determined by lots. Directors may succeed themselves in office.

Section 4. Resignation. Subject to the provisions of Section 5226 of California Nonprofit Public Benefit Corporation Law, any director may resign effective upon giving written notice to the President, the Secretary, or the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected before such time, to take office when the resignation becomes effective.

Section 5. Removal. Any Director, who is absent in person from four consecutive Board meetings, shall be deemed to have resigned from the Board of Directors unless excused for valid reasons by the Board of Directors. After three consecutive unexcused absences, the Secretary shall notify the Director, in writing, that the absences have been noted, and that this provision will be invoked if one more consecutive meeting is missed.

Any director may be removed with or without cause by the affirmative vote of a majority of the directors present at a meeting duly held at which a quorum is present.

Section 6. Vacancies. Vacancies in the Board shall be filled by the affirmative vote of a majority of the remaining directors, although less than a quorum, or by a sole remaining director. Each director so elected shall hold office until the expiration of the term of his or her predecessor and until his or her successor has elected and qualified.

A vacancy or vacancies in the Board shall be deemed to exist in case the death, resignation, or removal of any director, or if the authorized number of directors is increased. The Board may declare vacant the office of a director found a final order of judgment of any court to have breached any duty arising under Article 3 of the California Nonprofit Public Benefit corporation Law.

Section 7. Interested Directors. Not more than 49%, of the persons serving on the Board at any time may be interested persons. An "interested person" is (1) any person being compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law of any such person. Notwithstanding the foregoing, any violation of the provisions of this Section shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 8. Place of Meeting. Regular or special meetings of the Board shall be held at any place within or without the State of California which has been designated from time to time by the Board. In the absence of such designation, regular meetings shall be held at the principal office of the corporation.

Section 9. Regular Meetings. Regular meetings of the Board shall be held without call or notice on such dates and at such times as may be fixed by the Board.

Section 10. Special Meetings. Special meetings of the Board for any purpose or purposes may be called at any time by the President, the Secretary, or any two (2) directors.

Notice of the time and place of special meetings of the Board shall be given or delivered personally to each director, or sent to each director by first-class mail or by other form of written or telephonic communication (including email) at least forty-eight (48) hours before the meeting if personal delivery is made or if by email or telephone, is used, and at least four (4) days before the meeting if the mail is used. Such notice may be written or (if delivered by telephone or personally) oral. Written notice shall be addressed or delivered to each director at his or her address as it is shown upon the records of the corporation, or as may have been given to the corporation by the director for purposes of notice, or, if such address is not shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held.

Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mail, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by electronic means by the person giving the notice to the recipient, as the case may be. Oral notice shall be deemed to have been given at the time it is communicated to the recipient or to such person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the recipient.

Section 11. Waiver of Notice. Notice of a meeting need not be given to any director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such

director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 12. Quorum. A majority of the directors then in office constitutes a quorum of the Board for the transaction of business, except to adjourn as provided in Section 14 of this Article. All matters shall be decided by the vote of a majority of directors present at a meeting duly held at which a quorum is present, and every such act or decision shall be the act of the Board, unless a greater number is required by the California Nonprofit Public Benefit Corporation Law (including, but not-limited to, those provisions relating to approval of transactions with interested directors, transactions involving corporations with common directors" fixing of compensation for directors, creation of or appointments of committees and indemnification of directors and other agents)" or by the Articles of Incorporation or these Bylaws, except that a meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 13. Participation in Meetings by Conference Telephone. Members of the Board may participate in any meeting through the use of video or telephone conference equipment.

Section 14. Adjournment. A majority of the directors present, whether, or not a quorum is present, may adjourn any directors' meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place is fixed at the meeting adjournment, except that if the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the Reconvened meeting to the directors who were not present at the time of adjournment.

Section 15. Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such consent or consents shall have the same effect as a unanimous vote of the Board and shall be filed with the minutes of the proceedings of the Board.

Section 16. Rights of Inspection. Every director shall have the absolute right at any reasonable time to inspect and copy any and all books, records, and documents of every kind of the corporation, and to inspect the physical properties of the corporation.

Section 17. Committees. The Board may designate and appoint one or more committees, each consisting of two (2) or more directors and any number of non-director members, and delegate to such committees any of the authority of the Board except with respect to:

- (a) The filling of vacancies on the Board or in any committee;
- (b) The fixing of compensation of the directors for serving on the

Board or on any committee;

(c) The amendment or repeal of bylaws or the adoption of new bylaws;

(d) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;

(e) The appointment of committees of the Board or the members thereof;

(f) The approval of any self-dealing transaction, as defined in Section 5233(a) of the California Nonprofit Public Benefit Corporation Law, except as provided in Section 5233(d)(3) of such law;

(g) The expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected.

Any such committee must be established and the members thereof appointed, by resolution adopted by a majority of the number of director then in office, and such committee may be designated by any name the Board shall specify. The Board may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee. The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of this Article applicable to meeting and actions of the Board. Minutes shall be kept of each meeting of each committee.

The Executive Committee shall be comprised of the Board officers and President & CEO. The Committee will serve as the governing committee for the three corporate boards (NHS of LA County, NHS Neighborhood Lending Services, and NHS Neighborhood Redevelopment Corporation). The Committee shall formulate recommendations for board review and decisions, and develop and maintain a spirit of shared governance and communication with the board members concerning the work of the Committee.

Section 18. Compensation. Directors and members of committees shall not receive any compensation for their services but, by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at any regular or special meeting of the Board. Nothing shall preclude any Director from serving the corporation in any other capacity and receiving reasonable compensation for such services.

### ARTICLE III. OFFICERS

Section 1. Required Officers. The officers of the corporation shall be a Chairman of the Board, a President (staff), a Secretary, a Vice Chairman and a Treasurer. Other corporate officers can include staff designated as the Chief Operating Officer and the Chief Corporate Affairs Officer in order to be able to conduct daily business transactions.

Each of the non-staff officers shall be chosen by and hold office at the pleasure of the Board. Any number of offices required or permitted by this Article may be held by the same person, except that the Secretary and Chief Financial Officer may not serve concurrently as the President or the Chairman of the Board.

Section 2. Permitted Officers. The Board may choose such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board at its pleasure may from time to time determine.

Section 3. Election of Officers. The officers, except for staff officers, shall be elected semi-annually by the Board at a regular or special meeting of the Board, and may succeed themselves in office. Each person elected as an officer shall continue in office until the next election of officers or until his successor shall have been duly elected and qualified or until his earlier death, resignation or removal in accordance with these Bylaws. Vacancies of officers caused by death, resignation, removal or increase in the number of officers may be filled by the Board at a regular or special meeting.

Section 4. Removal of Officers. Any officer may be removed at any time with or without cause and with or without notice by the affirmative vote of the Board.

Section 5. Chairman of the Board. Subject to the control of the Board, the Chairman of the Board shall have general supervision, direction and control over the affairs and property of the corporation and over its several officers, and shall have such other powers and perform such other duties as may be delegated by the Board from time to time. If the corporation has no Chairman of the Board, then the President shall preside at all meetings of the Board.

Section 6. President. The President, who is a staff person of the Corporation, shall be subject to the control of the Board of Directors, have such duties and authority as may be granted to such officer by the Board or as may be delegated to such officer by the Chairman of the Board.

Section 7. Secretary. The Secretary shall be the custodian of the seal of the corporation and of the books and records and files thereof. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a minute book of all meetings of the Board and its committees. The Secretary shall also keep, or cause to be kept, at the principal office in the State of California the original or a copy of the Articles of Incorporation and Bylaws of the corporation, as amended to date. The Secretary shall give, or cause to be given, notice of all meetings of the Board and any committee thereof required by these Bylaws or by law to be given, and shall have such other powers and perform such other duties as may be delegated by the Board.

Section 8. Treasurer. The Treasurer, who is a member of the board, shall work with the Chief Financial Officer to ensure development and board review of financial policies and procedures. The Treasurer will in most cases, chair the Finance Committee and work

closely with the Audit Committee to help ensure ongoing sound financial management of the organization. The Treasurer shall have such other powers and perform such other duties as may be delegated by the Board.

Section 9. Chief Financial Officer/Controller. The CFO/Controller, who is a staff person of the corporation, shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including, without limitation, accounts of its assets, liabilities, receipts and disbursements, and shall send or cause to be sent to the directors of the corporation such financial statements and reports as are by law or these Bylaws required to be sent to them. The CFO/Controller shall deposit, or cause to be deposited, all monies and other valuables in the name and to the credit of the corporation and such depositaries as may be designated by the Board. The CFO/Controller shall disburse the funds of the corporation as may be ordered by the Board or President, shall render to the Chair of the Board or the directors, whenever requested, an account of all transactions and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be delegated by the President or Board.

Section 10. Assistant Secretary. The Assistant Secretary shall, in the absence or disability of the Secretary, perform all the duties of the Secretary, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Secretary. The Assistant Secretary shall have such other powers and perform such other duties as may be delegated from time to time by the Board.

#### ARTICLE IV. INDEMNIFICATION

The corporation shall have the power to indemnify directors, officers, employees and agents to the extent permitted by Section 5238 of the California Nonprofit Public Benefit Corporation Law and Chapter 42 of the United States Internal Revenue Code of 1986 (if applicable), as amended or superseded.

#### ARTICLE V. REPORTS

The corporation shall furnish to all of the directors annually a report containing the following information in reasonable detail:

1. The assets and liabilities, including the trust funds, of the corporation as of the end of the preceding fiscal year.
2. The principal changes in assets and liabilities, including trust funds, during the preceding fiscal year.
3. The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the preceding fiscal year.

4. The expenses or disbursements of the corporation, for both general and restricted purposes, during the preceding fiscal year.

5. Any information required by Section 6322 of the California Nonprofit Public Benefit Corporation Law, with respect to the preceding fiscal year.

The report required by this Article shall be accompanied by any report thereon of independent accountants, or if there is no such report, by the certificate of an authorized officer of the corporation that such reports were prepared without audit from the books and records of the corporation.

## ARTICLE VI. OTHER PROVISIONS

Section 1. Inspection of Articles and Bylaws. The corporation shall keep in its principal office in the State of California the original copy of its Articles of Incorporation and of these Bylaws, as amended to date, which shall be open to inspection by the directors and such other persons as required by law, at all reasonable times during office hours.

Section 2. Endorsement of Documents; Contracts. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between the corporation and any other person, when signed by the Chairman of the Board, the Vice Chairman of the Board, the President or the Secretary or any Assistant Secretary of the corporation, shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, but, unless so authorized by the Board, no such person or persons shall have any power or authority to bind the corporation by any contract or engagement to pledge its credit or to render it liable for any purpose or amount.

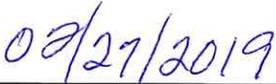
Section 3. Representation of Shares of Other Corporation. The President or any other officer or officers authorized by the Board or the President are each authorized to vote, represent, and exercise on behalf of the corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the corporation. The authority herein granted may be exercised either by any such officer in person or by any person authorized to do so by proxy or power of attorney duly executed by said officer.

Section 4. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in Part 1 of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Corporation law shall govern the construction of these Bylaws.

Section 5. Amendments. These Bylaws may be amended or repealed by the affirmative vote of a majority of the number of directors then in office.

This is to certify that the foregoing By-Laws of the Neighborhood Housing Services of Los Angeles County have been duly adopted by the members at a meeting held on February 27, 2019.

  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
Signed on (Date)

# State of California Secretary of State

## CERTIFICATE OF STATUS

ENTITY NAME:

NEIGHBORHOOD HOUSING SERVICES OF LOS ANGELES COUNTY

FILE NUMBER: C1313485  
FORMATION DATE: 07/20/1984  
TYPE: DOMESTIC NONPROFIT CORPORATION  
JURISDICTION: CALIFORNIA  
STATUS: ACTIVE (GOOD STANDING)

I, SHIRLEY N. WEBER, PH.D. Secretary of State of the State of California hereby certify:

The entity is authorized to exercise all of its powers, rights and privileges in California.

This certificate relates to the status of the entity on the Secretary of State's records and does not reflect documents that are pending review or other events that may affect status.

No information is available from this office regarding the financial condition, status of licenses, if any, business activities or practices of the entity.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of April 17, 2021.

A handwritten signature in black ink, appearing to read "Shirley N. Weber".

Shirley N. Weber, Ph.D.  
Secretary of State



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# Neighborhood Housing Services of Los Angeles County and Affiliates

## Accounting Policies Manual

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July 1, 2016

**Effective Date(s) of Accounting Policies**

The effective date of all accounting policies described in this manual is July 1, 2016.

If a policy is added or modified subsequent to this date, the effective date of the new/revised policy will be indicated parenthetically immediately following the policy heading.

## Table of Contents

INTRODUCTION .....	6
GENERAL POLICIES ORGANIZATIONAL STRUCTURE .....	7
ACCOUNTING DEPARTMENT OVERVIEW .....	9
RESPONSIBILITIES .....	10
FRAUD POLICY.....	11
SECURITY .....	14
GENERAL LEDGER AND CHART OF ACCOUNTS .....	15
POLICIES ASSOCIATED WITH REVENUES AND CASH.....	23
RECEIPTS REVENUE .....	23
CONTRIBUTIONS RECEIVED.....	24
BILLING/INVOICING POLICIES.....	28
CASH RECEIPTS .....	30
ACCOUNTS RECEIVABLE MANAGEMENT .....	33

ACCOUNTS PAYABLE MANAGEMENT..... 35

TRAVEL AND BUSINESS ENTERTAINMENT..... 37

CASH DISBURSEMENTS (CHECK-WRITING) POLICIES..... 39

PAYROLL AND RELATED POLICIES..... 42

ASSET AND LIABILITY ACCOUNT POLICIES ..... 45

INVENTORY ..... 48

PREPAID EXPENSES ..... 48

FIXED ASSET MANAGEMENT..... 49

LEASES ..... 52

ACCRUED LIABILITIES..... 53

NOTES PAYABLE ..... 54

POLICIES ASSOCIATED WITH FINANCIAL AND TAX REPORTING ..... 55

GOVERNMENT RETURNS ..... 56

UNRELATED BUSINESS ACTIVITIES..... 58

FINANCIAL MANAGEMENT POLICIES..... 59

BUDGETING..... 59

ANNUAL AUDIT ..... 60

RECORD RETENTION..... 62

FUNCTIONAL EXPENSE ALLOCATIONS..... 64

COST ALLOCATION FOR FEDERAL PROGRAMS..... 70

ALLOCATIONS..... 78

## INTRODUCTION

The following accounting manual is intended to provide an overview of the accounting policies and procedures applicable to the Neighborhood Housing Services of LA County and Affiliates, which shall be referred to as "NHSLA" or "the Organization" throughout this manual.

**NHSLA** is incorporated in the state of [California]. NHSLA are exempt from federal income taxes under IRS Section 501(c)(3), as a nonprofit corporation. NHSLA tax-exempt mission statement is as follows:

**The NHSLA serves as a catalyst for local residents, business and government representatives to work together to build stronger neighborhoods, improve the quality of life for families of modest means and to revitalize communities into neighborhoods of choice. NHSLA strengthens communities through the development and maintenance of quality affordable housing, creation and preservation of affordable homeownership opportunities, support of local leaders, providing financial education and increasing the financial independence of families and people in need.**

This manual shall document the financial operations of the Organization. Its primary purpose is to formalize accounting policies and selected procedures for the accounting staff and to document internal controls.

The contents of this manual were approved as official policy of the Organization by the Board of Directors. NHSLA financial staff is bound by the policies herein, and any deviation from established policy is prohibited.

## **GENERAL POLICIES ORGANIZATIONAL STRUCTURE**

### **The Role of the Board of Directors**

NHSLA are governed by its Board of Directors, which is responsible for the oversight of the organization by:

1. Planning for the future
2. Establishing broad policies
3. Identifying and proactively dealing with emerging issues
4. Interpreting the organization's mission to the public
5. Soliciting prospective contributors
6. Contracting for the President & CEO

The board is responsible for hiring and periodically evaluating the organization's President & CEO, who shall be responsible for casting the vision, day-to-day oversight and management of NHSLA in order to achieve the mission of the organization as stated above.

### **Committee Structure**

The board of directors shall form committees in order to assist the board in fulfilling its responsibilities. These committees represent vehicles for parceling out the board's work to smaller groups, thereby removing the responsibility for evaluating all of the details of particular issues from the full board's consideration. Standing board-level committees of NHSLA consist of the following:

1. Finance Committee
2. Audit Committee

### **Finance Committee Responsibilities**

The Finance Committee is responsible for direction and oversight regarding the overall financial management of NHSLA. Functions of the Finance Committee include:

1. Review and approval of the organization's annual budget (prepared by the staff)
2. Long-term financial planning
3. Establishment of investment policy and monitoring investment performance
4. Evaluation and approval of facilities decisions
5. Monitoring actual vs. budgeted financial performance
6. Oversight of reserve funds

The review of the organization's financial statements shall not be limited to the finance committee, but shall involve the entire board of directors.

### **Audit Committee Responsibilities**

The Audit Committee is responsible for hiring and communicating with an independent CPA firm to fulfill the requirement for an annual audit, as described in the organization's by-laws. The Audit Committee shall also review and approve the final audited financial statements, as well as any communications received from the auditor regarding internal controls, illegal acts, or fraud.

The Audit Committee also serves as the primary point of contact for any employee who suspects that fraud has been committed against the organization or by one of its employees or board members.

The Audit Committee's role in the annual audit is more fully explained in the section of this manual covering the annual audit.

### **The Roles of the President & CEO and Staff**

The board of directors hires the President and CEO, who reports directly to the board of directors. The President and CEO is responsible providing organizational leadership and direction as well as hiring and empowering Department directors to lead various areas in the achievement of the organizations objectives. All department director's report to the President and CEO and thus make up the Senior Management team.

Department directors are responsible for hiring, with approval from the CAO and/or CEO, employees to work in that department. All employees within a department shall report ultimately to that department's director, who shall be responsible for managing and evaluating all employees within the department.

## ACCOUNTING DEPARTMENT OVERVIEW

### Organization

The accounting department consists of 4 staff that manages, processes and reports financial information for NHSLA. The positions comprising the Finance team of NHSLA, and the abbreviations of each position used throughout this manual, are as follows:

James Robinson – Interim Chief Financial Officer (CFO)  
Paul Samuels Finance Manager (FM)  
Brian Cao –Senior Accountant (SA)  
Roy Watson –StaffAccountant (AP)

Internal control is a product of an organization's structure, work and authority flows, people and management information systems, designed to help the organization accomplish specific goals or objectives. This is the means by which LA NHS' resources are directed, monitored, and measured. It is an important tool in preventing and detecting fraud and protecting the organization's resources, both physical (e.g., machinery and property) and intangible (e.g., reputation, brand equity, or goodwill). LA NHS uses the COSO Internal Control Framework, which helps it to monitor and accomplish the following objectives: a) Effectiveness and efficiency of operations; b) Reliability of financial reporting; and c) Compliance with laws and regulations. COSO defines internal control as having five components:

1. Control Environment-sets the tone for the organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control.
2. Risk Assessment-the identification and analysis of relevant risks to the achievement of objectives, forming a basis for how the risks should be managed
3. Information and Communication-systems or processes that support the identification, capture, and exchange of information in a form and time frame that enable people to carry out their responsibilities
4. Control Activities-the policies and procedures that help ensure management directives are carried out.
5. Monitoring-processes used to assess the quality of internal control performance over time.

LANHS accounting policy and procedure sets forth the internal control environment. It also addresses risk management, segregation of incompatible functions, and control activities to achieve control objectives.

Communication and information are key components of this policy. Training and education of finance and accounting staff on this policy and relevant accounting methodologies including familiarization with relevant GAAP principles is part of LANHS' communication and information practices.

LANHS uses standard budgeting methodology to help it track and monitor its operations. Additionally, accounting staff and other responsible managers are required to complete an annual internal control questionnaire prior to LA NHS' annual independent audit report.

## **RESPONSIBILITIES**

The primary responsibilities of the accounting department consist of:

- General Ledger
- Budgeting
- Cash and Investment Management
- Asset Management
- Grants and Contracts Administration
- Purchasing
- Accounts Receivable and Billing
- Cash Receipts
- Accounts Payable
- Cash Disbursements
- Payroll and Benefits
- Financial Statement Processing
- External Reporting of Financial Information
- Bank Reconciliation
- Reconciliation of Sub-Ledgers
- Compliance with Government Reporting Requirements
- Annual Audit

## **FRAUD POLICY**

### **Scope**

This policy applies to any fraud or suspected fraud involving employees, officers or directors, as well as members, vendors, consultants, contractors, funding sources and/or any other parties with a business relationship with NHSLA. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship with NHSLA.

### **Policy**

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to the CFO or, alternatively, to the CEO of the NHSLA Audit Committee, who originates all investigations.

### **Actions Constituting Fraud**

The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

1. Any dishonest or fraudulent act
2. Forgery or alteration of any document or account belonging to NHSLA
3. Forgery or alteration of a check, bank draft, or any other financial document
4. Misappropriation of funds, securities, supplies, equipment, or other assets of NHSLA
5. Impropriety in the handling or reporting of money or financial transactions
6. Disclosing confidential and proprietary information to outside parties
7. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to NHSLA. Exception: gifts less than \$25 in value
8. Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment
9. Any similar or related irregularity

### **Other Irregularities**

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by the senior departmental management (site director) and the CFO.

If there is a question as to whether an action constitutes fraud, contact the Chief Financial Officer or the Chair of the Audit Committee for guidance.

### **Investigation Responsibilities**

The Audit Committee has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The Audit Committee may utilize whatever internal and/or external resources it considers necessary in conducting an investigation. If an investigation substantiates that fraudulent activities have occurred, the Audit Committee will issue reports to appropriate designated personnel and, if appropriate, to the NHSLA Board of Directors and/or the Executive Committee.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final dispositions of the case.

