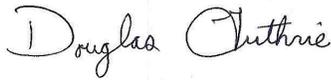


Report of the President & CEO

June 25, 2020

**RESOLUTION DELEGATING AUTHORITY TO THE PRESIDENT AND CEO, OR HIS OR HER
DESIGNEE, TO NEGOTIATE AND SETTLE WORKERS' COMPENSATION AND OTHER
ENUMERATED CLAIMS UP TO \$250,000**



Douglas Guthrie
President & Chief Executive Officer



James Johnson
General Counsel

Purpose: To authorize the President and CEO, or his or her designee, to negotiate and settle certain workers' compensation and other enumerated claims, demands, and litigation matters against HACLA in amounts up to \$250,000 and to enter into any related agreements or documents.

Issues: HACLA receives and evaluates claims that are exempt from the California Tort Claims Act, either by statute (Government Code Section 905) or case law. Exempt claims include those pursuant to Division 4 of the Labor Code (commencing with Section 3200) of the State of California (the "Workers' Compensation Law"). The Workers' Compensation Law governs claims for money or damages against employers and prescribes the procedures relating to presentation, computation, and compensation of such claims.

Section 905 claims also include but are not limited to the following: (1) claims under the Revenue and Taxation code; (2) claims in connection with filing a notice of lien, statement of claim, or stop notice; (3) claims by public employees for fees, salaries, expenses, and allowances; (4) claims for benefits under a public retirement or pension system; (5) claims for principal or interest on bonds or other instruments of indebtedness; (6) claims that relate to a special assessment against a property; (7) claims by the state or department of state, or by another local public entity or judicial branch; (8) claims arising under the Unemployment Insurance Code; (9) claims for recovery of penalties under Labor Code section 1720. Furthermore, some claims are exempt from the California Tort Claims Act by case law. See, e.g., Garcia v. Los Angeles Unified School Dist., 73 Cal.App.3d 701, 711 (1985).

The Board has power to "delegate to one or more of its agents or employees the powers or duties it deems proper." (Health and Safety Code Section 34280.) The Board has previously delegated authority to the President and CEO to enter contracts in amounts up to the federal Simplified Acquisition Threshold. Currently, the President and CEO has authority to enter into contracts up to \$250,000.

The proposed delegation allows the President and CEO to negotiate and settle all claims, demands, and litigation matters against HACLA that are exempt from the California Tort Claims Act by Government Code Section 905 or by case law, including workers compensation claims, in amounts up to \$250,000, and to enter into any related agreements or documents. This action will maintain the existing delegated authority threshold.

A separate delegation will cover settlements of claims that fall within the Government Tort Claims Act, if approved by the Board. In the event that a settlement includes multiple claims, some of which are covered by the Tort Claims Act and some of which are not, Board authorization would be required if the settlement amount allocated to the claims covered by the Tort Claims Act exceeded \$50,000.

Vision Plan: **PATHWAYS Strategy #7: Identify opportunities to reduce operating and administrative costs so that scarce resources are maximized**

The proposed delegation will expedite the review, approval, and execution of settlement agreements by providing explicit authority to efficiently resolve workers' compensation claims and other enumerated claims against HACLA.

Funding: *Source of Funds:* The Housing Authority is self-insured for workers compensation claims and budgets annually for each program based on its loss history. As such, federal and non-federal funds for those programs are used. For other enumerated claims, the Housing Authority maintains liability insurance coverage; those premiums are paid with both federal and non-federal funds. However, all deductibles are paid from non-federal funds.

Budget Impact: This delegation will not affect the annual budgeted amounts in the programs or increase the anticipated costs.

Environmental Review: Not applicable

Section 3: Not applicable

Attachment: Resolution

RESOLUTION NO. _____

**RESOLUTION DELEGATING AUTHORITY TO THE PRESIDENT AND CEO, OR HIS OR HER
DESIGNEE, TO NEGOTIATE AND SETTLE WORKERS' COMPENSATION AND
ENUMERATED CLAIMS UP TO \$250,000**

WHEREAS, HACLA is a public body, corporate and politic, organized and existing under the California Health and Safety Code Section 34200 et seq. (the "Housing Authorities Law"), and is authorized under Section 34311 of that Code to participate in lawsuits and execute legal instruments necessary or convenient to the exercise of its powers pursuant to action of the Board of Commissioners (the "Board"); and

WHEREAS, Section 905 of the Government Code exempts certain enumerated types of claims, including but not limited to the following: (1) claims under the Revenue and Taxation code; (2) claims in connection with filing a notice of lien, statement of claim, or stop notice; (3) claims by public employees for fees, salaries, expenses, and allowances; (4) workers' compensation claims; (5) claims for benefits under a public retirement or pension system; (6) claims for principal or interest on bonds or other instruments of indebtedness; (7) claims that relate to a special assessment against a property; (8) claims by the state or department of state, or by another local public entity or judicial branch; (9) claims arising under the Unemployment Insurance Code; (10) claims for recovery of penalties under Labor Code section 1720; additional claims are also exempt from the Tort Claims Act by case law; and

WHEREAS, the California Labor Code (commencing at Section 3200) (the "Workers' Compensation Law"), governs claims for money or damages against employers, including HACLA, and prescribes the procedures relating to presentation, computation, and compensation of such claims; and

WHEREAS, the Board is authorized to delegate to the President and CEO such powers and duties as it deems proper pursuant to California Health and Safety Code Section 34280.

NOW THEREFORE BE IT RESOLVED:

Section 1. The foregoing recitals are incorporated into this Resolution by this reference and constitute a material part of this Resolution.

Section 2. The Board does authorize, order, and direct the President and CEO, or his or her designee, to allow, compromise, or settle any claim or litigation matter against HACLA that falls within the exemptions to the Tort Claims Act listed in Section 905 of the Government Code, including workers' compensation claims, as well as any claim or litigation exempt from the Tort Claims Act by case law, provided the amount to be paid by HACLA pursuant to the allowance, compromise, or settlement does not exceed Two Hundred and Fifty Thousand Dollars (\$250,000.00). The President and CEO, or his or her designee, is authorized, ordered, and directed to execute any agreements and other documents on behalf of HACLA which may be necessary to accomplish and complete any such allowance, compromise, or settlement.

Section 3. Nothing contained herein shall prevent the Board from reviewing, considering, or acting upon any workers' compensation claim or litigation matter at its sole and absolute discretion.

Section 4. This Resolution shall be effective immediately upon adoption.

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

By: _____
Ben Besley, Chairperson

APPROVED AS TO FORM:

BY: _____
James Johnson, General Counsel

DATE ADOPTED: _____