

**MOTION BY SUPERVISOR HOLLY J. MITCHELL**

July 26, 2022

**Contract with U.S. Bank National Association for Prepaid Debit Card Services**

As a part of the Los Angeles County Development Authority’s (LACDA) program for low-income housing assistance, the U.S. Department of Housing and Urban Development (HUD) provides financial support to tenants for utility payments. On a monthly basis, LACDA pays tenants an allowance for their utilities based upon several factors permitted by HUD. Approximately 1,500 families receive these payments each month. LACDA has been using prepaid cards for these payments through Bank of America, which issues cards to tenants and reloads the cards monthly based on information from LACDA. This prepaid card method provides immediate payment to the recipients and eliminates the burden of tenants having to cash checks or go to a bank. In addition, it reduces fraud and saves LACDA over \$15,000 per year in check processing and mailing costs.

Bank of America recently notified LACDA that they will no longer offer prepaid debit card services after October 2022. U.S. Bank National Association is the only bank continuing such a prepaid card program and is willing to take over the program from Bank of America, with no fee to LACDA or to the tenant. LACDA has a banking relationship

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with U.S. Bank National Association, which manages LACDA's purchase cards and some other financial services. The County of Los Angeles also uses U.S. Bank National Association as its provider of prepaid cards.

Banking services and fees are exempt from procurement under LACDA policy and the negotiated agreement with U.S. Bank National Association will have no cost to the agency. The agreement with U.S. Bank National Association is similar to LACDA's previous agreement with Bank of America and contains provisions that will protect both parties such as mutual indemnification. The proposed agreement with U.S. Bank National Association will allow LACDA to continue providing much needed utility assistance to tenants through the simple and cost-effective prepaid card method.

**I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS, ACTING AS THE COMMISSIONERS OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY:**

1. Authorize the Executive Director, or his designee, to execute a Prepaid Debit Card Agreement with U.S. Bank National Association, and any other transaction documents consistent with, and/or necessary for, the implementation of the foregoing approvals, including execution of any amendments, and if necessary, to terminate for convenience the foregoing documents.

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