### **Confidentiality**

The Audit Committee and the Chief Financial Officer treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Chief Financial Officer or the Audit Committee Chair immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see **Reporting Procedures** section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect NHSLA from potential civil liability.

### **Authority for Investigation of Suspected Fraud**

Members of the NHSLA Audit Committee will have:

1. Free and unrestricted access to all NHSLA records and premises, whether owned or rented; and
2. The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigations.

## **Reporting Procedures**

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is underway.

An employee who discovers or suspects fraudulent activity will contact the Chief Financial Officer or the Chair of the Audit Committee immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Audit Committee or legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation", "the crime", "the fraud", "the forgery", "the misappropriation", or any other specific reference.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the NHSLA legal counsel or the Audit Committee.

## **SECURITY**

### **Accounting Department**

The NHSLA corporate seals, deeds of trust and blank check stock shall be stored in a fireproof safe in the CFO's Office. This cabinet will be locked with a key that is kept by the CFO or Chief Administrative Officer (CAO).

Petty cash is stored in a drawer locked with a key.

### **Access to Electronically Stored Accounting Data**

It is the policy of NHSLA to utilize passwords to restrict access to accounting software and data. Only duly authorized accounting personnel with data input responsibilities will be assigned passwords that allow access to the system.

Finance personnel are expected to keep their passwords secret and to change their passwords on a regular basis, no less frequently than quarterly. Administration of passwords is performed by a third party firm.

Each password enables a user to gain access to only those software and data files necessary for each employee's required duties. The CFO determines the level of access required for each position in the Finance area.

### **Storage of Back-Up Files**

It is the policy of NHSLA to maintain back-up copies of electronic data files off-site in a secure, fire-protected environment (Currently under contract with a third-party administrator). Access to back-up files shall be limited to individuals authorized by management.

### **General Office Security**

During normal business hours, all visitors are required to check in with the receptionist. Employees are encouraged to make contact with anyone that seem to be wondering around the office, that is not an employee.

## GENERAL LEDGER AND CHART OF ACCOUNTS

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is used to accumulate all financial transactions of NHSLA, and is supported by subsidiary ledgers that provide details for certain accounts in the general ledger. The general ledger is the foundation for the accumulation of data and reports.

### Chart of Accounts Overview

The chart of accounts is the framework for the general ledger system, and therefore the basis for NHSLA accounting system. The chart of accounts consists of account titles and account numbers assigned to the titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, and expense accounts.

NHSLA's chart of accounts are indexed with the following four digit numbers with minimum increment of five, and average increment of ten and a maximum increment of one hundred.

- 1000-1999 Cash
- 2000-2999 AR and other current Assets
- 3000-3999 Fixed Assets
- 4000-4999 Current Liabilities
- 5000-5999 Long Term Liabilities
- 6000-6999 Net Assets
- 7000-7999 Revenues
- 8000-8999 Expenses

There are two types of accounts: real accounts and nominal accounts. Real accounts are asset, liability, and net asset accounts and they appear on the statement of financial position. Nominal or temporary accounts are revenue and expense accounts, as well as gain and loss accounts, and they appear on the statement of activities. NHSLA nominal accounts are closed or zeroed out annually, but real accounts are permanent and zero out only when the asset is sold or otherwise disposed of or liability is paid off or otherwise satisfied.

In order to track **FUNDS**, each account number for a program shall be followed by three position program letters, designated as a "Fund" described below:

Company	Fund	Description
Neighborhood Housing Services of Los Angeles County, Inc.	NHS	General Fund
NHS Neighborhood Lending Services, Inc.	NLS	General Fund Lending
NHS Neighborhood Lending Services, Inc.	SND	Loan Syndication Fund
NHS Neighborhood Lending Services, Inc.	RLF	Revolving Loan Fund
NHS Neighborhood Redevelopment Corp.	NRC	General Fund – Redevelopment
Neighborhood Housing Services of Los Angeles County, Inc.	NSP	Neighborhood Stabilization Program

A **COST CENTER** is assigned to each functional area and program that has income and/or expense only. The expenses in the Fund Raising cost center are presented as fund raising expenses, the expenses in the Administration cost center are presented as general and administration expenses, at the Statement of Activities and Statement of Functional Expenses.

The primary cost centers are indexed with the abbreviation of three letters of the cost center name. In situations where additional cost tracking is needed, a subsidiary cost center-cost center 2 is created, if needed further subsidiary cost centers-cost center 3 are created. The following is the current cost center structure:

CCI Code	CCI Name	CC2 Code	CC2 Name	CC3 Code	CC3 Name
ADM	Administration				
CNS	Construction Management				
CRN	Commercial Rentals	10	Wilshire Property		
EDU	Pre-purchase Education	1	Corporate		
		2	Crenshaw		
		3	Pacoima		
		4	San Pedro		

FNC	Finance and MIS				
FND	Fundraising	5	Mailing	PER M	
		6	Luncheon		
		7	Homecoming		
		8	Jazz Cruise		
		9	Capital Campaign		
		11	Watts Storm Fund		
		12	20th Anniversary		
	Home				
HMC	Maintenance Center				
LND	Lending				
NPR	Neighborhood Programs	1	Corporate		
		2	Crenshaw		

		3	Pacoima	
		4	San Pedro	
PPE	Post-purchase Education			
PRD	Pride Day	2	Crenshaw	
		3	Pacoima	
		4	San Pedro	
RED	Real Estate Development			
REN	Real Estate Rentals			
REO	Purchase & Rehab	JC		
		4C		
		5C		
		6C		
		7C		
		8C		
		9C		
		WP		
RES	Real Estate Sales			

**Distribution of Chart of Accounts**

All NHSLA employees involved with account coding responsibilities (assignment or review of coding) or budgetary responsibilities will be issued a current chart of accounts. As the chart of accounts is revised, an updated copy of the chart of accounts shall be distributed to these individuals promptly.

**Control of Chart of Accounts**

NHSLA chart of accounts is monitored and controlled by the **Senior Accountant**. Responsibilities include the handling of all account maintenance, such as additions and deletions. Any additions or deletions of accounts must be approved by the **CFO**, who ensures that the chart of accounts is consistent with the organizational structure of NHSLA and meets the needs of each division and department.

Account  
Definitions  
Account Range  
1000 - 3999

Category  
**Assets**

Definition

Assets are probable future economic benefits obtained or controlled by the organization as a result of past transactions or events. Assets of NHSLA are classified as current assets, fixed assets, contra-assets, and other assets.

Current assets are assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities. Some examples are cash, temporary investments, and receivables that will be collected within one year of the statement of financial position date.

Fixed assets are tangible assets with a useful life of more than one year that are acquired for use in the operation of the organization and are not held for resale.

Contra-assets are accounts that reduce asset accounts, such as accumulated depreciation and reserves for uncollectible accounts receivable

Other assets include long-term assets that are assets acquired without the intention of disposing them in the near future. Some examples are security deposits, property and long-term investments.

4000 - 5999

**Liabilities**

Liabilities are probable future sacrifices of economic benefits arising from present obligations of the organization to transfer assets or provide services to other entities in the future as a result of past transactions or events. Liabilities of NHSLA are classified as current or long-term.

Current liabilities are probable sacrifices of economic benefits that will likely occur within one year of the date of the financial statements or which have a due date of one year or less. Common examples of current liabilities include accounts payable, accrued liabilities, short-term notes payable, and deferred revenue.

Long-Term Liabilities are probable sacrifices of economic benefits that will likely occur more than one year from the date of the

financial statements. An example is the non-current portion of a mortgage loan.

6000 - 6999

**Net Assets**

Net Assets is the difference between total assets and total liabilities. See the next section for NHSLA policies on classifying net assets.

7000 - 7999

**Revenues**

Revenues are inflows or other enhancements of assets, or settlements of liabilities, from delivering or producing goods, rendering services, or other activities that constitute an organization's ongoing major or central operations.

Revenues of NHSLA also include contributions received from donors and grants received from government agencies, private foundations and corporations.

8000 - 8999

**Expenses**

Expenses are outflows or other using up of assets or incurrance's of liabilities from delivering or producing goods, rendering services, or carrying out other activities that constitute NHSLA ongoing major or central operations.

### **Classification of Net Assets**

Net assets of the Organization shall be classified based upon the existence or absence of donor-imposed restrictions as follows:

**Unrestricted Net Assets** - Net assets that are not subject to donor imposed stipulations.

**Temporarily Restricted Net Assets** - Net assets subject to donor imposed stipulations that may or will be satisfied through the actions of the Organization and/or the passage of time.

**Permanently Restricted Net Assets** - Net assets subject to donor imposed stipulations that the Organization permanently maintain certain contributed assets. Generally, donors of such assets permit the Organization to use all or part of the income earned from permanently restricted net assets for general operations or for specific purposes.

Net assets accumulated by NHSLA that are not subject to donor imposed restrictions, but which the board of directors of the Organization has earmarked for specific uses, shall be segregated in the accounting records as "board-designated" funds within the unrestricted category of net assets.

### **Changes to the Chart of Accounts**

Additions to, deletions from or any other changes to NHSLA standard chart of accounts shall only be done with the approval of the CFO.

### **Fiscal Year of Organization**

NHSLA shall operate on a fiscal year that begins on July 1 and ends on June 31. Any changes to the fiscal year of the organization must be ratified by majority vote of NHSLA board of directors.

### **Journal Entries**

All general ledgers entries that do not originate from a subsidiary ledger shall be supported by journal vouchers, which shall include a reasonable explanation of each such entry. Examples of such journal entries include:

1. Recording of non-cash transactions
2. Payroll and cost allocations
3. Corrections of posting errors
4. Non-recurring accruals of income and expenses

Certain journal entries, called recurring journal entries, occur in every accounting period. These entries may include, but are not limited to:

1. Depreciation of fixed assets
2. Amortization of prepaid expenses
3. Accretion of discounts on promises to give
4. Accruals of recurring expenses
5. Amortization of deferred revenue

Support for recurring journal entries shall be in the form of a schedule associated with the underlying asset or liability account or, in the case of short-term recurring journal entries or immaterial items, in the form of a journal voucher.

It is the policy of NHSLA that all journal entries not originating from subsidiary ledgers shall be approved by the CFO.

## **POLICIES ASSOCIATED WITH REVENUES AND CASH**

### **RECEIPTS REVENUE**

#### **Revenue Recognition Policy**

NHSLA receive revenue from several types of transactions. Revenue from each of these types of transactions is recognized in the financial statements of NHSLA in the following manner:

1. **Grant income** - Monthly accrual based on incurrence of allowable costs (for cost-reimbursement awards) or based on other terms of the award (for fixed price, unit-of-service, and other types of awards)
2. **Sponsorship** - Recognized as income when received, unless accompanied by restrictions or conditions (see the next section on contribution income)
3. **Contributions** - Recognized as income when received, unless accompanied by restrictions or conditions (see the next section on contribution income)

#### **Refunds**

The following policies apply to refunds associated with revenue collected by NHSLA:

##### ***Security Deposits:***

Security Deposits for Rentals -security deposits held for rental property customers is classified as a liability account on the G/L and a record is kept for each customer. Refunds are processed upon termination of lease agreements after a successful inspection of the property.

##### ***Escrow Balances:***

For final payment, Accounting makes payment after adjusting the fees. 30 days after Notice of Completion is filed, refund the balance to clients or to reduce client's loan principal depends on the source of funds. All escrow balances resulting from rehabilitation loans are applied to the loan principle and not refunded to the borrower. A ledger of the activities is printed and mailed to client with a letter informing him or her of the completion of the project. Finance is responsible for ensuring Loan Services is aware of any escrow balances upon completion of rehabilitation projects.

## CONTRIBUTIONS RECEIVED

### Definitions

The following definitions shall apply with respect to the policies described in this section:

**Contribution** - An unconditional transfer of cash or other assets to the Organization, or a settlement or cancellation of the Organization's liabilities, in a voluntary nonreciprocal transfer by another entity acting other than as an owner.

**Condition** - A donor-imposed stipulation that specifies a future and uncertain event whose occurrence or failure to occur gives the promissory a right of return of the assets it has transferred to the Organization or releases the promissory from its obligation to transfer its assets.

**Restriction** - A donor-imposed stipulation that specifies a use for the contributed asset that is more specific than broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in NHSLA articles of incorporation and bylaws. Restrictions on NHSLA use of an asset may be temporary or permanent.

**Nonreciprocal Transfer** - A transaction where an entity transfers assets (or incurs a liability) to NHSLA without directly receiving value.

**Promise to Give** - A written or oral agreement to contribute cash or other assets to NHSLA.

**Exchange Transaction** - A reciprocal transaction in which NHSLA and another entity each receive and sacrifice something of approximately equal value.

### Accounting for Contributions

NHSLA shall recognize contribution income in the period in which the Organization receives restricted or unrestricted assets in nonreciprocal transfers, or unconditional promises of future nonreciprocal asset transfers, from donors. Contribution income shall be classified as increases in unrestricted, temporarily restricted, or permanently restricted net assets based on the existence or absence of such restrictions.

Unconditional promises to give shall be recorded as assets and increases in temporarily restricted net assets (contribution income) of NHSLA in the period that NHSLA receives evidence that a promise to support the Organization has been made. Unconditional promises to give that are to be collected within one year shall be recorded at their face value, less any reserve for uncollectible promises, as estimated by management. **Unconditional promises to give that are collectible over time periods in excess of one year shall be recorded at their discounted net present value.** The Accrual of discount on such promises to give shall be recorded as contribution income in each period leading up to the due date of the promise to give. The interest rate that shall be used in calculating net present values of unconditional promises to give is the risk-free rate of return *available* to NHSLA at the time the

Organization receives a promise from a donor.

When the final time or use restriction associated with a contributed asset has been met, a reclassification between temporarily restricted and unrestricted net assets shall be recorded.

**In Kind Policy**

When it receives support in the form of volunteer labor, NHSLA shall record contribution income and assets or expenses if one of the following two criteria is met:

1. The contributed service creates or enhances a non-financial asset (such as a building or equipment), or
2. The contributed service possesses all three of the following characteristics:
  - a. It is the type of service that would typically need to be purchased by NHSLA if it had not been contributed,
  - b. It requires specialized skills (i.e. formal training in a trade or profession), and
  - c. It is provided by an individual possessing those specialized skills.

Contributed services or merchandise that meet one of the two preceding criteria shall be recorded at the fair market *value* of the service rendered as follows:

In Kind FMV of Wages	Debit
In Kind Benefits provided in addition to Wages	Debit
In Kind FMV of Space Cost	Debit
In Kind FMV of Cost (merchandise provided)	Debit
In Kind Revenue	Credit

In-kind contributions may be for services, material, equipment, building, and land. To decide the appropriate *value* of goods or services, consider what the cost would be if the goods or services were not donated.

Recognize that in-kind donations include any non-cash donation including corporate loaned executives; meetings held in donated spaces; government or college interns and/or fellows; corporations or municipalities that donate supplies for projects; landlords who donate space or discount rent.

Document any in-kind contributions using the same standards as other expenditures.

Record any in-kind contributions as both revenues and expenses in the General Ledger and all applicable Financial Reports.

Give the donor a receipt signed by the donor that includes the donor's name, date of donation, description of the item or service, and the estimated value. Keep a copy of the donor's receipt for your files.

Retain financial records for seven years from the date of submission of any final Financial Status Report or other financial report given to the grantor.

Goods and services that have been correctly documented and are necessary to accomplish the program's goals and activities may be used as a match.

### **Receipts and Disclosures**

NHSLA and its donors are subject to certain disclosure and reporting requirements imposed under the Internal Revenue Code and the underlying Regulations. In order to comply with those rules, NHSLA shall adhere to the following guidelines with respect to contributions received by the Organization.

For any separate contribution received by NHSLA, it shall provide a receipt to the donor. The receipt shall be prepared by the NHSLA [Site Director]. All receipts prepared by NHSLA shall include the following information:

1. The amount of cash received and/or a description (but not an assessment of the value) of any non-cash property received;
2. A statement of whether NHSLA provided any goods or services to the donor in consideration, in whole or in part, for any of the cash or property received by the Organization from the donor, and
3. If any goods or services were provided to the donor by NHSLA, a description and good faith estimate of the value of those goods or services.

When NHSLA receive cash in excess of \$75, or non-cash property with a value in excess of \$75, as part of a quid pro quo transaction, the Organization shall follow additional disclosure procedures. For purposes of this paragraph, a "quid pro quo" transaction is one in which NHSLA receives cash or property in a transaction that is part contribution and part exchange transaction (i.e. the value of the goods or services provided to the donor by NHSLA is less than the value of cash or property provided by the donor). In such instances, NHSLA shall provide to the donor a receipt stating that only the amount contributed in excess of the fair market value of the goods or services provided by NHSLA may be deducted as a charitable contribution. The receipt shall also include a good-faith estimate of the fair market value of the goods or services provided to the donor by NHSLA.

It is the policy of NHSLA to comply with all current federal and state rules regarding solicitation and collection of charitable contributions, whether specifically addressed in this manual or not, as well as all future revisions to those rules.

## **Fundraising**

1. Contributions made to a specific company such as CDFI and CalHome for NLS are booked directly to the specific company.
2. General contributions and grants receivables are booked in NHS and allocated to the three companies based on the cost allocation percentage on a quarterly basis.
3. On a quarterly basis, general fundraising cost is allocated to the three companies based on the allocation percentages.
4. The amounts in Fundraising cost centers are presented as fundraising expenses on the Statement of Activities.

## **BILLING/INVOICING POLICIES**

### **Overview**

The following is a list of items billed and/or accrued and received by NHSLA and the frequency with which each is billed:

### **Monthly Billings**

1. Grants and contracts (See separate section on "Policies Associated with Federal Awards" for billing policies associated with federal grant agreements)

### **Responsibilities for Billing and Collection**

NHSLA Accounting Department is responsible for the invoicing of goods and services as well as the collection of outstanding receivables. (Note: Cash receipts, credit memo, and collection policies will be discussed in subsequent sections).

The following information must be included with customer orders, or on file from previous orders, in order for NHSLA to establish credit for a customer:

1. Customer name
2. Contact name at customer
3. Mailing address and telephone number
4. Complete description of what is to be invoiced

See the section on "Accounts Receivable Management" for policies regarding follow-up on uncollected receivables.

### **Accounts Receivable Entry Policies**

Posting of customer invoices to the accounts receivable subsidiary ledger of shall be performed by individuals independent of the cash receipts function of NHSLA.

Posting of credit memos and other adjustments to customer accounts receivable shall also be performed by an individual independent of the cash receipts function of NHSLA.

### **Classification of Income and Net Assets**

All income received by NHSLA is classified as "unrestricted", with the exception of the following:

1. Grants and other awards received from government agencies or other granters, which are classified as temporarily restricted
2. Special endowments received from donors requesting that these funds be permanently restricted for specific purposes

From time to time, NHSLA may raise other forms of contribution income which carry stipulations that NHSLA utilize the funds for a specific purpose or within a specified time period identified by the donor of the funds. When this form of contribution income is received, NHSLA shall classify this income as Temporarily Restricted income.

As with all Temporarily Restricted net assets, when the restriction associated with a contribution has been met (due to the passing of time or the use of the resource for the purpose designated by the donor), NHSLA will reclassify the related net assets from "Temporarily Restricted" to "Unrestricted" in its Statement of Financial Position and reflect this reclassification as an activity in its Statement of Activities.

From time to time, the NHSLA Board of Directors may determine that it is appropriate to set funds aside for specific projects. To the extent these set-asides result from a Board action, rather than a donor-imposed requirement, the resulting set-aside shall be classified as "unrestricted". However, to identify these funds as being set aside for special projects, such set-asides shall be labeled "Board-Designated" funds within the unrestricted net assets of NHSLA, and shall be reported as a separate component of unrestricted net assets on the NHSLA financial statements.

## **CASH RECEIPTS**

### **Overview**

Cash (including checks payable to the organization) is the most liquid asset an organization has. Therefore, it is the objective of NHSLA to establish and follow the strongest possible internal controls in this area.

### **On-Line Banking**

1. The President serves as the System Administrator.
2. The President assigns one other Vice President Officers as the default System Administrator.
3. The President assigns Users.
4. All approval function must be done by the Vice President Officers.
5. Accounting Staff are authorized only to initiate transactions and to receive transaction status information.
6. Information for Positive Pay is submitted by the Vice President Officers.
7. All users have to remember their passwords or keep them in a locked secure area.

### **Cash Receipts Processing**

1. For checks brought in by customers, the Receptionist receives the check, writes a receipt for the customer. For both checks brought by customers and received in the mail, the receptionist logs the check on the Cash Receipts Log, and places the check with the attached documents in the safe.
2. For fees and other receipts received by staff members, the staff member receives the fee from the customer and gives the customer a receipt. The staff member then places amounts received with the appropriate form in an envelope, and drops the envelope into the safe before leaving the office.
3. For checks deposits received by Real Estate staff, the staff member receives the check from the customer and gives the customer a receipt. The staff member then delivers the check with the appropriate documentations to the accountant or places the check in an envelope, and drops the envelope into the safe before leaving the office
4. The Senior Accountant has the key to the safe. At the end of each day, the Senior Accountant opens the safe, obtains the cash receipts log from the Receptionist and reconciles the receipts to the log
5. Homeownership Center Managers are responsible for maintaining the safes at the satellite offices and bringing receipts when they come to the main office
6. All cash and checks are stored in the safe in the Finance Department until deposited in the bank.

7. The Senior Accountant provides each department with a Cash Receipts Report on every Monday detailing the receipts in the previous week.
8. Discrepancies are reported to the CFO, and necessary actions taken within the same week the cash receipts report is presented.
9. The Senior Accounting Manager reconciles the bank accounts before the release of the monthly financial statements on the 10<sup>th</sup> of the following month. Adjusting journal entries to clear any reconciling differences are also posted in that timeframe.

