



October 2007

Dear Colleague:

The Lawrence-Douglas County Housing Authority is happy to forward a copy of its 2006 ANNUAL REPORT to you.

The year 2006 was one of continued growth and development. We are pleased to share those results with you.

Sincerely,

Barbara Huppee
Executive Director

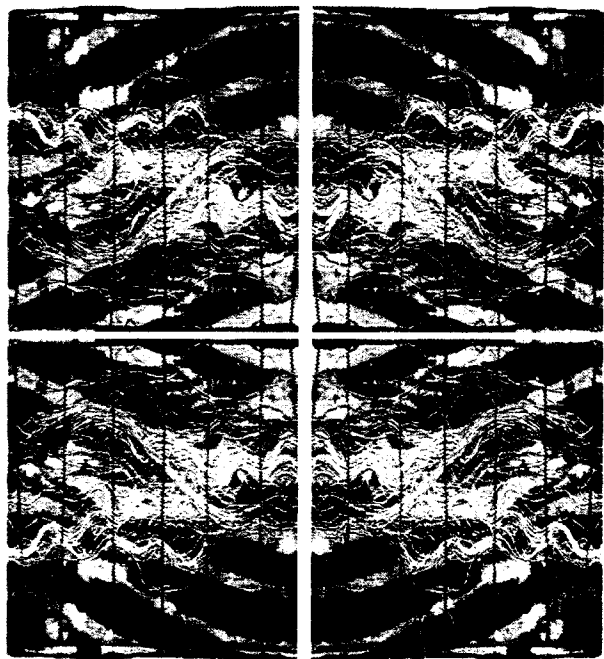
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2006

Annual Report

Lawrence-
Douglas County
Housing Authority

THE AGENCY

The LDCHA is responsible for the operations and management of 365 units of public housing built between 1972 and 1995, located in the city of Lawrence, and the administration of 591 Section 8, 65 HOME assisted units, located throughout the county including the city of Lawrence; and 58 HUD multi-family units. Currently the agency provides housing and housing assistance monthly to 1,080 families.

The agency has the power to plan, construct, maintain, operate and manage low rent housing developments in Lawrence and Douglas County; to enter into contracts with local, state and federal governments for funds to construct, acquire, or provide housing and housing assistance for the low income, and to enter into public-private partnerships and joint ventures, including the creation of a not-for-profit organization, in order to secure funds and contracts for affordable housing development.

The LDCHA is governed by a five-member commission, three appointed by the Mayor of Lawrence and two by the Chairman of the Douglas County Commission. Day-to-day operations are managed by an executive director who is responsible for the administration of seven departments: General Housing, Program and Property Management, Senior Housing, Maintenance, Capitol Improvements, Resident Services and Administration. The LDCHA currently employs 38 staff.

The 2006 Board of Commissioners

Wes Smith, Chair
Willie Amison, Vice-chair
Mark Gonzales
Sonya Johnson
Brenda O'Keefe

Lawrence-Douglas County Housing Authority
1600 Haskell Avenue, Lawrence, Kansas 66044
www.ldcha.org

THE YEAR IN REVIEW

In 2006 the LDCHA returned to its development role with the acquisition of Clinton Place and the start of a new construction project for the expansion of the Peterson Acres Development. It also began an expansion and remodeling project of its maintenance facility located at 1600 Haskell Avenue.

Clinton Place, located at 2125 Clinton Parkway was constructed in 1981 under a HUD loan guarantee program. The 58 unit development was built as low income elderly housing. In the ensuing years the property fell into disrepair, occupancy declined, and in 2005 HUD began foreclosure proceedings. Even in its depressed state, the property stood as an important component of the community's affordable housing inventory, one that the City and LDCHA did not want to lose to a private developer. An appraisal of the property placed its value at \$1,050,000 in its present condition, with \$500,000 in needed repairs and upgrades. HUD placed its value at 2.25 million and offered the property for sale to the LDCHA at that amount. In late December, just days before the foreclosure auction, the agency was able to acquire the property in a direct sale from the owner at \$1.35 million, \$42,000 more than the debt owed on the property.

