

CITY OF LONG BEACH

C-14

DEPARTMENT OF HEALTH AND HUMAN SERVICES

2525 GRAND AVENUE • LONG BEACH, CALIFORNIA 90815 • (562) 570-4000 • FAX: (562) 570-4049

January 8, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City of Long Beach Department of Health and Human Services to refund prior-year grant funds to the Department of Housing and Urban Development, totaling \$158,643 plus interest. (Citywide)

DISCUSSION

The Department of Health and Human Services, Homeless Services Division received a whistleblower-type letter in November 2006 regarding a project sponsor, Atlantic Recovery Services (ARS) and subsequently ceased reimbursements during an audit of those allegations. The City held \$158,643 in reimbursements to ARS until the audit and ensuing legal processes had come to a close. The ARS ceased operation of the contracts and, in the 2007 Continuum of Care competition, these contracts were combined through reallocation to create a permanent housing program for homeless families at the Villages at Cabrillo, Family Commons, which has been fully operational since 2008.

The Code of Federal Regulations stipulate that local governments must return any remaining funds associated with a federal grant that arise due to refunds or technical corrections, even if the grant has already been closed out.

The following chart summarizes the grant refunds to the Department of Housing and Urban Development, by contract number:

CA16B106-009	Transitional Housing	\$ 46,317
CA16B206-001	Permanent Housing	37,456
CA16B206-002	Transitional Housing	40,802
CA16B306-002	Permanent Housing	34,068
Total:		<u>\$ 158,643</u>

This matter was reviewed by Deputy City Attorney Barry Meyers on December 13, 2012 and by Budget Management Officer Victoria Bell on December 17, 2012.

TIMING CONSIDERATIONS

City Council action is requested on January 8, 2013 in order to facilitate processing of the required refund with interest accrual.

FISCAL IMPACT

Subject refund monies due to the Department of Housing and Urban Development have been set aside in the Health Fund (SR 130), in the Department of Health and Human Services (HE). There is no impact to the General Fund and no local job impact associated with this action.

SUGGESTED ACTION:


Approve recommendation.

Respectfully submitted,



RONALD R. ARIAS
DIRECTOR
HEALTH AND HUMAN SERVICES

APPROVED:



PATRICK H. WEST
CITY MANAGER