### **Check 21 Processing**

It is the policy of NHSLA to utilize check 21 processing to expedite the deposit of any applicable checks. Check 21 creates file that is sent to the bank electronically when deposits are processed. The processing will be made by the accountant several times per week as necessary; scanned checks are stamped deposited and retained a retention period of 60 days. **We should be destroying these checks at some point.**

### **Timeliness of Bank Deposits**

It is the policy of NHSLA that bank deposits will be made at least 3 times weekly.

### **Reconciliation of Deposits**

On a periodic basis, the Staff Accountant, who does not prepare the initial cash receipts listing or bank deposit, shall reconcile the listings of receipts to bank deposits reflected on the monthly bank statement. Any discrepancies shall be immediately investigated.

### **Processing of Credit Cards**

NHSLA accept MasterCard and Visa credit cards for payment, all of which are authorized through the participating credit card company. This is done by following the credit card authorization instructions from the participating credit card company.

For all credit card payments, NHSLA will document the following information:

1. Customer/Organization name, address and phone number
2. Name of credit cardholder
3. Address of cardholder
4. Credit card number – I hope we are not writing this down we can't store this information unencrypted.
5. Expiration date

All credit card processing shall be performed by one individual designated by the Chief Financial Officer. This individual shall be independent of the accounts receivable reconciliation function. All credit card transactions are processed through a terminal. Credit card information is not stored or retained at NHSLA.

### **On-Site Collections at Conferences and Seminars**

Cash, check and credit card payments may be accepted at conferences and seminars for payment of registration fees. The following policies apply to the processing of on-site payments:

1. Cashier duties are segregated from the processing of registrations (How is cash stored and accounting for at these functions)
2. A special, multi-part, on-site registration form is utilized; these forms shall be pre-numbered and accounted for
3. One part of the registration form is returned to the registrant as a receipt for payment
4. At the end of each day, a reconciliation of collections to the registration database and pre-numbered receipts shall be performed
5. All documentation associated with these transactions is brought back and turned in to the accounting department immediately following the conference or seminar. This documentation will include the actual checks collected, and any credit card charge slip. Thereafter, deposits are processed as described earlier in this section.

## **ACCOUNTS RECEIVABLE MANAGEMENT**

### **Monitoring and Reconciliations**

On a monthly basis, a detailed accounts receivable report (showing aged, outstanding invoices by customer) is generated and reconciled to the general ledger by the accounting department. All differences are immediately investigated and resolved. The CEO reviews Accounts Receivable monthly.

### **Collections**

Collections are performed on a monthly basis, according to a review of the outstanding items shown on the accounts receivable aging report. This report shows the current month's activity for each customer and prior months' balances outstanding for 30, 60, 90, and 120 days.

Customers with unpaid balances are reviewed weekly by all accounting personnel. After a balance is unpaid for up to 60 days; the accountant will contact the customer by telephone and attempt to collect the amount due. A record will be kept of all telephone contacts.

If 90 days have elapsed without payment, the CFO will contact the customer requesting payment or documentation that payment has already been made. In addition, weekly telephone calls may be placed in an attempt to collect the amount due.

If 120 days have passed without payment, the account will be turned over to our President & CEO for a decision on what to do (possibly turning over to a collection agency or the Organization's attorney).

### **Credits and Other Adjustments to Accounts Receivable**

From time to time, credits against accounts receivable from transactions other than payments and bad debts will occur. Examples of other credits include returned products and adjustments for billing errors. All credits shall be processed by an employee who is independent of the cash receipts function. In addition, all credits shall be authorized by the CFO.

### **Accounts Receivable Write-Off Authorization Procedures**

It is the policy of NHSLA to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated. Write-offs are initiated by the Department associated with the amount to be written off, in conjunction with the accounting department. If an account receivable is deemed uncollectible, the following approvals are required before the write-off is processed:

**Amount**

Less than (\$1,500  
(\$1,500 or more

**Authorized by**

Department Manager and CFO  
A Senior Operations Mgr and CFO

Once a write-off has been processed, appropriate individuals in the originating department are to be advised to ensure that further credit is not granted and to update the master list of bad accounts. Customers listed as poor credit risks will be extended future credit only if the back debt is paid and the customer is no longer deemed a collection problem.

If write-off procedures have been initiated, the following accounting treatment applies:

1. Current year invoices that are written off will either be charged against an appropriate revenue or revenue adjustment account or against the original account credited.
2. Invoices written off that are dated prior to the current year will be treated as bad debt and will reduce the allowance for doubtful accounts, discussed in the next section.

**Reserve for Uncollectible Accounts**

It is the policy of NHSLA to maintain a reserve for uncollectible accounts receivable. At the end of each fiscal year, the allowance for doubtful accounts is adjusted based on the following factors:

1. An analysis of outstanding, aged accounts receivable
2. Historical collection and bad debt experience
3. Evaluations of specific accounts based on discussions with the department that originated the sale resulting in the receivable

Year-end adjustments to the reserve for uncollectible accounts shall be performed only with authorization from the CFO.

This reserve account is used in the following year to write off those items that are deemed uncollectible from the prior year after further collection efforts have been abandoned, as described earlier.

## ACCOUNTS PAYABLE MANAGEMENT

### **Overview**

NHSLA strive to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation.

It is the policy of NHSLA that the recording of assets or expenses and the related liability is performed by an employee independent of ordering and receiving. The amounts recorded are based on the vendor invoice for the related goods or services. The vendor invoiced should be reviewed and approved by a (department manager) prior to being processed for payment. Invoices and related general ledger account distribution codes are reviewed by Finance typically the Staff Accountant prior to posting to the subsidiary system.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized
2. Invoices are processed in a timely manner
3. Vendor credit terms and operating cash are managed for maximum benefits

### **Recording of Accounts Payable**

All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner.

Accounts payable are processed on as received or weekly at minimum. Information is entered into the system from approved invoices or disbursement vouchers with appropriate documentation attached.

It is the policy of NHSLA that only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the vendor records. Vendor statements should normally not be processed for payment.

### **Accounts Payable Cut-Off**

For purposes of the preparation of the Organization's monthly financial statements, all vendor invoices that are received, approved and supported with proper documentation by the (tenth day of the following month) shall be recorded as accounts payable as of the end of the immediately preceding month if the invoice pertains to goods or services delivered by month-end. This cutoff can be extended for annual reporting.

### **Establishment of Control Devices**

Vendors will be instructed to mail all invoices directly to the accounts payable department. Control of invoices is established by the (Staff Accountant) as soon as invoices are received. The invoices are date stamped and reviewed for mathematical accuracy before being distributed to the various departments for further processing.

### **Preparation of a Voucher Package**

Prior to any accounts payable submission for any 1099 recipient, a package called a "voucher package" shall be assembled. Each voucher package shall contain the following documents:

1. Check or Credit Card Request
2. Vendor invoice (or employee expense report)
3. Shipping slip (where appropriate)
4. Authorization of acceptance
5. Any other supporting documentation deemed appropriate
6. All requisitions received by Finance by Tuesday at 5:00PM are processed for the current week

### **Processing of Voucher Packages**

The following procedures shall be applied to each voucher package by the (Staff Accountant):

1. Check the mathematical accuracy of the vendor invoice.
2. Compare the nature, quantity and prices of all items ordered per the vendor invoice to the packing slip and receiving report if one is provided
3. Document the general ledger distribution, using the Organization's current chart of accounts
4. Obtain the review and approval of the department heads (or their designee) associated with the goods or services purchased

Approvals by Department heads indicate their acknowledgement of satisfactory receipt of the goods or services invoiced, agreement with all terms appearing on the vendor invoice, agreement with general ledger account coding, and agreement to pay the invoiced amount to the vendor. The approver also acknowledges that the expenditure is within the budget, either the company budget or the budget for that particular project. These approvals also attest to as necessary the existence of binding contract with NHSLA and affiliates and the vendor or party that is being paid. Disbursements will not be released without the existence of a contact where one is required.

### **Payment Discounts**

To the extent practical, it is the policy of NHSLA to take advantage of all prompt payment discounts offered by vendors. When availability of such discounts is noted, and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts.

### **Employee Expense Reports**

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form (see further policies under "Travel Policy"). All receipts must be attached, and a brief description of the business purpose of trip or meeting must be noted on the form. These expense reports should be received within 30 days in the incurrence of the expense. NHS of LA County can refuse to reimburse of expenses if expense reports are turned in after the deadline.

## TRAVEL AND BUSINESS ENTERTAINMENT

### Travel Policy

All employees of NHSLA, Inc. are required to abide by the following travel policies and procedures.

1. All business travel must be budgeted and authorized by a Department head of LA NHS. *Travel* decisions will be based upon needs of the program and availability of funds.

2. The program will pay expenses as follows:

a. Airfare - Payment should be arranged with Department Head.

Expense Reports must include the following to be reimbursed for Airfare:

- Airline Ticket Receipt and
- Proof of travel (boarding pass, hotel receipt) must be attached to Expense Report.

b. Mileage - When traveling by car, mileage will be paid according to current mileage reimbursement agreements and upon submission of a Mileage Reimbursement Form.

c. Car Rental - When it is necessary to rent a vehicle, payment will be made as arranged with Director. Remember, **you must have your own credit card, valid driver's license, and proof of insurance to rent a vehicle.** LANHS will not accept liability for injury or damage to property.

c. Lodging - Hotel receipt must be attached to Expense Report in order to receive reimbursement. Lodging and applicable taxes are reimbursed on an actual expense basis. Lodging expenses must be reasonable. Please try to stay as close as possible to the allowance provided for in the Federal *Travel* Regulations. These rates *vary* from city to city.

d. Meals – NHS of LA County will reimburse current federal per diem rates for meals for the city to which you are traveling. If you only travel for a portion of a day, please break your day into thirds and request per diem accordingly.

If you wish to receive your meal per diem before you travel, you must submit a Check Request to Accounting in a timely fashion (**at least two weeks before your trip**). The request should list dates and times of travel, reason for travel, and program and funding source. The request must be signed by the Department Head before a check can be issued.

- Upon return, you must submit proof of travel (hotel receipt copy, boarding pass copy) to the Accounting Department as Back Up for the per diem check request. This back up is submitted separately from the Expense Report, and will likely require copying receipts also submitted with the Expense Report.

e. Ground Transportation - you will be reimbursed for ground transportation when receipts are appropriately filled out and attached to Expense Report.

3. An Expense Report must be filed for any travel expenses incurred by employees. The report must be filed in a timely fashion and include the following:

- a. Reason for travel (i.e. Conference Name & Sponsor)
- b. Any proof of attendance at the conference/meeting if available (name tag, agenda, etc.)
- c. Dates of travel
- d. List of expenses with receipts attached and proof of travel (boarding passes, hotel receipts).
- f. Name of program for which you are traveling & funding source (if traveling for more than one program please include percentage of time dedicated to each program and any expenses specifically designated for a particular program).

4. Corporate Credit Cards may be used for travel purposes. All expenses charged to corporate credit cards must be reported properly coded, and must include all receipts. This expense report needs to be turned in by the end of each month. Any staff person who is unable to provide back-up documentation and receipts for their credit card purchases in a timely way will immediately forfeit their credit card privileges until further notice.

## **CASH DISBURSEMENTS (CHECK-WRITING) POLICIES**

### **Check Preparation**

It is the policy of NHSLA to print vendor checks and expense reimbursement checks on a weekly basis. Checks shall be prepared by persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers.

All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with the purchasing, accounts payable, and travel and business entertainment policies described in this manual
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendors
3. Generally, all vendors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services
4. Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the release of any checks
5. All supporting documentation is attached to the corresponding check prior to forwarding the entire package to an authorized check signer
6. Checks shall be utilized in numerical order (unused checks are stored in a locked safe in the accounting department)
7. Checks shall never be made payable to "bearer" or "cash"
8. All checks require two signatures from authorized signers before they are released
9. Checks shall never be signed prior to being prepared. (No signed blank checks)
10. Upon the preparation of a check, vendor invoices and other supporting documentation shall immediately be canceled in order to prevent subsequent reuse.

### **Check Signing**

No checks shall be signed prior to the check being completed in its entirety (no signing of blank checks).

It is the policy of NHSLA that each check shall be signed by two authorized check signers.

Check signers should examine all original supporting documentation to ensure that each item has been properly checked prior to signing a check. Checks should not be signed if supporting documentation appears to be missing or there are any questions about a disbursement.

### **Mailing of Checks**

After signature, checks are mailed out by the Accounts Payable department; unless other delivery options are specified on the request.

### **=-879065 Voided Checks and Stop Payments**

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as "VOID". All voided checks shall be retained to aid in preparation of bank reconciliations.

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by telephone instruction and written authorization to the bank by accounting personnel with this authority. A journal entry is made to record the stop payment and any related bank fees.

### **Record-Keeping Associated with Independent Contractors**

NHSLA shall obtain a completed Form W-9 from all vendors to whom payments are made. A record shall be maintained of all vendors to whom a Form 1099 is required to be issued at year-end. Payments to such vendors shall be accumulated over the course of a calendar year.

### **Contractor Payments associated with Rehabilitation Loans**

*The Finance Manager ensures that the rehabilitation contract amount agrees with the net loan proceeds. Differences are brought to the attention of Loan Services is the responsibility of Loan Services and Construction Services to either adjust the loan or the amount of the rehabilitation contract so that they are in agreement. The Finance Manager would check the bank account to ensure the Agency received the contract amount. If the bank deposit amount equals the contract amount, then this amount is recorded on a spreadsheet to track the disbursement of funds. If the amount is different Loan Servicing is then contacted and resolution is determined. Each month the spreadsheet will be reconciled with the appropriate accounts in the general ledger. The balance of the rehabilitation project is checked every month against the construction specialist balance to ensure that the expenditure does not exceed the contract amount. The total contract has a contingency amount that will be monitored by the Finance Manager along with Construction Services so that is only used if it is necessary, with this ongoing monitoring in place the construction specialist will not exceed the rehabilitation budget*



## PAYROLL AND RELATED POLICIES

### Payroll Administration

NHSLA operate on a **bi-weekly** payroll. For all NHSLA employees, a personnel file is established and maintained with current documentation, as described throughout this section and more fully described in NHSLA Personnel Manual.

The following forms, documents and information shall be obtained and included in the personnel files of all new employees:

1. NHSLA Employment Application (and resume, if applicable)
2. Applicant references
3. Form W-4 Employee Federal Withholding Certificate
4. Form 1-9 Employment Eligibility Verification
5. Copy of driver's license
8. Copy of Social Security card issued by the Social Security Administration
9. Starting date and scheduled hours
10. Job title and starting salary
11. Authorization for direct deposit of paycheck, along with a voided check or deposit slip

For employees without a current, valid driver's license, acceptable alternative documents shall include:

1. U.S. Passport
2. Certificate of U.S. Citizenship (INS Form N-560 or N-561)
3. Voter's registration card
4. U.S. Military card
5. ID card issued by a federal, state or local government, provided it contains a photo
6. School record or report card (for persons under age 18 only)

For employees without a Social Security card, acceptable alternative documents shall include:

1. U.S. Passport
2. Certificate of U.S. Citizenship (INS Form N-560 or N-561)
3. Original or certified copy of a birth certificate issued by a state, county or municipal authority
4. Certificate of Birth Abroad issued by the Department of State (Form FS-545 or Form DS-1350)
5. U.S. Citizen IDcard (INS Form 1-197)
6. Native American tribal document
7. ID Card for use of Resident Citizen in the United States (INS Form 1-179)

### **Changes in Payroll Data**

It is the policy of NHSLA that all of the following changes in payroll data are to be authorized in writing:

1. New hires
2. Terminations
3. Changes in salaries and pay rates
4. Voluntary payroll deductions
5. Court-ordered payroll deductions

New hires, terminations, and changes in salaries or pay rates shall be authorized.

Voluntary payroll deductions and changes in income tax withholding status shall be authorized in writing by the individual employee.

Documentation of all changes in payroll data shall be maintained in each employee's personnel file.

### **Payroll Taxes**

The organization uses ADP for its payroll processing, tax forms and all required tax withholdings.

Withholding of federal income taxes shall be based on the most current Form W-4 prepared by each employee.

### **Preparation of Timesheets**

Each NHSLA employee must submit to the Accounting Department a signed and approved timesheet no later than [the Monday] following the close of each pay period. Timesheets shall be prepared in accordance with the following guidelines:

1. Each timesheet shall reflect all hours worked during the pay period (time actually spent on the job performing assigned duties), whether compensated or not
2. Timesheets shall be prepared in ink
3. Errors shall be corrected by crossing through the incorrect entry, filling in the correct entry, and placing the employee's initials next to the change
4. Employees shall classify hours worked based on the nature of the work performed; Compensated absences should be clearly identified as such

After preparation, timesheets shall be approved by employee's supervisor, prior to submission to the accounting department. Corrections identified by an employee's supervisor, shall be authorized by the employee by placing the employee's and/or management's initials next to the change. In the *event* that the employee or supervisor is unavailable a member of the executive team may sign authorizing the correction.

An Organization employee who is on *leave*, on travel, or is ill on the day that timesheets are due must make necessary arrangements with his or her supervisor on how to submit a completed timesheet. Time so submitted must reflect the actual time worked and the appropriate classifications. The employee must initial a timesheet submitted in this manner immediately upon his/her return to the office. The timesheet shall be signed by the supervisor or the designated alternate.

**Processing of Timesheets**

Processing of timesheets in the accounting department is performed by the [Senior Accountant]. The [Senior Accountant] checks all timesheets for mathematical accuracy, and then inputs all timesheets into the payroll system [or calls payroll into the payroll service center].

**Review of Payroll**

Upon production of all payroll reports and checks [or return of payroll reports and checks from the payroll service center], the Accounting Manager reviews payroll prior to its distribution to employees.

## **ASSET AND LIABILITY ACCOUNT POLICIES**

### **CASH AND CASH MANAGEMENT**

#### **Cash Accounts**

##### ***General Checking Account (operating account):***

The primary operating account provides for routine business check disbursements. Cash and credit card deposits, whether received at the NHSLA office, are made to this account.

##### ***Payroll Account:***

The payroll account is separate from the operating account. The amount needed to cover each payroll is transferred into this account from the operating account, based on the amount calculated. Authorized signers on the payroll account are the same as those on the operating account.

#### **Bank Reconciliations**

All bank reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations, are reviewed by the CFO on a monthly basis. Bank reconciliations and copies of resulting journal entries are filed in the current year's accounting files. All canceled checks returned with bank statements are filed and retained for a stated period of time.

#### **Cash Flow Management**

The CFO monitors cash flow needs on a weekly basis to eliminate idle funds and to ensure that payment obligations could be met. Cash transfers between accounts are performed on an as-needed basis.

#### **Stale Checks - Proposed**

It is the policy of NHSLA to write off checks that are more than 90 days old that have not cleared the Organization's bank. NHSLA attempts to contact the payee to determine why the check was never cashed. If a check is lost a stop payment is placed on the original check and new check is issued. In the case of duplicate payment the check is reversed against the original expense account. All other uncashed checks are stale dated to the unclaimed funds liability account. Further attempts to contact the payee are made if these attempts are unsuccessful the unclaimed checks are file with the state that the payee resided, if that information is not available they are filed with the state of California.

#### **Petty Cash**

It is the policy of NHSLA to provide for impress funds (used for payment of minor office expenditures) only for valid transactions and to periodically replenish these funds up to its authorized balance. It is the responsibility of the Executive Assistant to ensure that the petty cash fund is locked at all times. All disbursements from the petty cash fund must be accompanied by a completed and approved petty cash voucher. Receipts are required for all disbursements from petty cash. The petty cash custodian shall prepare a reconciliation

of the petty cash account on a periodic basis. Petty cash reconciliations are subject to review by the [Staff Accountant].

### **Wire Transfers**

Authorized managers are the only NHSLA employees authorized to initiate or confirm wire transfers from NHSLA bank accounts. Confirmations of all wire transfers are delivered to the Senior Accountant.

### **Loan Funding and Servicing**

1. The President or authorized manager must approve loans to customers, and the CFO must confirm funds available before funds are wired to escrow.
2. Wire transfers up to \$50,000 may be initiated or confirmed by the Chief Lending Officer, the President, or designated Board members; wire transfers in excess of this amount may be initiated or confirmed only by the President or designated Board members.
3. Before a loan is funded, the CFO in consultation with the Chief Lending Officer determines the investor source of the funds.
4. Once a loan is funded, the loan is booked to the appropriate loans receivable account in the GL, forward funding information to loan servicing to be booked in the loan servicing system.
5. When customer payments are received, the Senior Accountant enters the data into the Cash Receipt system, updating the cash balance, the loan balance, interest revenue, and other accounts as appropriate. The GL is updated daily with a summary journal entry.
6. The Loan Servicing area updates the customer's account for the payment. This updates the principle interest and escrow balances for the customer.
7. Separate trust bank accounts are established for escrows. Loan payments received from customers that have impound amounts are deposited to the impound trust bank account, and the portion of the payment related to principal and interest is transferred to the appropriate loan bank account.
8. The Staff Accountant reconciles the G/L with loan servicing system monthly.

### **Rehab Escrow Management**

1. Escrow contract or loan documents specify the term of management fees should be collected. Accounting funds escrow after deducting fees.
2. Finance is responsible for ensuring that the net loan proceeds agree with the rehabilitation contract. Any differences are communicated with the Loan Servicing and Construction areas immediately upon discovery.
3. Upon approval of loan, forward letter of approval to Accounting along with the rehab contract for billing of loan approval fee and due diligence on the loan amount.
4. Finance will compare the net loan proceeds to any rehab contracts to ensure that loan proceeds net of all fees are greater than or equal to contract. Finance will notify both the Lending and Construction

areas if the net loan proceeds are not at least 10% greater than the rehab contract amount.