With the addition of this property to the agency's inventory, the LDCHA's charge in 2007 is to return it to a

habitable and viable affordable retirement community for seniors. This includes extensive remodeling of apartments, complete renovation of all the interior spaces including floors, walls and furniture; and replacement of windows, roof, and siding on the outside. A kitchen will be added in order to permit Douglas County Senior Services to open a noon day meals program on the site.

The agency's development efforts began earlier in the year when it broke ground on the construction of eight two-bedroom units at the Peterson Acres property at 2930 Peterson Road. These new units will occupy the back two acres of the agency's five acre parcel. The front three acres were developed in 1995 and contain 25 one-bedroom public housing units that are designated for the elderly. The new units will also be designated elderly housing. They are expected to be completed by fall 2007. Partial funding for the project came from the City's Housing Trust Fund. When these units are completed and added to the additional 58 units at Clinton Place, the agency's inventory of owned property will be 431 units.

To keep up with the space requirements that a maintenance facility demands for sufficient warehouse and workshop space for an operation the size of the housing authority, it became necessary for the agency to undertake an addition and renovation to the main maintenance

facility located on the Edgewood Homes complex. Construction on the addition began in late 2006 and is expected to be complete by spring 2007.

Since 1999 the agency has been privileged to be one of 32 housing authorities participating in a congressionally mandated national demonstration project to test new models for delivering public housing and Section 8 assistance. The demonstration, which was to last five years, gives the LDCHA broad waivers from federal regulations so that it can implement requirements that move families to work. The LDCHA program includes among its elements, a non-traditional rent structure and work requirement. The program has proven success at moving families to work and homeownership. Since 2004 the demonstration has been operating on a year-to-year contract extension. In 2005 Congress approved a three-year extension of the program for housing authorities whose implementation date began in 1999. The LDCHA was included in this group. In March the agency signed its three-year extension agreement which will take the program through 2009. Congress is expected to grant further extensions of this program and possibly open it up to more housing authorities.

The housing authority's HOPE Building program moved into its second year of operation in 2006. This program, which is located in two facilities in the city, provides housing,

support and treatment services to the chronically homeless who have been diagnosed with mental health and substance abuse problems. The agency partners with the Bert Nash Mental Health and DCCCA Centers for the treatment components. Up to 10 individuals can be housed in the program.

The HOPE Building program joined two other programs for the homeless that the agency operates. One program is a joint collaboration with the Bert Nash Mental Health Center, to provide permanent housing to Bert Nash clients enrolled in the Community Support Services program. Up to 15 clients are housed in this program annually. The other program is a transitional housing program for the homeless funded with Lawrence City HOME funds. Under this program the housing authority provides housing and supportive services to homeless individuals and families who do not otherwise qualify for public housing or Section 8 housing assistance. Since its inception in the 1990s, this program has provided housing to over 200 homeless individuals and families.

In 2006, as in every year, the LDCHA's primary focus was on providing safe, decent, and affordable housing to over 1000 families that reside in public housing and Section 8 and HOME assistance housing.

THE PROGRAMS

PUBLIC HOUSING

The LDCHA operates and manages 365 public housing units located across the city in seven different developments. These include 94 scattered site units and a 25-unit elderly development, Peterson Acres, besides developments at Edgewood Homes and Babcock Place.

Federal regulations restrict eligibility to families and individuals with incomes at 80% of area median income.

Regulations permit tenants to choose between an income based or a flat rent structure.

Admission is by application. Families are assigned a bedroom size based on its size and composition. The LDCHA maintains several waiting lists including one for elderly housing, and one for general housing assistance which

combines family housing and Section 8 units through the Moving to Work Project.

In 2006 the public housing program served a monthly average of 359 families. The average annual household income for Edgewood Homes' households was \$14,097 for scattered site households it was \$19,548. The average family size was 2.5. The average monthly rent paid by Edgewood Homes' residents was \$240. For Scattered Site residents it was \$244.

For elderly Babcock Place households the average annual income was \$14,306. For Peterson Acres it was \$13,708. The average family size was one. The average monthly rent payment by Babcock Place residents was \$277, at Peterson Acres it was \$141.

PUBLIC HOUSING FINANCING AND SUPPORT

The federal government finances Public Housing developments. The City of Lawrence owns all LDCHA property. Management and operations are financed primarily through tenant rental income. Approximately 30% of the LDCHA's operating revenue comes from federal operating subsidy. The LDCHA receives no City or County financial support.

