



April 14, 2026

The Honorable Board of Commissioners
Los Angeles County
Development Authority
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVE AMENDMENT TO INCREASE ANNUAL COMPENSATION FOR AUDIT SERVICES
CONTRACT
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

This letter recommends approval of a contract amendment to increase the annual compensation of the contract with Doeren Mayhew (formerly Berman Hopkins CPAs & Associates, LLP) to provide additional audit services to the Los Angeles County Development Authority (LACDA).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that approval of an amendment to the existing contract for financial audit services is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action is not defined as a project under CEQA.
2. Authorize the Executive Director or designee to execute a contract amendment to increase the annual compensation by \$200,000, from \$184,975 to \$384,975, using program funds included in LACDA's approved Fiscal Year 2025-2026 budget, subject to review and approval as to form by County Counsel.
3. Authorize the Executive Director or designee to execute any non-monetary amendments to the Contract, following approval as to form by County Counsel, to add services required by LACDA.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to approve a contract with Doeren Mayhew that will expand audit

services to include audits of LACDA-funded affordable multifamily projects and/or project sponsors.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The contract amendment will increase the total annual compensation by \$200,000, for a new total of \$384,975. Costs related to the additional services under the contract will use funds included in LACDA's approved Fiscal Year 2025-2026 budget and proposed Fiscal Year 2026-2027, as needed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On April 18, 2023, your Board authorized LACDA to execute a one-year contract, with up to four one-year extensions, with Berman Hopkins to provide financial audit services, mainly for financial statements, focusing on internal controls over federal financial assistance and compliance with program requirements. On March 3, 2026, Berman Hopkins joined Doeren Mayhew, which assumed the LACDA's contract. This contract is now nearing the end of its third year, which leaves two potential one-year extensions.

LACDA also recently required audit services for multifamily affordable housing developments and their sponsors, but the annual compensation would not allow for any other work to be conducted by Doeren Mayhew. A contract amendment would allow for additional services that would support LACDA's effort to initiate audits for project sponsors and borrowers, as needed. When necessary, the additional audit services will allow LACDA to ensure public funds are spent appropriately by reviewing project billings, receivables, invoices, budgets, cost certifications, and other related project financial documents.

Doeren Mayhew will continue to issue an opinion on the fair presentation of the Annual Comprehensive Financial Report and all other reports specified in the contract and required by law and will continue to advise LACDA concerning methods of improving systems of internal accounting and operating controls, the appropriateness of new procedures, and provide recommendations and assistance as necessary.

ENVIRONMENTAL DOCUMENTATION

The proposed services are exempt from the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because they involve activities that will not have a physical impact on or result in any physical changes to the environment. These services are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

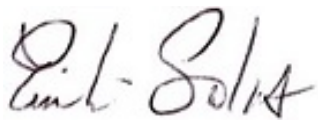
The contract extension will provide for necessary project and/or sponsor audits, which will enable LACDA to confirm public funding was used appropriately.

The Honorable Board of Commissioners

4/14/2026

Page 3

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Emilio Salas". The signature is written in a cursive, flowing style.

Emilio Salas

Executive Director

ES:LK:ML