5. Bill the Sponsor for inspection fee once inspection report is issued. **Is this Finance?**
6. Bill the Sponsor for write up fee upon the issuance of Notice to Proceed. **Same question**
7. Bill the Sponsor for completion fee upon issuance of Notice of Completion. **Same question**
8. Contract Manager submits check request for interim or final project payment. Indicate on the check request whether it is for interim or final payment.
9. For final payment, Accounting makes payment after adjusting the fees. 30 days after Notice of Completion is filed, the balance is applied to reduce client's loan principal. Finance coordinates this with Lending services to ensure that the mortgage loan system is updated. **(Who does this?)** A ledger of the activities is printed and mailed to client with a letter informing him or her of the completion of the project.
10. If the fund is from NLS loan, reduce loan amounts, print a loan ledger and mail client with a letter informing him or her of the transaction.
11. Forward the final record and letter to the Contract Manager for his or her review.
12. If no error is found, the Contract Manager forwards the letter and record to the Customer Care to see if he or she has any information to add.
13. Customer Care adds relevant information to the mailing and mail the letter.
14. Customer Care updates the client status at the central client database.

## INVENTORY

### **Accounting for Inventory**

It is the policy of NHSLA to account for inventory at cost, using the [first-in, first-out] method of valuation when multi-unit structures are acquired or developed. Unit cost shall be computed by adding product/program deliver cost to the actual cost of purchased inventory, dividing this total amount by the number of units purchased. Question: Is FIFO required by HUD for the NSP program?

### **Physical Counts**

It is the policy of NHSLA to perform a physical count of inventory on [an annual] basis. A detailed record of the physical count shall be kept by the individuals involved in taking the inventory. At the conclusion of the physical count, the inventory count sheets shall be extended by applying the most recent unit costs to the physical quantities of each item on hand. The general ledger balance shall be adjusted to reflect the total inventory on hand as determined by the physical count.

## PREPAID EXPENSES

### **Accounting Treatment**

It is the policy of NHSLA to treat payments of expenses that have a time-sensitive future benefit as prepaid expenses and to amortize these items over the corresponding time period. Prepaid expenses with future benefits that expire within one year from the date of the financial statements shall be classified as current assets. Prepaid expenses that benefit future periods beyond one year from the financial statement date shall be classified as non-current assets.

### **Procedures**

As part of the account coding process performed during the processing of accounts payable, all incoming vendor invoices shall be reviewed for the existence of time-sensitive future benefits. If future benefits are identified, the payment shall be coded to a prepaid expense account code. The accounting department shall maintain a schedule of all prepaid expenses. The schedule shall indicate the amount and date paid, the period covered by the prepayment, the purpose of the prepayment, and the monthly amortization. This schedule shall be reconciled to the general ledger balance as part of the monthly closeout process.

## **FIXED ASSET MANAGEMENT**

### **Capitalization Policy**

Physical assets acquired with unit costs in excess of \$500 are capitalized as fixed assets on the financial statements. Items with unit costs below this threshold shall be expensed in the year purchased.

Capitalized fixed assets are accounted for at their historical cost and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

### **Contributed Assets**

Assets with fair market values in excess of \$500 that are contributed to NHSLA shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year contributed.

Capitalized contributed assets are accounted for at their market value at the time of donation and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

### **Establishment and Maintenance of a Fixed Asset Listing**

All capitalized fixed assets shall be recorded in a property log. This log shall include the following information with respect to each asset:

1. Date of acquisition
2. Cost
3. Description (including color, model, and serial number)
4. Location of asset
5. Depreciation method
6. Estimated useful life

A physical inventory of all assets capitalized under the preceding policies will be taken on an annual basis by NHSLA. This physical inventory shall be reconciled to the property log and adjustments made as necessary.

### **Receipt of Newly-Purchased Equipment and Furniture**

At the time of arrival, all newly-purchased equipment and furniture shall be "eyeballed" for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the vendor immediately. In addition, descriptions and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the vendor immediately.

### **Depreciation and Useful Lives**

All capitalized assets are maintained in the special fixed assets account group and are not to be included as an operating expense. Fixed assets are depreciated over their estimated useful lives using the (straight-line) method. In the year of acquisition, depreciation is recorded based on the number of months the asset is in service, counting the month of acquisition as a full month (Example: an asset purchased on the 15<sup>th</sup> day of the fifth month shall have 8 full months of depreciation (eight-twelfths of one year) recorded for that year.

Estimated useful lives of capitalized assets shall be determined by the Accounting Department in conjunction with the department or employee that shall utilize the asset. The following is a list of the estimated useful lives of each category of fixed asset for depreciation purposes:

Furniture & Fixtures	5 yrs
General office equipment	5 yrs
Computer hardware and peripherals	3 yrs
Computer software	3 yrs
Leased assets	life of lease
Leasehold Improvements	remaining lease term

Alternatively, at the direction of the Chief Financial Officer, capitalized assets may be depreciated over useful lives expressed in terms of units of production or hours of service in place of the preceding useful lives expressed in terms of time. For accounting and interim financial reporting purposes, depreciation expense will be recorded on a monthly basis.

### **Repairs of Fixed Assets**

Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.

Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

### **Dispositions of Fixed Assets**

In the event a non-expendable asset is sold, scrapped, donated or stolen, adjustments need to be made to the fixed asset listing and property log. If money is received for the asset, then the difference between the money received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss if the money received is less than the book value and a gain if the money received is more than the book value.

### **Write-Offs of Fixed Assets**

The CFO approves the disposal of all capitalized fixed assets that may be worn-out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the Chief Financial Officer. If not located, this property will be written off the books with the proper notation specifying the reason.

### **Wilshire Building**

NHS and affiliates owns the Wilshire building, and leases space with parking spaces to commercial tenants on the first and third floors of the building. Of the total 29,000 square feet in the building, 11,100 square feet or 38% is available for lease by commercial tenants. Of 101 total parking spaces, 43 are made available to commercial tenants. LANHS has engaged a property management firm for the maintenance and tenant management of the property.

1. Building, depreciation, mortgage, interest, and taxes are booked in three companies for 1/3 in each company across all cost centers.
2. Building improvement above \$5,000 is capitalized.
3. Rent revenue and property maintenance expenses are booked in NHS Commercial Rental cost center.
4. **The nominal rent we pay is booked as cash transfer. No revenue and expenses are recognized.**

### **Purchase Rehab Properties (FAS-66)**

All expenses related to purchasing and improving the property is capitalized as the cost of the properties.

### **Real Estate Development Projects (FAS-66)**

1. Development project's assets and related liabilities are booked in NHS.
2. There are two accounts for development projects: Land - for the purchase price of the land, and Construction-in-progress - for the cost of the building.
3. All costs related to the building are capitalized in the construction-in-progress account

### **Other Bookkeeping Remarks**

1. Furniture and Equipment and their depreciation are booked in NHS only. Depreciation expenses are allocated to all the cost centers in NHS.
2. Depreciation for 50<sup>th</sup> street is booked in NRC only
3. Commissions are booked directly in the related cost centers.
4. Insurance should not be allocated but is booked in the related cost centers such as commercial rentals, lending, construction management and real estate sales, or capitalized on purchase rehab projects. Only general insurances are booked in NHS ADM.

## **LEASES**

### **Classification of Leases**

It is the policy of NHSLA to classify all leases in which the Organization is a lessee as either capital or operating leases. NHSLA shall utilize the criteria described in ASC 842 in determining whether a lease is capital or operating in nature. Under those criteria, a lease shall be treated as a capital lease if, at the time of entering into the lease, any of the following factors are present:

1. The lease transfers ownership to NHSLA at the end of the lease term;
2. The lease contains a bargain purchase option;
3. The lease term is equal to 75% or more of the estimated economic life of the leased property;  
or
4. The present value of the minimum lease payments is 90% or more of the fair value of the leased property (using, as the interest rate, the lesser of NHSLA incremental borrowing rate or, if known, the lessee's implicit rate).

All leases that do not possess any of the four preceding characteristics shall be treated as operating leases.

### **Accounting for Leases**

All leases that are classified as operating leases shall be accounted for as expenses in the period in which the obligation to make a lease payment is incurred. For leases with firm commitments for lease payments that vary over the term of the lease (i.e. a lease with fixed annual increases that are determinable upon signing the lease), the amount that NHSLA shall recognize as monthly lease expense shall equal the average monthly lease payment over the entire term of the lease. Differences between the average monthly payment and the actual monthly payment shall be accounted for as an asset or liability of NHSLA.

All leases that are classified as capital leases shall be treated as fixed asset additions of NHSLA. These will be accounted for as prescribed under ASC 842. As such, upon the inception of a capital lease, NHSLA shall record a fixed asset and a liability under the lease, based on the net present value of the minimum lease payments (or the fair value of the leased asset, if it is less than the present value of the lease payments). Periodic lease payments shall be allocated between a reduction in the lease obligation and interest expense. The fixed asset recorded under a capital lease shall be depreciated over the term of the lease, using the (straight-line) method of depreciation.

### **ACCRUED LIABILITIES**

#### **Identification of Liabilities**

The accounting department shall establish a list of commonly incurred expenses that may have to be accrued at the end of an accounting period. Some of the expenses that shall be accrued by NHSLA at the end of an accounting period are:

- Salaries and wages
- Payroll taxes
- Vacation pay (see policy below)
- Rent
- Interest on notes payable
- Commissions
- Royalties

#### **Accrued Vacation**

Personnel policies of NHSLA permit employees to carry forward unused vacation from year to year. Such unused vacation is payable to an employee upon termination of employment. Accordingly, it is the policy of NHSLA to record a liability for accrued vacation to which employees are entitled. The total liability at the end of an accounting period shall equal the total earned but unused hours of vacation multiplied by each employee's current hourly pay rate.

## NOTES PAYABLE

### **Record-Keeping**

It is the policy of NHSLA to maintain a schedule of all notes payable, mortgage obligations, lines of credit, and other financing arrangements. This schedule shall be based on the underlying loan documents and shall include all of the following information:

1. Names and address of lender
2. Date of agreement or renewal/extension
3. Total amount of debt of available credit
4. Amounts and dates borrowed
5. Description of collateral, if any
6. Interest rate
7. Repayment terms
8. Maturity date
9. Address to which payments should be sent
10. Contact person at lender

### **Accounting and Classification**

An amortization schedule shall be maintained for each note payable. Based upon the amortization schedule, the principal portion of payments due with the next year shall be classified as a current liability in the statement of financial position of NHSLA. The principal portion of payments due beyond one year shall be classified as long-term/non-current liabilities in the statement of financial position.

Demand notes and any other notes without established repayment dates shall always be classified as current liabilities. Unpaid interest expense shall be accrued as a liability at the end of each accounting period. A detailed record of all principal and interest payments made over the entire term shall be maintained with respect to each note payable. Periodically, the amounts reflected as current and long-term notes payable per the general ledger shall be reconciled to these payment schedules and the amortization schedules, if any, provided by the lender. All differences shall be investigated.

### **Non-Interest-Bearing Notes Payable**

As a charitable organization, NHSLA may from time to time receive notes payable that do not require the payment of interest, or that provide the payment of a below-market rate of interest for the type of obligation involved. In such cases, **it shall be the policy of Neighborhood Housing Services of Los Angeles County and Affiliates to recognize revenue for any unpaid or underpaid interest.** For demand loans, recording of interest expense and contribution income shall be performed at the end of each accounting period, based on the outstanding principal balance of the loan during that period, multiplied by the difference between a normal interest rate for that type of loan and the rate, if any, that is required to be paid by NHSLA.

## **POLICIES ASSOCIATED WITH FINANCIAL AND TAX REPORTING FINANCIAL STATEMENTS**

### **Standard Financial Statements of the Organization**

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the organization.

The basic financial statements of NHSLA shall include:

1. **Statement of Financial Position** - reflects assets, liabilities and net assets of the organization and classifies assets and liabilities as current or non-current/long-term
2. **Statement of Activities** (including Statement of Revenue and Expenditure and the Statement of Cash Flow) - presents support, revenues, expenses, and other changes in net assets of the organization, by category of net asset (unrestricted, temporarily restricted and permanently restricted)

### **Frequency of Preparation**

The objective of the accounting department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting this responsibility, a standard set of financial statements described in the preceding section (Statement of Financial Position and Statement of Activities shall be produced on a monthly basis, by the [1y!hJ of each month.

### **Annual Financial Statements**

A formal presentation of the Organization's annual financial statements shall be provided by the Independent Auditor to the full Board of Directors at the Organization's Annual Meeting.

## GOVERNMENT RETURNS

### Overview

To legitimately conduct business, Neighborhood Housing Services of Los Angeles County and Affiliates must be aware of its tax and information return filing obligations and comply with all such requirements of federal, state and local jurisdictions. Filing requirements of NHSLA include, but are not limited to, filing annual information returns with IRS, [state charitable solicitation reports, annual reports for corporations, property tax returns, income tax returns, sales tax returns, information returns for retirement plans, annual reporting of compensation paid, and payroll tax withholding tax returns].

### Filing of Returns

It is the policy of NHSLA to become familiar with the obligations in each jurisdiction and to comply with all known filing requirements. The accounting department shall be responsible for identifying all filing requirements and assuring that NHSLA are in compliance with all such requirements.

It is also the policy of NHSLA to file complete and accurate returns with all authorities. NHSLA shall make all efforts to avoid filing misleading, inaccurate or incomplete returns. Filings made by NHSLA include, but are not limited to, the following returns:

1. **Form 990** - Annual information return of tax-exempt organizations, filed with IRS. Form 990 for NHSLA is due on the fifteenth day of the fifth month following year-end. An automatic 3-month extension of time to file Form 990 may be obtained filing Form 8868. Upon expiration of the first 3-month extension, a second 3-month extension may be requested using Form 8868.
2. **Form 990-T** – If applicable, annual tax return to report NHSLA unrelated trade or business activities, filed with IRS. Form 990-T is due on the fifteenth day of the fifth month following year-end. An automatic 6-month extension of time to file Form 990-T may be obtained by filing Form 8868.
3. **Form 5500**-Annual return for NHSLA employee benefit plans. Form 5500 is due July 31, but a request for extension of time to file may be filed.
4. **W-2's and 1099's** - Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees and independent contractors by January 31 and to federal government by February
5. **Form 940** - Annual unemployment tax return filed with IRS, for all employers, due January 31.
6. **Form 941** - Quarterly payroll tax return filed with IRS to report wages paid to employees and federal payroll taxes. Form 941 is due by the end of the month following the end of each quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter

NHSLA fiscal and tax year end is June 30<sup>th</sup>. All annual tax and information returns of NHSLA (Form 990, Form 990-T) are filed on the accrual basis of reporting.

Federal and all applicable state payroll tax returns are prepared by the Organization's, third party payroll administrator, currently ADP. It is the policy of NHSLA to comply with all state payroll tax requirements by withholding and remitting payroll taxes to the state of residency of each NHSLA employee.

### **Public Access to Information Returns**

Under regulations that became effective in 1999, NHSLA are subject to federal requirements to make the following forms "widely available" to all members of the general public:

1. The three most recent annual information returns (Form 990), [excluding the list of significant donors that is attached to the Form 990, but including the accompanying Schedule A], and
2. NHSLA original application for recognition of its tax-exempt status (Form 1023 or Form 1024), filed with IRS, and all accompanying schedules and attachments.

It is the policy of NHSLA to adhere to the following guidelines in order to comply with the preceding public disclosure requirements:

1. Anyone appearing in person at the offices of NHSLA during normal working hours making a request to inspect the forms will be granted access to a file copy of the forms. The [CFO] along with the Finance team shall be responsible for maintaining this copy of each form and for making it available to all requesters.
2. For all written requests for copies of forms received by NHSLA, the Organization shall require pre-payment of all copying and shipping charges. For requests for copies that are received without pre-payment, NHSLA will notify the requester of this policy via phone call or by letter within 7 days of receipt of the original request.
3. The copying cost charged by NHSLA for providing copies of requested forms shall be \$1.00 per page. All copies shall be shipped to requesters via Priority Mail, therefore shipping charges will be \$3.00 per shipment
4. After payment is received by NHSLA, all requested copies shall be shipped to requesters within 30 days. Making of all copies and shipping within the 30-day time period shall be the responsibility of the accounting department.
5. For requests for copies made in person during normal business hours, copies shall be provided while the requester waits.
6. NHSLA shall accept certified checks and money orders for requests for copies made in person. NHSLA shall accept certified checks, money orders and credit cards (or personal checks) as payment for copies of forms requested in writing.

## **UNRELATED BUSINESS ACTIVITIES**

### **Identification and Classification**

It is the policy of NHSLA to properly identify and classify income-producing activities that are unrelated to the Organization's tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations. Such income accounts shall be segregated in separate accounts in the general ledger of NHSLA in order to facilitate tracking and accumulation of unrelated trade or business activities.

### **Reporting**

It is the Policy of NHSLA to file IRS Form 990-T to report taxable income from unrelated trade or business activities. Form 990-T is not subject to any public access or disclosure requirements. Accordingly, it is the policy of NHSLA not to distribute copies of Form 990-T to anyone other than management of the Organization.

## FINANCIAL MANAGEMENT POLICIES

### BUDGETING

#### **Overview**

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of the organization's financial and human resources. A budget is a management commitment of a plan for present and future organizational activities that will ensure survival. It provides an opportunity to examine the composition and viability of the organization's programs and activities simultaneously in light of the available resources.

#### **Preparation and Adoption**

It is the policy of NHSLA to prepare an annual budget on the accrual basis of accounting. To prepare the Organization budget, the CFO gathers proposed budget information from all Department Heads, and others with budgetary responsibilities, and prepares the first draft of the budget. Budgets are proposed and submitted by each department should be accompanied by a narrative explanation of the sources and uses of funds and explaining all material fluctuations in budgeted amounts from prior years. After appropriate revisions and a compilation of all department budgets by the CFO, a draft of the organization-wide budget, as well as individual department budgets, is presented to the CEO for discussion, revision, and initial approval.

The revised draft is then submitted to the Executive Committee of the Board of Directors, and finally to the entire Board of Directors, if applicable, for adoption. It is the policy of NHSLA to adopt a final budget at least (90 days) within the beginning of the Organization's fiscal year. The purpose of adopting a final budget at this time is to allow adequate time for the accounting department to input the budget into the accounting system and establish appropriate accounting and reporting procedures (including any necessary modifications to the chart of accounts) to ensure proper classification of activities and comparison of budget versus actual once the year begins.

#### **Monitoring Performance**

It is the policy of NHSLA to monitor its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial reporting process described earlier. On a monthly basis, financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by the accounting department. Each Department Head will designate an employee to run the Financial Reports and review actual results to Budgeted. These individuals along with the Department Head shall be responsible for responding with a written explanation of all budget variances in excess of [five percent], on a [monthly] basis.

### **Budget Revisions**

After a budget has been approved by the board of directors and adopted by the Organization, revision of budgeted expense amounts of less than \$25,000 within a single department may be made by the Department Head, with approval from the Chief Financial Officer. Reclassifications of budgeted expense amounts across departments of less than \$25,000 may be made only with approval of the President & CEO. The Department Heads are responsible for making any necessary modifications to grants.

## **ANNUAL AUDIT**

### **Role of the Independent Auditor**

It is the policy of NHSLA to arrange for an annual audit of the Organization's financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by NHSLA will be required to communicate directly with the Organization's (Audit Committee) upon the completion of their audit. In addition, members of the (Audit Committee) are authorized to initiate communication directly with the independent accounting firm.

Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the Board of Directors by the independent accounting firm at the Organization's Annual Meeting, after the financial statements have been reviewed and approved by the Audit Committee.

### **How Often to Review the Selection of the Auditor**

NHSLA shall review the selection of its independent auditor in the following circumstances:

1. Anytime there is dissatisfaction with the service of the current firm
2. When a fresh perspective and new ideas are desired
3. Every year to ensure competitive pricing and a high quality of service (this is not a requirement to change auditors every year; simply to re-evaluate the selection)

Federal guidelines recommend that the audit put up for bid at least every five years and/or (if the current firm used is large enough) the manager in charge of the audit should be rotated every three years and the partner in charge of the audit rotated once every five years.

### **Selecting an Auditor**

The selection of an accounting firm to conduct the annual audit is a task that should be taken very seriously. A written Request for Proposal (RFP) will be sent to prospective audit firms. The Chief Financial Officer, President & CEO, and CAO will review the prospective audit proposals. They will make a recommendation to the Audit Committee which in turn makes a recommendation to the board of directors for approval.

### **Preparation for the Annual Audit**

NHSLA shall be actively involved in planning for and assisting with the Organization's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the accounting department shall provide assistance to the independent auditors in the following areas:

**Planning** - The Chief Financial Officer is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm.

**Involvement** - Organization staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

**Interim Procedures** - To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to the Organization's year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. Organization staff will as much as possible in order to provide requested schedules and documents and to otherwise assist the auditors during any interim audit fieldwork that is performed. Throughout the audit process, it is the policy of NHSLA to make every effort to provide schedules, documents and information requested by the auditors in a timely manner.

### **Audit Committee Responsibilities**

The Audit Committee's responsibilities include, but shall not be limited to, the following:

1. Appointment of, and communication with, the Organization's independent auditors
2. Review and approval of the annual, audited financial statements
3. Discussion of internal control matters with the independent auditor
4. Responding to any reported instances of fraud involving NHSLA or its employees
5. Conducting an annual analysis of the Organization's financial statements
6. Making policy and other recommendations to the NHSLA board of directors regarding matters arising out of the audit

In fulfilling these duties and responsibilities, the Audit Committee is entitled to examine any and all documents within the control of NHSLA and its employees. In addition, the Audit Committee shall have the authority to contract with independent contractors in the fulfillment of the committee's responsibilities.

## RECORD RETENTION

### **Policy**

It is the policy of Neighborhood Housing Services of Los Angeles County and Affiliates to retain records as required by law and to destroy them when appropriate. The destruction of records must be approved by the CFO and logged into the Organization's Destroyed Records Log. The formal records retention policy of NHSLA is as follows:

Accident reports/claims (settled)	7 Years
Accounts Payable Ledgers and Schedules	7 Years
Accounts Receivable ledgers and schedules	7 Years
Audit Reports	7 Years
Bank Reconciliations	7 Years
Chart of Accounts	7 Years
Cancelled Checks	7 Years
Contracts, mortgages, notes and leases:	
Expired	7 years
Still in effect	7 years
Correspondence:	
General	2 Years
Legal and important matters	7 Years
Routine with Customer and/or Vendors	2 Years
Depreciation Schedules	7 Years
Duplicate deposit slips	2 Years
Employment Applications	3 Years
Expense Analyses/expense distribution schedule	7 Years
Financial Statements:	
Year End	7 Years
Other	3 Years
Garnishments	7 Years
General Ledgers/Year End Trial Balance	7 Years
Insurance policies expired	3 Years
Insurance records (policies, claims, etc)	7 Years
Internal Audit reports	3 Years
Internal Reports	3 years
Inventories	7 Years
Invoices	7 Years
Journal Entries	7 Years
Minute books of Directors, bylaws and charters	Do not destroy
Note Receivable ledgers and schedules	7 Years
Payroll records and summaries	7 Years
Personnel records (terminated)	7 Years
Petty Cash vouchers	3 Years
Retirement and Pension Records	7 Years
Physical inventory tags	3 Years
Property records	7 Years

Other Financial Records:

Purchase department copy	7 Years
Other Copies	1 Year
Receiving Documents	1 Year
Requisitions	1 Year
Sales records	7 Years
Subsidiary Ledgers	7 Years
Tax returns and worksheets, examination reports and other documents relating do determination of income tax liability	7 Years
Time sheets	7 Years
Trademark registrations and copyrights	7 Years
Training materials	7 Years
Voucher registers and schedules	7 Years
Withholding tax statements	7 Years

## FUNCTIONAL EXPENSE ALLOCATIONS

### **Overview**

1. The accurate reporting of costs for each of its programs and activities is one of NHSLA' key financial management objectives. NHSLA has developed a system including account, program, fund, and grant period to insure that expenses are properly charged to the appropriate program or activity. The level of detail afforded by this coding system enables NHSLA to accurately track Expenses that serve multiple functions or are not readily identifiable with one function shall be allocated between functions whenever possible. For each Federal award, a NHSLA employee within the department responsible for administering the award will be designated as "Program Director" (PD).
2. Each PD shall attend a NHSLA "gathering" or class on grant management prior to beginning their role as a PD (or as early in their functioning as a PD as practical). Thereafter, all PD's shall attend a Neighborhood Housing Services of Los Angeles County and Affiliates "gathering" or refresher/update courses on grant management every two years.
3. The PD shall take the following step to identify all applicable laws, regulations, and provisions of each grant and contract:
  - a. Read each award and prepare a summary of key compliance requirements and references to specific laws and regulations.
  - b. Review the "OMB Circular A-122" and the "OMB Circular A-133 Compliance Supplement" (updated annually) published by the Office of Management and Budget (OMB) for compliance requirements unique to the award and for compliance requirements common to all Federal awards.
  - c. Review the section of the Catalog of Federal Domestic Assistance applicable to the award.
4. The Accounting Department shall forward copies of applicable laws regulations to the PD (such as OMB Circulars, pertinent sections of compliance supplements, and other regulations).
5. The PD and/or the NHSLA Accounting Department shall identify and communicate any special changes in policies and procedures necessitated by Federal awards as a result of the review of each award.
6. The PD shall take all reasonable steps necessary to identify applicable changes in laws, regulations, and provisions of contracts and grants. Step taken in this regard shall include, but not be limited to, reviewing subsequent grant and contract renewals, reviewing annual revisions to the "OMB Circular A-122" and the "OMB Circular A-133 Compliance Supplement", and communications with Federal awarding agency personnel.
7. The PD shall with the Organization's Independent Auditors by informing the CPA firm as to applicable laws, regulations, and provisions of contracts and grants and communicating known instances of noncompliance with laws, regulations, and provisions of contracts and grants to the auditors.

### **Billing and Financial Reporting**

NHSLA strives to provide management, staff and funding sources with timely and accurate financial reports applicable to federal awards.

These reports include cumulative expenditures and a project budget. Neighborhood Housing Services of Los Angeles County and Affiliates shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document.

The following policies shall apply to the preparation and submission of billings to federal agencies under awards made to NHSLA:

1. It is the policy of NHSLA to request reimbursement after expenditures have been incurred, unless an award specifies another method.
2. Each award normally specifies a particular billing cycle; therefore, a schedule is established for each grant and contract to ensure that reimbursement is made on a timely basis along with any other reporting that is required in addition to the financial reports.
3. Requests for reimbursement of award expenditures will use the actual amounts as posted to the general ledger as the source for all invoice amounts.
4. All financial reports required by each federal award will be prepared and filed on a timely basis.

NHSLA shall maintain separate billing records in addition to the official general ledger accounting records. Billing records shall be reconciled to the general ledger on a monthly basis.

### **Cash Draw Downs**

Cash drawdowns from federal agencies shall be made in arrears in conjunction with the accounts payable and payroll schedule, based on need. All federal funds shall be deposited into the Organization's checking account in accordance with the Cash receipts policies and procedures described in this manual.

### **Procurement under Federal Awards**

Procurement of goods and services whose costs are charged to federal awards received by NHSLA are subject to all of the specific NHSLA purchasing policies described earlier, under "Purchasing Policies and Procedures." In addition, procurements associated with Federal awards are subject to the following supplemental policies:

1. NHSLA shall avoid purchasing items that are not necessary for the performance of the activities required by a Federal award.
2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal government.

Documentation of the cost and price analysis associated with each procurement decision shall be retained in the procurement files pertaining to each Federal award. her/his understanding of the requirements that have been delegated to the sub recipient, a system for the ongoing monitoring of the sub recipient on.

6. Ongoing monitoring of sub recipients by NHSLA will inherently vary from sub recipient to sub recipient, based on the nature of work assigned to each sub recipient. However, ongoing monitoring activities may involve any or all of the following:
  - a. Regular contacts with sub recipients and appropriate inquiries regarding the program.
  - b. Reviewing programmatic and financial reports prepared and submitted by the sub recipient and following up on areas of concern.
  - c. Monitoring sub recipient budgets.
  - d. Performing site visits to the sub recipient to review financial and programmatic records and assess compliance with applicable laws, regulations, and provisions of the sub award.
  - e. Offering sub recipients technical assistance where needed.
  - f. Maintaining a system to track and follow up on deficiencies noted at the sub recipient in order to assure that appropriate corrective action is taken.
  - g. Establishing and maintaining a tracking system to assure timely submission of all reports required of the sub recipient.
  
7. Documentation shall be maintained in support of all efforts associated with NHSLA monitoring of sub recipients.

**Equipment and Furniture Purchased With Federal Funds**

NHSLA property management standards for equipment acquired with Federal funds and federally-owned equipment include all of the following:

Equipment records shall be maintained accurately and shall include the following information:

- (1) A description of the equipment;
- (2) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number;
- (3) Source of the equipment, including the award number;
- (4) Whether title vests in the recipient or the Federal Government
- (5) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost;
- (6) Information from which one can calculate the percentage of each agency's share in the cost of the equipment (not applicable to equipment furnished by the Federal Government);
- (7) Location and condition of the equipment and the date the information was reported;
- (8) Unit acquisition cost; and
- (9) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the awarding agency for its share.

NHSLA may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a Federal agency. In addition to those policies on asset management described earlier equipment and furniture charged to Federal awards will be subject to certain additional policies as described below.

For purposes of Federal award accounting and administration, "equipment" shall include all assets with a unit cost equal to the lesser of \$5,000 or the capitalization threshold utilized by Neighborhood Housing Services of Los Angeles County and Affiliates, described under Asset Management.

The following policies shall apply regarding equipment purchased and charged to federal awards:

1. Any equipment that is owned by the Federal government shall be marked as such.
2. Adequate insurance coverage will be maintained with respect to equipment and furniture charged to Federal awards.
3. For equipment (or residual inventories of supplies) with a remaining per unit fair market value of \$5,000 or less at the conclusion of the award, NHSLA shall retain the equipment without any requirement for notifying the federal agency. If the remaining per unit fair market value is \$5,000 or more, NHSLA shall gain a written understanding with the federal agency regarding disposition of the equipment. This understanding may involve returning the equipment to the federal agency, keeping the equipment and compensating the federal agency, or selling the equipment and remitting the proceeds, less allowable selling costs, to the federal agency.
4. The NHSLA Grant Manager shall determine whether a specific award with a Federal agency includes additional equipment requirements or thresholds and requirements that differ from those described above.
5. A physical inventory of all equipment purchased with federal funds shall be performed at least once every two years. The results of the physical inventory shall be reconciled to the accounting records of and federal reports filed by NHSLA.

#### **Standards for Financial Management Systems**

In accordance with OMB Circular A-110, it is the policy of NHSLA to maintain a financial management system that provides for the following:

1. Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of Circular A-110 and/or the award.
2. Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, un-obligated balances, assets, outlays, income and interest.
3. Effective control over and accountability for all funds, property and other assets. NHSLA shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
4. Comparison of outlays with budget amounts for each award.
5. Accounting records including cost accounting records that are supported by source documentation.

### **Budget and Program Revisions**

It is the policy of NHSLA to request prior approval from Federal awarding agencies for any of the following program or budget revisions:

1. Change in the scope or objective of the project or program, even if there is no associated budget revision requiring prior written approval.
2. Change in a key person specified in the application or award document
3. The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.
4. The need for additional Federal funding
5. The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the Federal awarding agency.
6. The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with OMB Circular A-122.
7. The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.
8. Unless described in the application and funded in the approved awards, the sub award, transfer or contracting out of any work under an award (However, this provision does not apply to purchases of supplies, materials, equipment or general support services).

### **Close Out of Federal Awards**

NHSLA shall follow the close out procedures described in OMB Circular A-110 and in the grant agreements as specified by the granting agency.

1. For all procurements in excess of the threshold established by the Federal Awarding Agency (minimum \$500), procurement records and files shall be maintained and include all of the following:
  - a. The basis for contractor selection. (3 informal bids for all small purchases where provided)
  - b. Justification for lack of competition when competitive bids or offers are not obtained.
  - c. The basis for award cost or price.
2. NHSLA shall make all procurement files available for inspection upon request by a Federal funding agency.
3. All contracts with vendors shall require the vendor to certify in writing that it has not been suspended or disbarred from doing business with any federal agency. Where applicable review from the Excluded Parties List System ([www.epls.gov](http://www.epls.gov)) to ensure we are not using barred vendors.

**Solicitations of Bids from Vendors**

Solicitation for goods and services provide a clear and accurate description of the technical requirements for the material, product or service to be produced. In competitive procurements, such a description shall not contain features, which unduly restrict competition.

All purchases in excess of \$10,000 but less than [\$25,000 shall be made by obtaining oral or written quotations from at least three qualified vendors.

All purchases of at least \$25,000, but less than \$100,000. shall be made by obtaining written quotations from at least three qualified vendors.

All purchases of \$100,000 or more shall be made by obtaining competitive bids from at least three qualified vendors. Sealed bids shall be utilized when required by the Federal awarding agency.

All other policies and procedures associated with procurement under Federal awards shall be governed by the policies applicable to all purchases of NHSLA, described in the section of this manual on "Policies Associated with Expenditures and Disbursements."

## **COST ALLOCATION FOR FEDERAL PROGRAMS**

### **Overview**

It is the policy of NHSLA that only costs that are reasonable, allowable and allocable to a Federal award shall be charged to that award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to Federal awards.

### **Segregating Unallowable From Allowable Costs**

The following steps shall be taken to identify and segregate costs that are allowable and unallowable with respect to each federal award:

1. The budget and grant or contract for each award shall be reviewed for costs specifically allowable or unallowable.
2. Program Directors and Accounting personnel shall be familiar with the allow ability of costs provisions of OMB Circular A-122, "Cost Principles for Non-Profit Organizations", particularly:
  - a. The list of specifically unallowable costs found in Attachment B (Selected Items of Cost), such as alcoholic beverages, bad debts, contributions, fines and penalties, lobbying, etc.
  - b. Those costs requiring advance approval from Federal agencies in order to be allowable in accordance with Attachment B
3. No costs shall be charged directly to any Federal award until the cost has been determined to be allowable under the terms of the award and/or OMB Circular A-122.
4. For each Federal award, an appropriate set of general ledger accounts shall be established in the chart of accounts of NHSLA to reflect the categories of allowable costs identified in the award or the award budget.
5. All items of miscellaneous income or credits, including the subsequent write-offs of un-cashed checks, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to a Federal award or to activity associated with a Federal award.

### **Criteria for Allowability**

It is the policy of NHSLA that all costs must meet the following criteria in order to be treated as allowable direct or indirect costs under a Federal award:

1. The cost must be "reasonable" for the performance of the award, considering the following factors:
  - a. Whether the cost is of a type that is generally considered as being necessary for the operation of the organization or the performance of the award;
  - b. Restraints imposed by such factors as generally accepted sound business practices, arm's length bargaining, Federal and state laws and regulations, and the terms and conditions of the award;
  - c. Whether the individuals concerned acted with prudence in the circumstances;
  - d. Consistency with established policies and procedures of the Organization, deviations from which could unjustifiably increase the costs of the award.

2. The cost must be "allocable" to an award by meeting one of the following criteria:
  - a. The cost incurred specifically for a Federal award;
  - b. The cost benefits both the Federal award and other work, and can be distributed in reasonable proportion to benefits received;or
  - c. The cost is necessary to the overall operation of the Organization, but where a direct relationship to any particular program or group of programs cannot be demonstrated.
3. The cost must conform to any limitations or exclusions of OMB Circular A-122 or the Federal award itself.
4. Treatment of costs must be consistent with policies and procedures that apply to both Federally financed activities and other activities of the Organization.
5. Costs must be consistently treated over time.
6. The cost must be determined in accordance with generally accepted accounting principles.
7. Costs may not be included as a cost of any other Federally financed program in the current or prior periods.
8. The cost must be adequately documented.

### **Current Cost Allocation Plan(OMB Circular-A122**

#### **Cost Allocation Percentages**

The purpose of this cost allocation plan is to summarize, the methods and procedures that LANHS and Affiliates will use to allocate costs to four different funds NHS, NSP, NLS and NRC based on prescribed assumption.

Direct and Indirect Costs such as salaries, occupancy and supplies are allocated according to the allocation percentages as listed below. The CFO reviews the allocation percentage as part of the annual budgeting process.

Specific examples of the cost allocation process are listed on the following pages.

Neighborhood Housing Services allocates Personnel Costs and Indirect Expenses through the use of three General Ledger Ledger accounts, **8022-Program Cost Allocation Payroll, 8827-Department Overhead Allocation and 8829-Program Cost Allocation**. The purpose of these three General Ledger accounts is to maintain the integrity of the original expenses and transparently record the allocated amounts which will "zero out" at consolidation.

**8022-Program Cost Allocated-Payroll (PCAP)**

This account is used to record an employee's payroll specifically allocated to the NSP program.

**8827-Department Overhead Allocation (DOA)**

This account is used to allocate Indirect Expenses among NHS, NLS and NRC.

**8829-Program Cost Allocated-Non Payroll (PCA-NP)**

This account is used to allocate Indirect Expenses and Fringe Benefits to NSP.

**1. PERSONNEL COSTS** (Salary & Wages, Fringe Benefits)

**Method of Allocation**

Allocation is based on the percentage of time spent on the NSP program indicated on an Employee's time sheet that is verified by managers on a bi-weekly basis.

**Example 1**

For example, employees A, B and C are NHS, NLS and NRC staff. On average, employees A, B and C spent approximately 40%, 50% and 60% of their time on NSP programs respectively. Employee A received \$1,000 in salary and \$200 in Fringe Benefits. Employee B received \$2,000 in Salary and \$400 in Fringe Benefits. Employee C received \$3,000 in salary and \$600 in Fringe Benefits. The allocation of their Personnel Costs to NSP are as follows:

	<u>NHS</u>	<u>NLS</u>	<u>NRC</u>	<u>NSP</u>	<u>Consolidated</u>
Salary & Wages	1,000	2,000	3,000		6,000
8022-PCAP	(400)	(1,000)	(1,800)	3,200	-
Fringe Benefits	200	400	600		1,200
8829-PCA-NP	(80)	(200)	(360)	640	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expense	<u>720</u>	<u>1,200</u>	<u>1,440</u>	<u>3,840</u>	<u>7,200</u>
	40%	50%	60%		

**2. INDIRECT EXPENSES**

Indirect Expenses, or Overhead Costs, are expenditures that are difficult to trace to specific entities, departments or programs. These expenditures are shared by all segments of the organization. Below are the categories of shared costs.

Account Name	Amount
Telephone	
Equipment rent & maintenance	
General Liability Insurance	
Service charges and other fees	
Supplies	
Postage and Others	
Meeting Expense	
RR Cleaning Expense	
RR Utilities/Energy Expenses	
RR HVAC Repair/Maintenance	
RR Electrical Repair/Maint.	
RR Elevator Repair/Maintenance	
RR General Building Expense	
<b>Total</b>	<b>-</b>

**Method of Allocation**

The company created a single cost pool named "Overhead Cost Pool", Code 400 under NHS, which represents the organization's shared costs. A single cost allocation base, "Direct Employee Compensation" is used to allocate the costs in the pool.

**Example 2**

The Salary & Wages in the Example 1 above for NHS, NLS and NRC were \$1,000, \$2,000 and \$3,000 respectively for Total Salary & Wages of \$6,000. If the company incurred shared Cost Pool expenses of \$900, the expenses are first allocated to NHS, NLS and NRC using the following formula.

$$\begin{array}{r}
 \text{NLS Cost Pool expense} = \\
 \text{Cost Pool expenses } \$900 \\
 \text{-----} \\
 \text{Total Compensation } \$6,000
 \end{array}
 \times \text{NLS Salary \& Wages } \$2,000 = \$300$$

Then the shared Cost Pool expenses spread amongst NHS, NLS and NRC are allocated to NSP based on the Personnel Cost percentages used in Example 1 as shown in the chart below.

	NHS	NLS	NRC	NSP	Consolidated
Cost Pool Expenses	900	-	-		900
8827-DOA	(750)	300	450		-
8829-PCA-NP	(60)	(150)	(270)	480	-

Total Expense	<u>90</u>	<u>150</u>	<u>180</u>	<u>480</u>	<u>900</u>
	40%	50%	60%		

**SUMMARY**

The purpose of accounts 8022, 8827 and 8829 is to maintain the integrity of the original expenses and transparently record the allocated amounts which will "zero out" at consolidation.

	<u>NHS</u>	<u>NLS</u>	<u>NRC</u>	<u>NSP</u>	<u>Consolidated</u>
Salary & Wages	1,000	2,000	3,000		6,000
Fringe Benefits	200	400	600		1,200
Cost Pool Expenses	900	-	-		900
8022-PCAP	(400)	(1,000)	(1,800)	3,200	-
8827-DOA	(750)	300	450		-
8829-PCA-NP	(140)	(350)	(630)	1,120	-
Total Expense	<u>810</u>	<u>1,350</u>	<u>1,620</u>	<u>4,320</u>	<u>8,100</u>

Department/Name	NSP2 % of Time	NFMC % of Time	LANHS % of Time	TOTAL
<b>Construction -- 4</b>				
Andros, Dane	50%	-	50%	100%
Matthews, Tony	50%	-	50%	100%
Medellin, Steven	90%	-	10%	100%
Harris,Ron	25%	-	75%	100%
Hart,Roby	25%	-	75%	100%
<b>Real Estate -- 6</b>				
Grandberry, Brenda	75%	10%	15%	100%
Annamarie, Banales	100%	0%	0%	100%
	90%	0%	10%	100%
Cenizo, Javier	100%	-	-	100%
Taylor, Teresa	100%	-	-	100%
<b>Education -- 9</b>				
Davis, Selena	50%	50%	-	100%
Jimenez, Elvia	100%	0%	-	100%
Madere, Wayne	10%	90%	-	100%
McClinton, Yolandra	50%	50%	-	100%
Sanchez, Graciela	20%	80%	-	100%
Vera, Jorge	75%	25%	-	100%
<b>Lending -- 3</b>				
Shirvanian, Rosa	80%	0%	20%	100%
Navarro Marie, Antoinette	70%	0%	30%	100%
Martinez, Ronald	90%	0%	10%	100%
Hernandez,Juan	80%	-	20%	100%
<b>Administration -- 8</b>				
Allison Aldra	75%	-	25%	100%
TBD	70%	-	30%	100%
Carbajal, Kristine	50%	-	50%	100%
Gay, Lori	100%	-	0%	100%
Mack, Arnetta	70%	-	30%	100%
McMillan, Rhonda	70%	-	30%	100%
Perez, Lucia	50%	-	50%	100%
Woolner, Michael	50%	-	50%	100%
<b>Finance -- 4</b>				
Rose,Ruth	50%	-	50%	100%
Cao, Brian	50%	-	50%	100%
Watson,Roy Carton	50%	-	50%	100%
Samuels, Paul	100%	-	0%	100%
<b>Marketing &amp; Development -- 4</b>				
Del Rio,Jaime	0%	-	100%	100%
Ibarra, Jesse	100%	-	0%	100%
Visotzky,Alex	0%	0%	100%	100%
Chamess, Michael	50%	0%	50%	100%
<b>Operations -- 5</b>				
Alonzo, Jennifer	50%	0%	50%	100%
Garcia, Milena	50%	0%	50%	100%
Jimenez-Reyes, Juanita	50%	-	50%	100%
Kimbrough, David	33%	-	67%	100%
Available	10%	0%	90%	100%
Veen, J.P.	70%	-	30%	100%
<b>Programs -- 4</b>				
Buchongo, Nyasha	100%	-	-	100%
Cadauid, Ester	100%	-	-	100%
TBD	100%	-	-	100%

**NHSLA Allocation of Overhead Cost Thru Departments (Example May 2016)**

DISCRIPTION	Amount	NHS					NLS		NRC		Total
		Administration	Finance	Marketing & Development	Operation	Program	Education	Lending	Construction	Real Estate	
Department Name											
Department Code		100	101	102	103	104	200	201	300	301	
Wage % - Department/Total		24.26%	8.46%	10.45%	12.46%	2.36%	13.77%	9.45%	10.79%	7.99%	100.00%
Worker's comp insurance	3,484.00	845.14	294.66	364.25	434.07	82.38	479.71	329.23	376.04	278.52	3,484.00
Medical Insurance	19,762.86	4,794.00	1,671.47	2,066.18	2,462.27	467.31	2,721.15	1,867.52	2,133.05	1,579.91	19,762.86
Dental Insurance	976.63	236.91	82.60	102.11	121.68	23.09	134.47	92.29	105.41	78.08	976.63
Vision Insurance	487.46	118.25	41.23	50.96	60.73	11.53	67.12	46.06	52.61	38.97	487.46
Depreciation Exp. E&F	-	-	-	-	-	-	-	-	-	-	-
Depreciation Exp. Building	-	-	-	-	-	-	-	-	-	-	-
Depreciation Exp. E&F, Building	-	-	-	-	-	-	-	-	-	-	-
<b>Company Overhead Cost Pool</b>											
8042 Telephone	8,043.49										
8044 Equipment rent & maintenance	9,952.53										
8050 Occupancy	-										
8103 General Liability Insurance	8,786.43										
8115 Service charges and other fees	3,061.86										
8116 Property tax											
8117 Wilshire Building Exp.											
8300 Supplies	2,334.38										
8320 Postage	2,015.00										
8420 Misc. & Other	-										
8422 H&R											
8421 Confr.											
8423 Meeting Expense	-										
8811 RR Parking											
8812 RR Cleaning Expense	2,910.00										
8813 RR Utilities/Energy Expenses	3,707.84										
8816 RR Elevator Repair/Maintenance	-										
8817 RR General Building Expense	679.50										
Overhead Cost Sharing	41,491.03	10,064.73	3,509.16	4,337.84	5,169.40	981.09	5,712.91	3,920.75	4,478.21	3,316.93	41,491.03
Salaries & wages	\$ 44,406.39	15,381.37	19,384.86	21,782.37	4,412.04	25,531.20	18,781.47	19,303.85	14,519.56	183,503.11	
Employee Benefit-PTO	2,177.25	960.38	1,066.18	2,014.70	268.20	686.44	(604.40)	1,559.19	668.87	8,796.81	
Payroll taxes	3,380.31	1,154.33	1,431.84	1,879.47	343.05	2,000.04	1,410.64	1,449.98	1,267.00	14,316.66	
Retirement plan contributions		1,568.68	471.26	327.38	791.43	-	1,033.08	487.00	615.96	527.66	5,822.45
Total Compensation	51,532.63	17,967.34	22,210.26	26,467.97	5,023.29	29,250.76	20,074.71	22,928.98	16,983.09	\$ 212,439.03	
Dept. % (Dept./Total Comp.)	24.26%	8.46%	10.45%	12.46%	2.36%	13.77%	9.45%	10.79%	7.99%		

**NHSLA Allocation of Indirect Overhead Cost to NSP2**

DISCRIPTION	NHS, INC									Total
	NHS			NLS			NRC			
Department Name	Administration	Finance 101	Marketing & Development 102	Operation 103	Program 104	Education 200	Lending 201	Contruccion 300	Real Estate 301	
Department Code	100									
Wage %	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
Fringe Benefits	-									-
Worker's comp insurance	845.14	294.66	364.25	434.07	82.38	479.71	329.23	376.04	278.52	3,484.00
Medical Insurance	4,794.00	1,671.47	2,066.18	2,462.27	467.31	2,721.15	1,867.52	2,133.05	1,579.91	19,762.86
Dental Insurance	236.91	82.60	102.11	121.68	23.09	134.47	92.29	105.41	78.08	976.63
Vision Insurance	118.25	41.23	50.96	60.73	11.53	67.12	46.06	52.61	38.97	487.46
Contract Labor		9,584.00								9,584.00
Overhead Cost Sharing	10,064.73	3,509.16	4,337.84	5,169.40	981.09	5,712.91	3,920.75	4,478.21	3,316.93	41,491.03
<b>Total</b>	<b>16,059.02</b>	<b>15,183.13</b>	<b>6,921.34</b>	<b>8,248.16</b>	<b>1,565.40</b>	<b>9,115.36</b>	<b>6,255.84</b>	<b>7,145.32</b>	<b>5,292.41</b>	<b>75,785.98</b>

CFO Temp. 25% char to NSP2 **Allocate to NSP2**  
 A/P Temp. 50% charge to NSP2

DISCRIPTION	NSP2									Total
	NHS			NLS			NRC			
Department Name	Administration	Finance	Marketing & Development	Operation	Program	Education	Lending	Contruccion	Real Estate	
Department Code	100	101	102	103	104	200	201	300	301	
Wage % - NSP2/Dept.	78.45%	65.37%	58.52%	58.35%	82.23%	62.47%	87.93%	57.19%	96.68%	
Fringe Benefits										
Worker's comp insurance	662.99	192.63	213.15	253.26	67.74	299.70	289.49	215.05	269.28	2,463.28
Medical Insurance	3,760.79	1,092.66	1,209.06	1,436.62	384.25	1,700.04	1,642.14	1,219.85	1,527.48	13,972.89
Dental Insurance	185.85	54.00	59.75	70.99	18.99	84.01	81.15	60.28	75.48	690.50
Vision Insurance	92.76	26.95	29.82	35.43	9.48	41.93	40.50	30.09	37.68	344.65
Contract Labor		2,396.00								2,396.00
Overhead Cost Sharing	7,895.57	2,293.99	2,538.36	3,016.10	806.71	3,569.13	3,447.59	2,561.00	3,206.86	29,335.30
<b>Total</b>	<b>12,597.97</b>	<b>6,056.23</b>	<b>4,050.13</b>	<b>4,812.40</b>	<b>1,287.16</b>	<b>5,694.81</b>	<b>5,500.88</b>	<b>4,086.27</b>	<b>5,116.78</b>	<b>49,202.63</b>

64.9%

Department Name	% of NSP2 Compensation by Dept.									Total
	Administration	Finance	Marketing & Operation	Program	Education	Lending	Contruccion	Real Estate		
DISCRIPTION	NHS			NLS			NRC			
Department Code	100	101	102	103	104	200	201	300	301	
#	44,406.39	15,381.37	19,384.86	21,782.37	4,412.04	25,531.20	18,781.47	19,303.85	14,519.56	183,503.11
#	2,177.25	960.38	1,066.18	2,014.70	268.20	686.44	(604.40)	1,559.19	668.87	8,796.81
#	3,380.31	1,154.33	1,431.84	1,879.47	343.05	2,000.04	1,410.64	1,449.98	1,267.00	14,316.66
#	1,568.68	471.26	327.38	791.43	-	1,033.08	487.00	615.96	527.66	5,822.45
<b>Total Compensation-100%</b>	<b>51,532.63</b>	<b>17,967.34</b>	<b>22,210.26</b>	<b>26,467.97</b>	<b>5,023.29</b>	<b>29,250.76</b>	<b>20,074.71</b>	<b>22,928.98</b>	<b>16,983.09</b>	<b>212,439.03</b>
Allocated To NSP2	40,426.28	11,745.50	12,996.69	15,442.78	4,130.44	18,274.37	17,652.07	13,112.64	16,419.49	
<b>% (NSP2 Comp./Dept. Comp.)</b>	<b>78.45%</b>	<b>65.37%</b>	<b>58.52%</b>	<b>58.35%</b>	<b>82%</b>	<b>62.47%</b>	<b>87.93%</b>	<b>57.19%</b>	<b>96.68%</b>	

## ALLOCATIONS

### **Direct Costs**

Direct costs include those costs that are incurred specifically for one award or non-Federal function. NHSLA identify and charges these cost exclusively to each award or program.

Each invoice shall be coded with the appropriate account number reflecting which program received direct benefit from the expenditure. Invoices are approved by the appropriate program director.

Time sheets are also submitted on a regular basis reflecting employees' work and which programs directly benefited from their effort. Time sheets shall serve as the basis for charging salaries directly to Federal awards and non-Federal functions.

Equipment purchased for exclusive use on a federal award and reimbursed by a federal agency shall be accounted for as a direct cost of that award.

Direct costs are those costs that can be identified specifically with a particular cost objective. These costs may be charged to the applicable cost objective for example as follows:

- Salaries and wages are charged on an equitable basis according to a detailed timecard outlining the particular cost objective
- Material consumed or expended is charged on an equitable basis according to coding approved on the invoice determining the applicable cost objective
- Equipment and other capital expenditures are charged on an equitable basis per the approved coding on the invoice outlining the particular cost objective

If a direct cost item is assignable to multiple cost objectives, the following allocation methods on an equitable basis may be used depending upon the complexity and practicality of the task:

- Direct costs may be allocated on an equitable basis directly in proportion to the benefit received for each particular cost objective through empirical observation as the basis for Accounts 100-899
- In more complex situations, a log on an equitable basis may be used as the basis to document the direct cost allocation.
- If maintaining a log is not practical, direct allocation on an equitable basis may be done using salaries and wages from the previous month as the basis. Examples may include that portion not easily identified with a particular cost objective of the following Accounts: Insurance, Travel, Office Expense, Equipment/Maintenance, Postage, Space Cost, Telephone, Mobile, salaries (IT) and related benefits, and Mileage.

### **Indirect Costs**

Indirect costs are those costs that either benefit more than one award or non-federal function or that is necessary for the overall operation of NHSLA (management and general costs).

Indirect Costs are those incurred for common or joint purposes benefiting more than one cost objective and that cannot be readily assigned to the cost objective.

General and Administrative costs such as Account Accounting Fees, Dues & Subscriptions, Insurance, Legal Fees, Travel, Office Expense, Equipment/Maintenance, Postage, Supplies, Space costs, Telephone, Telephone-Cellular, salaries-Staff (primarily accounting and some executive and IT staff), Training-Staff, Mileage, Applied Payroll Benefits, and Depreciation (only if asset not paid by a grant and is allowable) are directly charged to the corporate home office General and Administrative Indirect Cost Pool (GAALCY). Then these costs are allocated on an equitable basis to each of the programs within the NHSLA using Total Costs less General and Administrative costs, less Space costs as the basis as follows.

- Actual direct charges to the General and Administrative Indirect Cost Pool are divided by the Total Costs less General and Administrative costs, less Space costs to determine the Indirect Cost General and Administrative rate
- Then the Indirect Cost General and Administrative rate is multiplied against each program's Total costs to determine the allocation of that months General and Administrative Indirect Cost to each program

### **Benefits**

Benefits such as Account Health Insurance, Vacation, Sick Leave, Holiday, 401K Match, Payroll Taxes, Unemployment insurance, Worker's Compensation Insurance are directly charged to the appropriate entity Benefits Cost Pool. Then these costs are allocated on an equitable basis to each of the programs within the entity using salaries and wages as the basis as follows:

- Actual direct charges to the entity Benefits Cost Pool divided by the Total salaries and Wages directly charged with in that entity determines that entity's Indirect Cost Benefits rate
- Then the Indirect Cost Benefits rate is multiplied against each program's salaries to determine the allocation of Benefits Direct Cost to each program

### **Accounting for Specific Elements of Cost**

NHSLA shall utilize the following methods of charging specific elements of cost to federal awards as direct or indirect costs:

**Salaries and Wages** – Salaries and wages shall be charged directly and indirectly based on the functions performed by each employee, as documented on each employee's timesheet, as follows:

*Direct costs* – The majority of the employees of NHSLA charge their time directly since their work is specifically identifiable to specific grants or other (non-federal) programs or functions of the organization. Their timecard is documented to reflect actual hours worked for each program.

*Indirect costs* - The following staff charge the majority of their salary costs indirectly:

- Accounting department staff
- President & CEO

*Mixed charges* – The following employees may charge their salary costs to both direct and indirect activities:

- Administrative assistants
- Program Manager
- Information Technology staff

**Employee Benefits** – NHSLA incurs costs for the following statutory and non-statutory employee benefits:

1. FICA
2. Unemployment insurance
3. Worker's compensation
4. Health insurance
5. Dental insurance
6. Contributions to 401K retirement plan
7. Vacation leave
8. Sick leave
9. Holiday leave

The total cost of all of the preceding employee benefits shall be determined by summing the cost associated with each benefit. This total employee benefit costs shall then be allocated indirectly in the same proportions as salaries and wages. Entity Pools have been established to ensure that these costs are allocated fairly between the different sites in the various entities.

**Occupancy Expenses** - Monthly rent expense and related pass-through expenses shall be allocated directly and indirectly, based as follows:

*Direct costs* – The cost of space occupied by staff whose salaries are directly charged to federal awards is charged directly to those same awards

*Indirect costs* – The costs of space occupied by staff whose salaries are indirectly charged is also charged indirectly. The cost of space for staff whose salaries are charged on a mixed basis (directly and indirectly) shall be allocated on a mixed basis in the same ratio as their salaries are allocated.

**Supplies and Materials** – To the maximum extent possible, office supplies and materials are charged directly to the grant or program/function that uses the supplies or materials, based on the completion of a supplies usage form. All supplies and materials used by staff engaged in indirect activities shall be charged indirectly.

**Postage and Shipping** – To the maximum extent possible, postage and shipping costs shall be charged directly to the grant or program/function that benefits from the postage or shipping costs.

**Photocopying and Printing** – Photocopying costs include all paper and copy supplies, copier maintenance charges and the actual lease cost of the copier. To the maximum extent possible, the appropriate program will be charged.

All printing costs are charged directly to the benefiting grant or program/function.

**Communications** – Communications costs include the costs of local telephone service and long-distance telephone charges, including charges associated with telephone calls, facsimile transmissions, and Internet dial-up connections.

Cell phones are charged based on the employee's timesheet allocation of their time or where allowable per grant budget.

**Outside Services** – NHSLA incurs outside service costs for its annual audit, legal fees, and for staff development specialists. Outside service costs shall be charged as follows:

**Audit fees** – Cost of the financial statement audit and preparation of Form 990 shall be charged as an indirect cost. Additional audit costs associated with that portion of the audit associated with OMB Circular A-133 shall be charged directly to the audited programs, based on estimates received from the independent CPA firm or to the General and Administrative Indirect Cost Pool.

**Legal fees** – Allowable legal fees shall be charged directly to the program/function that benefits from the services.

**Staff Development Specialists** – Allowable costs associated with staff development specialists shall be charged directly to the program/function that benefits from the services.

**Insurance** – To the extent that insurance premiums are associated with insurance coverage for specific grants or programs, those premium costs shall be charged directly. All insurance costs that are not identifiable with specific direct grants or programs (such as the Organization's general liability coverage) shall be charged indirectly to the Overhead Indirect Cost Pool.

**Credits** – The applicable portion of any credits resulting from cash discounts, volume discounts, refunds, and write-off of stale outstanding checks, trade-ins, scrap sales or similar credits shall be credited directly or indirectly in the same manner as the purchase that resulted in the credit.

### **Cost Sharing and Matching**

It is the policy of NHSLA to value contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution, unless award documents or Federal agency regulations identify specific values to be used.

NHSLA shall claim cost sharing or matching contributions, including cash and third party in-kind, of a Federal award only if all of the following criteria are met in accordance with OMB Circulars A-122 & A-110.

1. They are verifiable from NHSLA records;
2. They are not included as contributions for any other federally-assisted project or program;
3. They are necessary and reasonable for proper and efficient accomplishment of project or program objectives;
4. They are allowable under the applicable cost principles;
5. They are not paid by the Federal government under another award, except where authorized by Federal statute or letter from the Federal Agency to be used for cost sharing or matching;
6. They are provided for in the approved budget when required by the Federal awarding agency;
7. They conform to all provisions as referenced above as applicable.

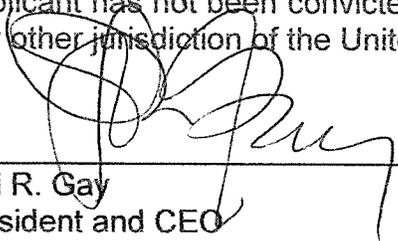
Contributed services used for cost sharing or matching purposes shall be valued at rates consistent with those rates paid for similar work in the Organization, including an estimate of reasonable fringe benefits. In cases in which the required skills are not found in the Organization, rates used shall be consistent with those paid for similar work in the labor market in which NHSLA competes.

It is the policy of NHSLA to require volunteers to document and account for their contributed time.



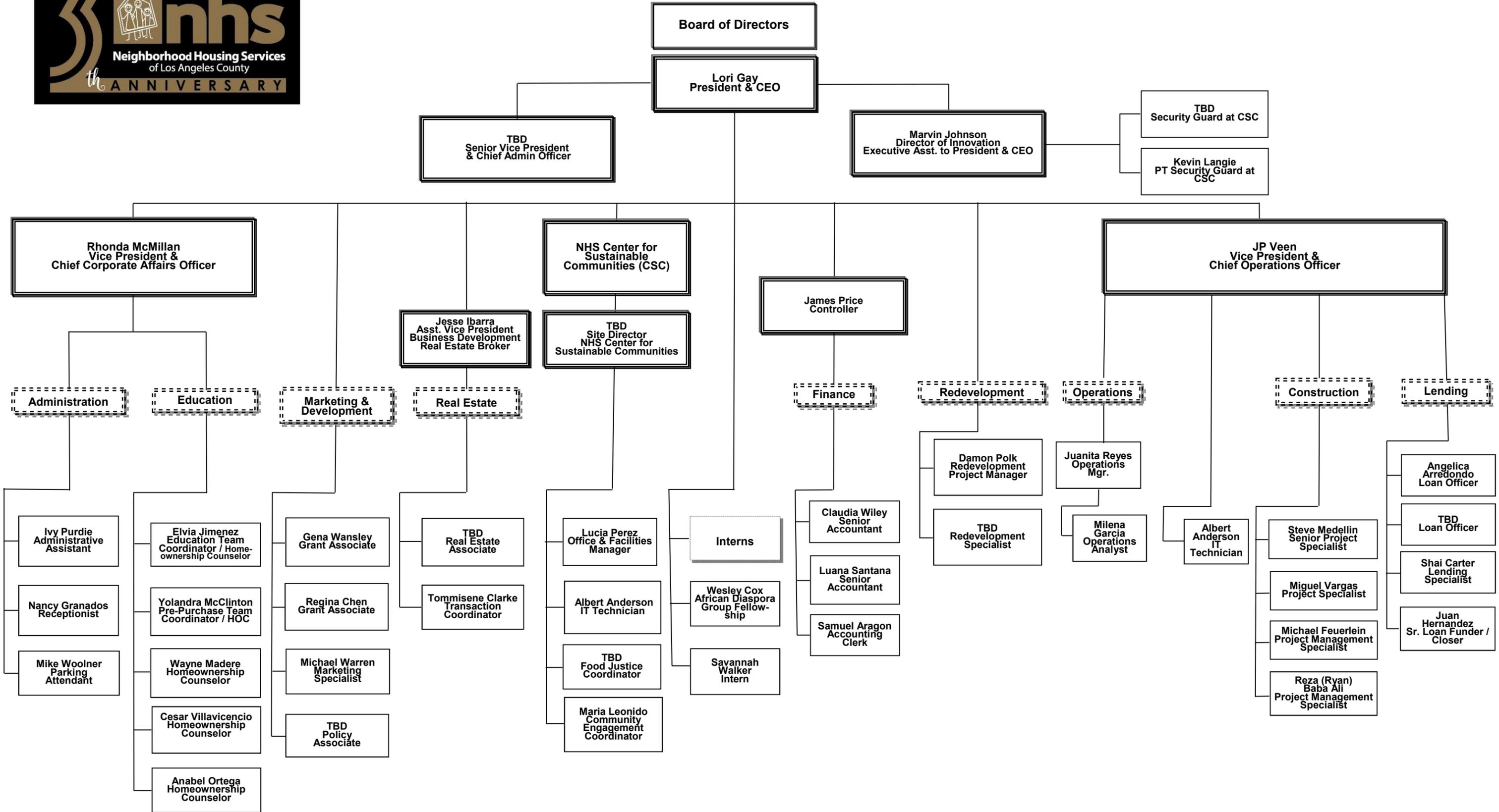
### CONFLICT OF INTEREST STATEMENT

Neighborhood Housing Services of Los Angeles County ("Applicant") certifies that no officer, agent or employee of the Government of the State of California, HCD, or its Government Entities and instrumentalities, has a monetary interest in the Application or has participated in contract negotiations on behalf of the Government of the State of California or HCD; that the Application is made in good faith without fraud, collusion, or connection of any kind with any other Applicants; that the Applicant is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm; and that the Applicant has not been convicted or has plead guilty in a state or federal court or any other jurisdiction of the United States of America.



\_\_\_\_\_  
Lori R. Gay  
President and CEO

12/14/21  
\_\_\_\_\_  
Date



**Availability**

**NHS:**

7 FTE counselors available immediately

- Can see 15 clients per week per counselor x 7 counselors = 105 clients per week (5,040 clients per year/15,120 clients for 3 year period)

**Shalom Center (sub-grantee):**

Hrs for 3 FTE Annually - 5000 hours per year along with 3 counselors available immediately

Can see 4 new clients per day, total of 6 hrs. daily

- 4 new clients @ 4 days a week = 16 new clients weekly (768 clients per year/2300 clients for 3 year period)

Programmatic Hours Available Annually 1200 by Jee Lee

Programmatic Hours Available Annually 1600 by Grace Jeong

Programmatic Hours Available Annually 1872 by Willie Lee



# LORI GAY

## EDUCATION

- Pepperdine University  
Malibu, CA
  - Masters of Business Administration (1991)
- University of California, Davis  
Davis, CA
  - Bachelor of Science, Development, Resource & Consumer Electronics
  - Minor: Community Development (1984)

## PROFESSIONAL REGISTRATION / AFFILIATION

- FDIC's Alliance for Economic Inclusion Steering Committee, 2004 to Present
- NeighborWorks®  
Neighborhood Reinvestment Training Institute
  - Community Leadership Institute (2017)
  - Residential Security Solutions (1996)
  - Youth in Crisis: Guns, Gangs, and Drugs (1996)
  - Community Leadership Institute (1996)
  - NeighborWorks Partnership Institute (1995)
  - Neighborhood Strategies for Youth (1994)
  - Youth Forum: National Models that Work (1994)
  - Criticism and Discipline Skills for Managers
  - Homeownership Programs and First Mortgage Origination (1992)
- Automatic Data Processing (ADP)
  - How to Interview & Hire, Discipline & Discharge (1994)

## PROFESSIONAL PROFILE

As the leader of Neighborhood Housing Services (NHS) of Los Angeles County, Lori has been its most integral component. For over 30 years she has presided over NHS administering her guidance through influence, direction and leadership. She has been the driving force between government representatives, local business and residents to improve and build stronger neighborhoods and to elevate quality of life. Her work in the community development field focuses on rebuilding impoverished communities and creating mechanisms for community empowerment and ownership.

Lori has spearheaded the growth of NHS into the largest non-profit affordable homeownership provider in Southern California. In addition, she monitors the overall quantitative and qualitative achievements of the firm always striving towards strengthening communities and providing neighborhood revitalization. NHS protects more than \$2.2 billion of home values annually through its loss mitigation, preservation and counseling work. As a visionary and since 1984, Lori has piloted NHS through the development and rehabilitated of more than 25,600 housing and commercial units and reinvested more than \$7.1 billion into LA County's neighborhoods.

## PROFESSIONAL EXPERIENCE

### **Neighborhood Housing Services of Los Angeles County** *President, Chief Executive Officer (1990 to Present)*

As the President and Chief Executive Officer, Lori has been a principal executive NHS, reporting to the Board of Directors and serving as a member of the Board. She plans, develops, and establishes policies and objectives for the organization in accordance with Board directives and the Corporation Charter. Not only does she assume responsibility for the financial viability of the entire organization and its various programs, but she also ensures that the organization is efficiently staffed through effective human resources management which is in compliance with Federal and State employment legislation. Lori oftentimes confers with organization officials to plan business objectives, develop organizational policies, coordinate functions and operations among departments, and establishes responsibilities and procedures for attaining objectives.



# LORI GAY

## PROFESSIONAL REGISTRATION / AFFILIATION continued

- University of Southern California School of Social Work
- Neighborhood Resource Center Advisory Council (1996)

## FORMER BOARD SERVICES

- NHTSA-Just Price Solutions Oversight Committee
- Chair of the California Organized Investment Network (COIN)
- California Housing Finance Agency (CalHFA)
- Director, Federal Reserve Bank of San Francisco - Los Angeles Branch, 1997 to 2002
- Washington Mutual Advisory Council

## SPECIAL ACHIEVEMENTS / DISTINGUISHED SERVICE AWARD

- NeighborWorks® America Visionary Leaders Award (2010)
- State of California Project Homeowner Team Award (2009)
- The Canaan Group (2007)
- CitiBank, Community Star Award (2005)
- NeighborWorks® The Dorothy Richardson Award (2003)
- Charles McIver Outstanding Leadership Award (1999)
- Dedicated Service and Outstanding Commitment to Neighborhood Revitalization (1995)
- Leslie N. Shaw, Sr. Memorial Award (1992)
- National Organization of Minority Architects, Los Angeles Chapter (1992)

## PROFESSIONAL EXPERIENCE *continued*

Lori reviews activity reports and financial statements to determine progress and status in attaining objectives and revises objectives and plans in accordance with current conditions. She is responsible for directing and coordinating the formulation of financial programs to provide funding for new or continuing operations in order to maximize returns on investments and to increase productivity. She also arranges plans and develops corporate, personnel, and public relations policies designed to improve the company's efficacy and in relation with clients, employees, and the public. In addition, Lori evaluates performance of senior managers for compliance with established policies and objectives of the organization and contributions in attaining objectives.

### **NeighborWorks America**

*Field Services Officer (1988 to 1990)*

### **LA Neighborhood Housing Services**

*Neighborhood Director (1987 to 1988)*

### **Maxicare Health Plans**

*Marketing Representative (1985 to 1987)*

### **Herbalife International**

*Travel Department Manager (1984 to 1985)*



# RHONDA McMILLAN

## EDUCATION

- Chicago State University  
Chicago, Illinois (1983)
- Roosevelt University  
Chicago, Illinois (1979)
- Loop Junior College  
Chicago, Illinois (1973)
- Olive Harvey Junior College  
Chicago, Illinois (1969)
- Loyola University  
Chicago, Illinois (1969)

## PROFESSIONAL REGISTRATION / AFFILIATION

- Institute of Real Estate  
Management
  - Managing Small  
Commercial Properties  
Certification (2001)
- Society for Human Resource  
Management - SHRM (2017)
- University of California, Los  
Angeles (Extension)
  - Property Management  
Certification (2001)
- NeighborWorks America  
Training Institute
  - Image-Building and  
Increasing Market  
Demand (2008)
  - Public Speaking (2008)
  - Faith-Based Community  
Development (2008)

## PROFESSIONAL PROFILE

Rhonda has been an intrinsic member of NHS for over 18 years, rising through the ranks and serving the department in several different capacities, such as a Senior Executive Assistant, Assistant Vice President and currently as Vice President and Chief Corporate Affairs Officer. Due to Rhonda's innovation, strong leadership and managerial skills, she is able to assist the President and the board of directors to design NHS' overall mission, values and strategic goals.

Rhonda also ensures a healthy working environment by leading, guiding, directing and evaluating the overall functions of each employee, while also adding value to NHS with her strong dedication in sales, marketing, and team building. Rhonda thinks and plans strategically and she serves as the conduit of communication between senior management, her team, stakeholder engagement and community relations. She guides, mentors, and develops a team of five homeownership counselors who educate prospective clients as new homeowners, and she also leads weekly meetings which foster open communication and ensures ongoing success.

## PROFESSIONAL EXPERIENCE

**Neighborhood Housing Services of Los Angeles County (2002)**  
*Vice President and Chief Corporate Affairs Officer (2014 to Present)*  
*Assistant Vice President (2010 to 2014)*  
*Senior Executive Assistant (2002 to 2010)*

In this top-level leadership role Rhonda guides departmental operations and oversees internal operations in order to build strong client relationships, maximizing NHS' operating performance and helping to achieve NHS' financial goals. As the Vice President and Chief Corporate Affairs Officer, Rhonda is responsible for all corporate governance, the Board of Directors, relationship management, corporate certifications, re-certifications, and renewals. She spearheads and administers all corporate and capital investments and she manages the Human Resources Department. In addition, Rhonda supervises NHS' Education Department and handles tenant relations, property management of the NHS headquarters site, the Center for Sustainable Communities in Compton, California, and all NHS assets.

**Verdugo Hills Visiting Nurse Association dba VNA Care**  
*Executive Assistant (1999 to 2002)*

As an Executive Assistant, Rhonda coordinated various agency's annual meetings, strategic planning retreats, monthly Board of Directors meetings, and other meetings/events as required, along with representing the CEO for other agencies, and community organizations. She also coordinated travel for executive directors and managers, as well as provided transcription for various agency committee meetings including staff meetings, management



# RHONDA McMILLAN

## SPECIAL ACHIEVEMENTS

- NHS President's Award (2008)

## PROFESSIONAL EXPERIENCE *continued*

meetings, and monthly board meetings. Rhonda established and maintained relationships with the agency's Board of Directors, tenants, vendors and contractors. She collaborated with the CFO in order to track building related finances and assisted in coordinating agency fundraising events, and maintaining agency contracts with healthcare providers.

Not only did Rhonda set-up and arranged the agency's corporate files, but she maintained the agency's licenses, certificates, credentialing and the re-credential of documents. She also led the contract administrative support for the VNS's of the California Coalition. Furthermore, Rhonda interacted with the IS department to determine computer needs and provide problems resolutions. She oversaw property/building management, resolve issues related to leases, renewals, adjustments, increases, tenant improvements, and building services. She processed various membership/association applications and renewals. She also directed contract negotiations and procured contracts for building services (i.e., janitorial and landscaping services). Rhonda guided the data for the tenant's annual (CAM) Common Area Maintenance expenses and prepared the documentation for the yearly property tax exemptions.

### **Hollins Energy Control**

*Company Representative (1997 to 1999)*

As a Company Representative, Rhonda developed and implemented marketing and sales strategies for acquiring contracts for the installation and servicing of heating, ventilating and air conditioning. She solicited opportunities for bids, attended pre-bid meetings, and visited job sites to ascertain project status. Additionally, she analyzed market trends to ensure that companies remained competitive and established and maintained working relationships with general contractors. Rhonda also prepared materials and made presentations explaining available services and answered inquiries regarding project leads, project start dates, and equipment delivery. She also attended trade shows and seminars related to the industry and she directed vendor equipment orders in order to meet project plan specifications and requirements.



# JEAN-PAUL VEEN

## EDUCATION

- Pasadena City College  
Pasadena, CA

## PROFESSIONAL PROFILE

Jean-Paul “J.P.” provides a wealth of proficiency and consciousness since joining NHS’ Operations Department in 2008. J.P. delivers effective and inspiring leadership, as well as being actively involved in all programs and services. He implements and leads continuous quality improvement processes throughout the housing programs and service areas, focusing on systems and process improvement. In addition, J.P. oversees daily operations for multiple business lines and lending programs within the organization. J.P. also develops and executes operations that are consistent with the strategy of each line of business within the organization and he works in unison with the senior operations management team, in order to strategize and manage budgetary aspects for multiple business lines.

## PROFESSIONAL EXPERIENCE

### **Neighborhood Housing Services of Los Angeles County**

*Vice President and Chief Operations Officer (2012 to Present), and  
Operations Manager (2008 to 2012)*

As the Vice President and Chief Operating Office, J.P. organizes the Construction Department by providing corporate asset management, construction process management, project oversight, contract management, spec development, scheduling, and project budget management. He organizes the Lending Department by providing loan production activity oversight. This includes developing, planning and administering the implementation and execution of multiple lending solutions which encompass NeighborhoodLIFT, Project Reinvest, HUD (Housing and Urban Development) Neighborhood Stabilization Program, CalHome and other niche lending programs, in order to streamline processes and file flows.

While working in the IT Department, J.P. oversees all aspects of IT and IT vendor management. He also designs and implements server upgrades and multiple equipment refreshes, as well as designs and implements phone system upgrades and multiple Telco System upgrades. Moreover, he implements remote working protocols to address COVID-19 work requirements and social distancing which includes the implementation of Zoom as a communication and learning platform.

As an Operations Manager, J.P. directly supervises both the IT and Operations Departments and provides NFMC (National Foreclosure Mitigation Counseling) Grant production management, production reporting, and grant compliance management. He is also responsible for all data and processing functions, alongside process flow designs, implementations, and successfully fulfilling processes for data quality management.



# JEAN-PAUL VEEN

## PROFESSIONAL EXPERIENCE *continued*

### **Countrywide Home Loans**

*Branch Manager, National Retail Call Center (2003 to 2007)*

As a Branch Manager of a National Retail Call Center, J.P. both motivated and inspired Account Executives by actively engaging in all areas of the loan process, which included Prime, Alt-A and Non-Prime loan origination. He assisted in the training of employees, recruiting, staffing and related human resource matters, and was accomplished in all related technologies, including DU: Desktop Underwriter; LP: Loan Prospector; Virtual Loan File; and CLUES (CHL Proprietary).

He sustained a pipeline of up to 200 active loans per month and he was also responsible for pipeline management and forecasting, while implementing and managing Business-to-Business, affinity and private label origination management. Additionally, J.P. increased sales from branch inception to over \$144 million in annual funded volume. He managed 22 Account Executives and Operations staff in a call center environment, including predictive dialing systems and Symposium Call Management, along with revenue and P&L management.



# JAMES PRICE

## EDUCATION

- California State University  
Long Beach
  - Bachelor of Science,  
Business Administration  
(1996)
  - Major: Finance and  
Financial Management  
Services

## PROFESSIONAL PROFILE

Since joining NHS' Finance Department, James always delivers solid communication, technology, analytical and management knowledge. He possesses knowledge of all aspects of generally accepted accounting principles and his previous experience in accounting is highly valued. He is a highly detail-oriented Controller with over 24 years of progressive experience in a wide array of accounting, finance and business experiences through diverse tasks from the entrepreneurial level of business to the Fortune 500 firm. James' diverse background includes all accounting tasks from operations, management, cost accounting and finance.

## PROFESSIONAL EXPERIENCE

### **Neighborhood Housing Services of Los Angeles County**

*Controller (2019 to Present)*

As a Controller, James is responsible for planning, directing and coordinating all accounting operational functions, as well as managing the accumulation and consolidation of all financial data necessary for an accurate accounting of consolidated business results. Also, he coordinates and prepares internal and external financial statements and coordinates accurate documentation with external auditors. James provides management with information vital to the decision-making and budget process. Additionally, he assesses current accounting operations, offering recommendations for improvements and implements new processes. He evaluates accounting and internal control systems, as well as evaluates the effectiveness of accounting software and supporting databases, as needed. Furthermore, he develops and monitors business performance metrics, along with overseeing regulatory reporting, frequently including tax planning and compliance. He assists with hiring, training and the retaining of skilled accounting staff.

### **Squar Milner, LLC**

*Accounting Manager / Acting Controller (2016 to 2019)*

As an Accounting Manager / Acting Controller, James assisted in the monthly closing process for the general ledger, and oversaw the monthly review and reconciliation of general ledger accounts. He performed analysis of general ledger accounts, prepared journal entries for adjustments including accounting adjustments, expense accruals, prepayments, depreciation and deferred expenses and revenues. He analyzed year end and budget financial statements. He provided recommendations for internal controls and business process improvements to the CFO and performed other financial analyses and special projects as required by the partners. He prepared multilevel and consolidated financial statements and prepared monthly profit/performance/compensation analysis reports and annual key person insurance calculations for equity, non-equity partners and principals. James also ensured the accuracy and integrity of the accounting records,



# JAMES PRICE

## PROFESSIONAL EXPERIENCE *continued*

including general .ledger, cash, accounts receivable, accounts payable, intercompany accounts, and fixed assets. He prepared tax work paper spreadsheets for tax filing and prepared annual industry surveys, property taxes, business license, and government surveys, as well as assisted the billing manager with accounts receivables, revenues and work in progress analyzes.

### **Anajet, Inc. - A RICOH Company**

*Consulting (2015 to 2016)*

As a Consultant, James assisted the CFO in ad hoc reposting, which includes COGS reallocation, daily flash reporting, and debt maturity schedules. He obtained and maintained a thorough understanding of the financial reporting and general ledger structure, as well as ensured an accurate and timely monthly, quarterly and year end close. He also ensured the timely reporting of all monthly financial information, and assisted the Controller with daily banking requirements. Additionally, James corroborated the accurate and timely processing of positive pay transactions, along with ensuring that the monthly and quarterly bank compliance activities were performed in a timely and accurate manner.

### **Outsource Technical, LLC.**

*Accounting Manager (2011 to 2015)*

As an Accounting Manager, James managed the accounting department, which included the general ledger and primary accounting and control system of the company, payroll, banking and other systems related to the accounting and fiscal control systems of the company. He ensured that the payroll records were accurately updated and maintained and he coordinated the the quarterly and annual review of the financial statements. James also calculated overhead rates, developed, maintained and tracked current and standard costs including expenses and labor variances. He conducted analyses and tracked trends in cost variances and made appropriate recommendations. Furthermore, he supervised and supported staff in maintaining records related to book keeping, expenses, funds, and partnership ventures. He prepared and achieved budget objectives by scheduling expenditures, analyzing variances, initiating corrective actions, as well as managed commercial banking relationships to facilitate an appropriate credit resource under highly competitive terms.

### **Omni Financial Management Group**

*Owner/Managing Principal (2002 to Present)*

As the Owner and Managing Principal, James is responsible for bookkeeping and accounting services. He participates in month and year end close including analysis, balance sheets, income statements, general ledgers, reconciliations, and preparation of accruals and journal entries.

## ***Yolandra McClinton***

### **Employment History**

#### **May 2008 - Present**

Neighborhood Housing Services of Los Angeles County Los Angeles, CA

Pre-Purchase Team Manager (2012 - Present)

Homeownership Counselor (2008 - 2012)

- Manages pre-purchase team
- Conducts the personal finance and budgeting and foreclosure prevention courses of the Homebuyer Education and Fast-Track classes
- Manages program by recruiting, coordinating, teaching classes, account maintenance, one-on-one counseling and case management
- Works closely with HUD/FHA homeowners to review loan files for predatory practices
- Provides required reports on program performance and tracking to proper authority
- Actively recruits families through housing fairs, church presentations, block club meetings and other forms of outreach
- Conducts the HUD housing counseling program for foreclosure prevention and loss mitigation intervention
- Works closely with all homeowners and lenders to find a resolution to cure the delinquency in mortgage payments and prevent foreclosure proceedings
- Coordinates resources, materials and information with other departments as required

#### **Dec 2007 -**

Operation Hope Los Angeles, CA

Financial Management Consultant

#### **June 2005 - Dec 2007**

McClinton & McClinton, Inc. Los Angeles, CA

Vice President & CFO

- Managed a profile of properties assessed at approximately \$15 million
- Primary goal was to operate and maintain the physical properties in such a way as to preserve and enhance the owner's capital investment
- Reduced rental delinquency rate during my tenure from 100% to zero
- Assessed and assigned property repairs to subcontractors or handy men to ensure that repairs were made in a timely manner and within budget

#### **Jan 2004 - June 2005**

Wells Fargo Home Mortgage Los Angeles, CA

Mortgage Consultant/Event Planner

- Originated and closed over \$22 million in loans in a one-year period
- Solicited business from a variety of secondary sources and established long-term relationships with real estate professionals, developers, financial planners and others in order to obtain loan referrals
- Worked with both conventional and subprime borrowers and products
- Marketing a number of service to generate business
- Knowledgeable of special loan programs to assist low-to-moderate income, first

- time home buyers
- Layered loans with two or three financing sources to achieve the ultimate success for the buyer
- Responsible for month bank blitz to promote new products and services to the community
- Organized Annual Recognition Mixer for homeownership sponsors/partners and participants
- Responsible for numerous other functions including, dinners, special events, and fundraisers

### **Mar 1998 – Jan 2004**

Inglewood Neighborhood Housing Inglewood, CA

Loan Officer/Homeownership Counselor

- Conducted and coordinated 8 hour homebuyer education workshops
- Facilitated financial literacy support groups to assist clients in setting financial goals
- Provided community outreach to promote programs
- Met individually with first time homebuyers/financial support group participants to provide education, guidance and referrals
- Provided individualized credit counseling and assessments
- Established relationships with lenders, realtors, city program administrators and other professionals to develop referral sources
- Maintained a client database associated with housing counseling and assistance and monitored clients for stated outcomes

### **Education**

2010

Bachelor of Science, Business Management

University of Phoenix

### **Certifications and Seminars**

- 2003 – Licensed CA Department of Real Estate
- 2002 – Licensed CA Notary Public
- 2003 – FDIC – Train the trainer, Financial Literacy NeighborWorks America
- 2001 – Homebuyer Education Certification
- 2002 – Mortgage Lending Certification
- 2002 – Toastmaster International, Inc.

### **Relevant skills**

- Property Management
- Housing Counseling
- Events Planning
- Mortgage Loans
- Financial Literacy Training
- Multi-Cultural Relations
- Marketing
- Customer Tracking
- Public Speaking
- Accomplished, results driven community development program professional with 10 years proven success implementing community development loan programs, homebuyer education and financial literacy training and property management.
- Superior communications skills, easily interacts with customers, professionals and other stakeholders
- Technically proficient in Microsoft Office applications



# CESAR VILLAVICENCIO

## EDUCATION

- Los Angeles City College  
Los Angeles, CA
  - Television Production & Human Services

## PROFESSIONAL REGISTRATION / AFFILIATION

- CalDRE: 01821519  
California Department of Real Estate Salespersons License
- HUD (Housing and Urban Development)
  - Certified Counselor (2019)
- NeighborWorks Center for Homeownership Education and Counseling (NCHCE) Certificates
  - Reverse Mortgage Counseling
  - HUD's HECM (Home Equity Conversion Mortgage) Counseling Procedures and Roster (2021)
  - Pre and Post -Purchase Homeownership Education Counseling (2019)
  - Foreclosure Intervention and Default Counseling (2008, 2014)
  - HUD's HECM Counseling Procedures and Roster (2009)
  - Advanced Foreclosure; Case Study Practicum (2008)
  - Fundamentals of Residential Lending (2005)
  - Homebuyer Education Methods of Training the Trainer (2003)

## PROFESSIONAL PROFILE

Cesar has provided immeasurable value to the Education & Homeownership Centers for NHS, due to the fact that he is a housing service professional with extensive experience in financial education, budget development, analysis, and can provide legal aspects of collections. His superb oral and written communications, along with his organizational competency allows him to be highly effective in fast-paced environments while maintaining a high level of customer service. His strong interpersonal skills and a keen focus on being effective and efficient has enabled him to work towards established goals and objectives independently or in a team setting.

## PROFESSIONAL EXPERIENCE

### **Neighborhood Housing Services of Los Angeles County**

*Homeownership Counselor (2019 to Present)*

*Senior Homeownership Counselor / Administrative Assistant (2001 to 2014)*

As a Homeownership Counselor, Cesar provides extensive counseling and training classes about budgeting, managing personal finances, reverse mortgages, financial literacy, homeownership and foreclosure prevention. Cesar's emphasis on working with clients is to create and analyze budgets and develop strategies targeted towards homeownership and reaching financial goals. He also provides counseling to clients in financial distress for loan modifications, bankruptcy options, budget adjustments, and debt management.

### **Homes4Families (formally Habitat for Humanity SF/SCV)**

*Housing and Financial Counselor (2014 to 2019)*

As a Housing and Financial Counselor, Cesar processed loan applications, provided pre/post purchase credit counseling, and conducted first-time homebuyer and property insurance classes. He also counseled potential purchasers through evaluations, approvals, and opening and closing of escrows. Additionally, as a member of the care management team Cesar was responsible for the overview program and supplied added support to families in the program. He participated in community and client outreach events involving veteran families, local politicians and business leaders. Similarly he serviced mortgage loans, organized and maintained electronic and hard copy files for applicants, and worked with the HOA (Homeowner Association) for multiple communities. Cesar also evaluated and assisted in the purchasing of existing and future homes.

# ANABEL ORTEGA

3528 East Pico Boulevard | Los Angeles, 90023 | C(323)490-8737 | anabel.ortega8@gmail.com

## SUMMARY OF QUALIFICATIONS

- 7 Years of experience counseling and empowering underserved communities with low to median income housing needs
- Trained and skilled in analyzing, researching, planning, coordinating, and administering a variety of housing needs and savings programs and services in non-profit settings

## SKILLS

-Spanish Bilingual –Self Motivated –Well Organized -Teamwork Oriented -Trustworthy –Good Judgment –Great at following Directions –Dependable –Honest –Adaptable -Quality Driven –Productivity Motivated –Outlook –Word Processing –Microsoft Word -Basic Excel –Flexible –Great Driver

## EXPERIENCE

### Housing Counselor at **NHS LA County**

- Provided financial analysis and counseling to people in danger of losing their homes to Foreclosure and to First Time Home-Buyers.
- Conducted first time homebuyer and workshops and participated
- Enter and maintain sensitive client information into a secure database

### Office Administrator at **Verduzco House of Acupuncture**

- Manage front office during Reiki Clinics
- Data Entry, Research, Make Copies, Answer Phones, Intake Packages for clients, Filing.
- Organized office for better proficiency
- Event Coordinator

### *Co-Owner* of **The Eco Pioneer**

- Manage, create, coordinate, and customize artistic and conventional retail projects.
- Handle bookings, logistics and manage booths at vendor events.
- Manage social media output and market in Etsy, Instagram and Facebook.

### *Project Intern* for the **Monitoring and Compliance Unit** of **Los Angeles Housing Department**

- Researched and reviewed 275 land use covenants and compiled a list that will help enact a program to save and deliver monies to the city of Los Angeles

### *Housing Counselor* of **Vivienda Digna** and **East LA Community Corporation**

- Provided financial analysis and counseling to people in danger of losing their homes to Foreclosure and to First Time Home-Buyers. Averaged case load of 70 files
- Built partnerships with organizations and local businesses to provide referral services for families
- Spoke with Servicicers for clients with language barriers
- Headed logistics for workshops
- Conducted monthly first time homebuyer workshops and participated and created material for financial literacy bimonthly workshops
- Formed and maintained partnerships with other non-profit organizations to develop low-to-moderate clients in maintaining financial goals to purchase their first home
- Headed the Ramp-Up savings program which allowed members to save at a rate of 19% interest
- Conducted door-to-door and community events outreach to engage community members
- Entered and maintained sensitive client information into a secure database

### *Intake Specialist* of **Fannie Mae/West Angeles CDC**

- Conducted face-to-face and phone Intakes to people in danger of losing their home to foreclosure.
- Processed and transferred files for counselors for full analysis
- Entered and maintained sensitive client information into a secure database
- Attended outreach fairs

### *Relief Manager* of **The Pasadena Ronald McDonald House**

- Supervised and maintained household and guests, while ensuring Check-In and Check Out procedures, and household safety
- Conducted house tours and outreach to local hospitals
- Offered emotional support to families at a time of distress

## WORK HISTORY

-NHS LA County	Apr17-Present	Housing Counselor
-Verduzco House of Acupuncture	Nov 15-April 17	Office Administrator
-The Eco Pioneer	July13-Sept 16	Co-Owner
-Los Angeles Housing Department	Oct12-July 13	Intern
-Vivienda Digna	Nov 11-Mar12	Housing Counselor
-Fannie Mae/West Angeles CDC	Feb 11-Nov 11	Intake Specialist
-East LA Community Corporation	Feb 09-Feb 11	Housing Counselor
-East LA Community Corporation	April 08-Feb 09	Program Assistant
-The Pasadena Ronald McDonald House	Jan 06-Jan09	Relief Manager

### **EDUCATION**

-Jan2003-Jun2005	<u>University of California Riverside</u>	Riverside CA
	<b>Bachelor of Science Degree</b> in Anthropology Focus: Culture	
-Sept98-Dec02	<u>East Los Angeles Community College</u>	Monterey Park CA
	<b>Arts Associate Degree</b> in General Education	

### **SPECIAL TRAINING**

May2008-March 2021 Received various Trainings from NeighborWorks Institute in Homeownership and Community Lending to gain the Housing and Urban Development **Certification** in the following: **Foreclosure Intervention and Homeownership**

## ***Elvia M. Jimenez***

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### **Employment History**

#### **Jan 2006 - Present**

Neighborhood Housing Services of Los Angeles County

Los Angeles, CA

Homeownership Counselor (2008 – Present)

- Organizes post-purchase classes and home maintenance classes through weekly/monthly orientations and other outreach programs
- Conducts the personal finance and budgeting and foreclosure prevention courses of the Homebuyer Education and Fast-Track classes
- Calls on first-time homebuyers to attend post-purchase classes
- Actively recruits families through housing fairs, church presentations, block club meetings and other forms of outreach to encourage them to participate in the IDA program
- Manages the IDA program by recruiting, coordinating, teaching classes, account maintenance, one-on-one counseling and case management
- Engages new investor participation in the IDA program and organizes the IDA committee as required
- Conducts the HUD housing counseling program for foreclosure prevention and loss mitigation intervention
- Works closely with HUD/FHA homeowners to review loan files for predatory practices
- Provides required reports on program performance and tracking to proper authority
- Works closely with all homeowners and lenders to find a resolution to cure the delinquency in mortgage payments and prevent foreclosure proceedings
- Coordinates resources, materials and information with other departments as required
- Monitor and cure delinquent accounts of the NHS NLS portfolio by telephone, written communication, and as required, schedule meetings to prevent losses. Prepare Notice of Default to severely delinquent homeowners. Prepare monthly reports for management review
- Assists Senior Loan Officers in preparing documentation for pre-foreclosure notice and foreclosure processing

Administrative Assistant/Loan Processor (2006 – 2008)

- Customer service; coordinate class calendar; coordinate education activities; process and input client information; back up loan processor
- Open/prepare/establish loan files in Encompass
- Mail verifications of employment, rent, mortgage, bank accounts and other sources of down payment and closing costs as required
- Order credit reports, appraisals, and property profiles on refinance and rehabilitation loans
- Open escrow/order preliminary title report as applicable
- Keep accurate log/checklist of document status and borrower/seller information
- Provide appraiser with inspection and/or work write-up. If an in-house appraisal, to assist loan officer with preparation
- Work with loan officers to establish loan amount as a percentage of the after-improved value of the appraisal
- Check all incoming verifications for completeness and accuracy. Update loan origination system. Update loan application with new, verified information and forward it to loan officer
- Ensure file is as complete as possible for final underwriting, while working closely with the loan officers
- Submit file for underwriting to appropriate party(ies)
- Print FNMA 1003 loan application reflecting all verified information and FNMA 1008.

- Ensure that all “prior-to documents” and “prior-to-closing” conditions have been met
- Communicate with escrow, title company and loan officer prior to the closing date
- Order inspection report (if rehab is involved)
- Assist the loan officers in processing and closing of escrows as necessary with NHS NRC and escrow coordinator
- Learn to submit updated information into Encompass on funded loans to facilitate our organization’s corporate reporting responsibilities
- Produce weekly and month-end reports to management

**Nov 2004 – Dec 2005**

ComUnity/Universal Lending

San Jose, CA

Sr. Loan Processor

- Type complete loan application form
- Call specific companies to obtain property abstract, survey and appraisal
- Inform supervisor of discrepancies in title or survey
- Submit mortgage loan application file for underwriting approval
- Type and mail approval and denial letters to applicants
- Submit approved mortgage loan file to Mortgage Loan Closer for settlement
- Record data on status of loans, including number of new applications and loans approved, canceled, or denied

**July 2003 – Nov 2004**

Hamilton Realty and Finance

Sunnyvale, CA

Real Estate Assistant/Loan Processor

- Direct and coordinate activities such as: Open escrow, schedule for termite inspection, property inspection and appraisals
- Review written 1003 and complete the electronic 1003, MLDS
- Compute loan amount for refinance transactions
- Request for documentation needed for checklist or obtain alternative documentation
- Verification of employment
- Verify funds to close
- Verify Deposit
- Request and review appraisal report, home inspection and termite report
- Open title and escrow and review title is in order
- Submit loan package following order for submission

**April 1998 – July 2003**

Reynolds Industries, Inc.

Los Angeles, CA

HR Assistant/Receptionist

- Operate Toshiba Telecom Multi-Line System (Model DATT102)
- Answer phones and send to appropriate parties
- Register desk; greet visitors; issue visitors badge according to level of security
- Distribute incoming mail and prepare outgoing mail
- Review and forward employment applications to HR department
- Maintain database of job descriptions
- Maintain records for HR department

Inventory Control/Expeditor Coordinator

- Maintain accurate inventory of all components required to build and deliver product on time
- Access daily progress for jobs in process and expedite as needed to assure on-time delivery
- Assist in planning manufacturing procedures, schedule and interface with staff

**May 1996 – Sept 1998**

Payless Shoe Source

Los Angeles, CA

Assistant Manager

- Assist training of new associates on policies and procedures, job duties and completing difficult sales
- Coordinate sales promotional activities and prepare merchandise displays
- Assist with customer complaints/inquiries
- Prepare daily record of transaction

**Education**

English Writing Skills and Mathematics

West Los Angeles College

Los Angeles, CA

CET (Center for Employment Training

San Francisco, CA

1995

San Francisco, CA

GED

**Certifications and Seminars**

NeighborWorks Training – Washington, DC

- Lending Basics for Homeownership Counselors

NeighborWorks Training – Washington, DC

- Compliance with State and Federal Regulations

## ***Wayne J. Madere Sr.***

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### **Employment History**

#### **May 2008 - present**

Neighborhood Housing Services of Los Angeles County Los Angeles, CA  
Homeownership Counselor

The HUD Certified Homeownership Counselor coordinates and conducts group clinic counseling, individual client counseling, and foreclosure prevention and loss mitigation intervention services

- Actively recruits individuals and families through fairs, church presentations, block club meetings and other forms of outreach to encourage them to participate in homeownership programs
- Conducts the HUD housing counseling clinic program for foreclosure prevention and loss mitigation intervention
- Works closely with HUD/FHA homeowners to review loan files for predatory practices
- Provides reports on program performance and tracking to proper authorities
- Works closely with homeowners and lenders to find a resolution to cure a delinquency in mortgage payments and prevent foreclosure proceedings

#### **May 2002 – May 2007**

WMC Mortgage Corporation, a subsidiary of GE Money Burbank, CA  
Business Development Associate (Account/Pipeline Manager)

Concurrently manage pipeline, accounts and both sales and operations teams. Acted as liaison between sales team and senior management.

- Pipeline Management
  - Helped increase team monthly sales volume to \$50 million
  - Forecasted monthly sales volume to report to Regional Sales Vice President
  - Created and maintained pipeline management tools to track pipeline status, accounts and activities
- Account Management
  - Accurately assessed 100+ client needs and offered best product solutions and strategies
  - Maintained and followed-up on all issues affecting client's pipeline
  - Introduced new products and taught clients how to best apply them to their target markets
- Team Management
  - Part of a 12 person sales and operations team professional group
  - Streamlined team work flow process through the use of customized spreadsheets for improved efficiency
  - Tracked sales team progress and proposed custom solutions to improve each account executive's sales performance
  - Help devise team-building activities

#### **Nov 1996 June 2002**

Montebello Town Center Costa Mesa, CA

*a property of Donahue Schriber Asset Management*

Specialty Leasing Manager

- Responsible for generating income through the leasing of in-line shops, retail kiosks and specialty carts
- Rent collection, lease compliance and visual merchandising
- Regional canvassing to find and develop a new retail concepts and to complement existing tenant mix
- Assist general manager in budgets, business plans and management reports
- Tenant Relations Liaison
- Exceeded budgeted goals each year of employment
- Recipient of Team Management Recognition Award 1997 - 2002

**Mar 1994 Sept 1996**

Fox Hills Mall

San Diego, CA

*a property of the Trizec Hahn Company (formally Hahn Co.)*

Specialty Leasing Manager

- Responsible for generating income through the leasing of in-line shops, retail kiosks and specialty carts
- Rent collection, lease compliance and visual merchandising
- Regional canvassing to find and develop a new retail concepts and to complement existing tenant mix
- Assist general manager in budgets, business plans and management reports
- Exceeded budgeted goals each year of employment
- Recipient of Team Fame Award 1995 - 1996

**Education**

Sept 2010

California Real Estate Sales Person License

Mar 2009 – July 2009

Real Estate Practice & Real Estate Finance

American Masters Real Estate School

May 1998 – Jan 1999

Allied Real Estate, California Principals of Real Estate

Attended: Sept 1980 – Jun 1982

Print Media | Beginning Film | Film as Literature

University of Southern California

Attended: Jan 1977 – June 1978 (Extension)

Applied Journalism | Advanced Photography | Photography in Advertising

University of California, Los Angeles

**Certifications and Seminars**

NeighborWorks America 2009

- NCHCE Certification in Foreclosure Intervention and Default Counseling
- Credit Counseling for Maximum Results

NeighborWorks America 2008

- Advanced Foreclosure: Case Study Practicum
- NCHCE Certification in Foreclosure Intervention and Default Counseling
- Foreclosure Basics

**Special achievements**

- Certificate of Recognition, NeighborWorks America, Sept 2009
- Commendation, City of Los Angeles for Outstanding Service to the Community, 2001
- Commendation, City of Los Angeles for Extraordinary Volunteer Service, 2002
- 16 year member, International Council of Shopping Centers (I.C.S.C.)
- Specialty Leasing Consultants (Specialty Leasing Concepts, by Design), 2002 - 2003

**Professional Biography For:**  
**Jee Lee**  
**Housing Counselor & Educational Trainer**

**He Has Earned A Reputation For:**

- **Pre Purchase Housing & Foreclosure Prevention Counselor and Homeownership Center Educator**  
Providing counseling to potential homebuyers through homebuyer education programs and delivers individual counseling sessions to include personal action plans that will address homeownership barriers.
- **Americorp\* VISTA Supervision of over 10 staff and 40 volunteers** (at any given time) related to daily operations of the department and project & program specific activities in the non-profit setting
- **Grants management including prospect research and proposal research/writing** to corporate, foundation and government donors for restricted and unrestricted funds.
- **Public relations on behalf of the organization** including but not limited to working with the media through press releases and presentations to public and private sector organizations
- **Event planning in support of constituent cultivation and training** utilizing logistical tools to organize human and material resources, including vendor relations
- **Database management** utilizing MS Access, MS Excel & Raiser's Edge

**About His Housing Counseling Practice at Shalom Center for T.R.E.E. of Life:**

The Housing Counseling Program Services works under the performance of the Executive Director, Jee Lee.

- Providing organized homebuyer and homeowner foreclosure prevention education and intervention counseling opportunities for residents and will work in one-on-one settings with customers to develop mortgage-ready buyers;
- Facilitating and assists in coordinating all pre- and post-purchase education classes which includes Homebuyer Education, Financial Literacy, and IDA programs;
- Reviewing participant's credit report and income information and provides assessment of the customer's mortgage readiness. This assessment includes credit and affordability analysis and identification of obstacles;
- Providing information to participants on the availability of down payment assistance programs through the organization or other agencies;
- Maintaining an individual counseling strategy to effectively prepare short-term and long-term homebuyers for homeownership;
- Assisting in monitoring homeownership education activities to insure quality of curriculum, consistency of performance among instructors, availability of classes in response to need, and exceptional customer service to all Home Ownership Center clients;
- Effectively using existing tracking system to monitor center participants and to insure the accurate documentation of component activities;
- Leveraging education and counseling programs to create a pipeline of mortgage-ready clients with lending partners;
- Conducting off-site community outreach seminars which include homebuyer orientations and bilingual financial literacy workshops;
- Assisting in coordinating and participating in community events including annual homeownership fair and other similar activities;

**Work Experience:**

HUD Certified Housing Counselor, 2005-Current  
NFMC Certified Housing Counselor, 2008-Current  
Public Relation/Program Administrative Coordinator, KAC, 1999-2001  
Americorp\* VISTA Supervisor, 1996 – 1998  
Non-Profit Community Development Grant Writer, 1996-2004  
Non-Profit Data Base Management, 1994-1995  
Certification, HUD Intermediary, MOP National Corporation-2005  
Certification, NFMC National Foreclosure Mitigation Counseling- 2008  
IRS partnership with VITA Service, January 2014  
OCHOC(HUD Intermediary) Council Member Since September 16, 2015  
HUD Certified Housing Counselor-HUD Certified Professional, June 2018  
Advisory Board Member-HomeFree USA(HUD Intermediary), May 2019  
Board Member of Homeownership OC, June 2019  
Board Member of Holly City Movement, July 2020  
Board Member of Calhfa HRC Mortgage Relief Program, December 2021

**Educational Background:**

BA, Public Administration: Political Sciences and Public Administration-INHA University  
MPA- Master of Public Administration- California State University, Long Beach

**Affiliations & Community Outreach:**

***Currently, Jee is affiliated with:***

Program Facilitator, QueensCare Health and Faith Partnership  
Member, Collaborate Team HOPC for foreclosure in Orange County  
Partner Agency of Los Angeles Housing Department  
Partner Agency with City of Glendale Housing Department  
Partner with Pasadena Heritage Housing  
Contract Agency for Food Stamp, LA County  
IRS- VITA program participating agency  
Covered CA Certified Enrollment Counselor

**Awards**

LA Lion's Club, 2010 Community Recognition Award on March 8, 2010  
The Korean Daily & KAVC Inspirational Award on December 11, 2010  
IRS- VITA Outstanding Achievement Certificate , December 2016  
HomeFree-USA, Circle of Excellence Award, September 2017

PHONE 213-219-0649 • E-MAIL EUNSOON1025@HANMAIL.NET

# Grace Eunsoon Jeong

(213) 219-0649 [gracejeong@shalomcenter.net](mailto:gracejeong@shalomcenter.net)

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## Work Experience

July 2010-

Present

SHALOM CENTER, T.R.E.E OF LIFE, Outreach Manager; Counselor in training

- Certified Pre-Purchase (Principles, Practices and Techniques) Part -1
- Certified Tax Intake Specialist for VITA
- In progress of certification under Neighborworks Training Institute as Pre-Purchase Counseling
- Currently serves as a Home Buyer Education Coordinator

## Volunteer Work

June 2007-June

2010

SHALOM CENTER, T.R.E.E Of LIFE, Administrative assistant

- Helped with Home Buyer Education Class, Intake, data entry, and scheduling for the clients and translations
- Organized Homeownership events and community events and coordinated event planning and training
- Helped homeless people and developed implement housing issues those in need

## Skills & Interests

January 2006-May

2007

Computer Skills: Excel, Word

Words Per Minute (WPM):75

Interests: Music, Travel, Knitting

Languages: Fluent in Korean (Reading, Writing, Listening)

## Education

June 2005

Southern Reformed Theological Seminary, Theological Study Received Doctor of Divinity

## Willie Wootek Lee

16211 Alpine Place – La Mirada, CA 90638 – (213) 380-3701

### WORK EXPERIENCE

#### HUD Housing Counselor

04/16 ~ 12/21

*Shalom Center, Los Angeles, CA*

- Assisted over 200 clients to receive emergency rental assistance resulting in total of more than 2 million dollars
- Coordinated and assisted clients to purchase homes with homebuyer programs

#### Insurance Agent

05/14 ~ 6/16

*World Financial Group, Los Angeles, CA*

- Sold and assisted life and medical insurance answered any questions or concerns for policy holders
- Explained coverage options to clients, hosted office presentation

#### Senior Sales Manager

09/11 ~ 11/13

*Advanced Display Materials, Cerritos, CA*

- Developed and managed new and existing sales accounts including international customers
- Supervised import/export procedures including customs clearance and logistics
- Forecasted and prepared future sales revenue and income projections.
- Planned, participated and attended more than 10 trade shows a year, all over United States
- Managed warehouse inventory and assisted in procurement
- Assisted in all facets of operation, including procurement, customer service, human resources

#### Purchasing Manager

06/09 ~ 02/11

*Centron Industries, Inc., Carson, CA*

- Successfully procured parts for seven projects
- Estimated material costing for all potential projects without any delays
- Prepared weekly progress reports for received parts and current inventory status on all on-going projects.

#### Sales Associate

05/05 ~ 01/09

*LG Chemical America Inc., Cerritos, CA*

- Prepared profit and loss projection statements
- Successfully launched new product lines to US Market.
- Handled import/export procedures including customs clearance and logistics
- Traveled 10% including Canada and Mexico

### EDUCATION

*University of Massachusetts at Amherst*

BA in Economics

Graduation Date: Feb. 2005