Maintenance of property, equipment, betterments and additions are paid by a federal program called the Capital Fund. In 2006 the LDCHA spent \$647,690 for maintenance and upkeep of the \$32,000,000 in public housing property it administers.

SECTION 8 RENTAL ASSISTANCE

The LDCHA has been operating the Section 8 Rental Assistance Program since 1977. The program has steadily expanded each year. By 2006 the LDCHA was authorized to provide 591 units of assistance. Non-MTW Section 8 tenants pay 30% of adjusted gross household income toward the contract rent less an allowance for utilities. Once the tenant portion of rent equals the contract rent for six consecutive months, the tenant terminates from the program.

Maintenance of the property is the landlord's responsibility and is monitored annually through an inspection process.

In 2006 the LDCHA provided 640 units of Section 8 assistance in Lawrence and Douglas County and spent \$2.79 million dollars in federal rent subsidy to 283 landlords on behalf of these families. The average family size served was 2.01. The average household income was \$13,471.

MULTIFAMILY HOUSING

The Multifamily Housing program is a HUD sponsored affordable housing program that was implemented in the 1970s as a 20-year loan guarantee program for private developers to entice them to build and operate low income housing. As the loan period came to an end, many developers opted out of their contracts, returning their property to the market rate rents. In communities where this happened the property, as an affordable housing development, was lost to the community. Other owners renegotiated their loans and continued

their contracts with HUD. Some properties fell into disrepair and became troubled properties with high vacancies and higher deferred maintenance costs. Many of these properties fell into foreclosure. Clinton Place, located at 2125 Clinton Parkway, was one such property. The LDCHA purchased Clinton Place in December 2006 and will spend the next year rehabilitating and restoring the property to a viable and habitable affordable housing development.

HOME RENTAL ASSISTANCE

The HOME program was passed by Congress in the early nineties with the goal of expanding and improving housing opportunities for low-income

persons. The City of Lawrence and the State of Kansas are recipients of these funds. The LDCHA receives funds directly from the City to provide Tenant

Based Rental Assistance to families. Much of this assistance is directed at providing transitional housing services for the homeless. In 2006 the LDCHA provided 48 units of assistance monthly and paid \$272,521 in rental subsidies to landlords. The majority of assistance is used to support families in transitional housing supported through a case management program.

The Bert Nash Center is a recipient of a state HOME grant to provide rent assistance to its clients. The LDCHA administers this program and maintains a separate waiting list which is controlled by the Bert Nash Center. In 2006 the LDCHA provided 10 units of assistance monthly and paid \$63,443 in

rental subsidies to landlords through this program. Admission to the HOME programs is through a referral process from local service agencies that have entered into agreements with the LDCHA. At the end of 2006 nine agencies had Transitional Housing agreements: the Salvation Army (Project ABLE), the Pelathe Center, Bert Nash Community Mental Health Center, Independence Inc., the State of Kansas Department of Social and Rehabilitation Services, Catholic Charities, ECKAN, Lawrence Community Shelter, and Cottonwood, Inc.

There were 39 applicants housed during 2006 under this programs.

SUPPORTIVE HOUSING PROGRAM

Hope Building is permanent housing with support services for chronically homeless individuals with mental health and substance abuse disabilities. The program offers one bedroom and single room occupancy units to eligible homeless disabled individuals referred by local shelters. Mental health and substance abuse services are provided by

the Bert Nash Community Mental Health Center and by DCCCA. It is funded through a 3-year grant from the HUD Office of Community Planning and Development. During 2006, 20 applicants were housed.

RESIDENT SERVICES

The Resident Services Office provides a comprehensive program serving individuals, families, youth and elderly/disabled residents. All programs and activities are made possible through \$355,415 annually in grant funding serving a total of 528 residents with 8023.50 hours of programming. Services

are based out of offices located at Edgewood Homes and Babcock Place. The Resident Services Office at Edgewood Homes serves as a resource center for all housing residents offering computer access and training, phone/fax/copy and resume services for job seekers, education and career

resource library, and referral services. Many programs and workshops are offered at these locations through community collaboration with other agencies in the Lawrence community.

Family Self-Sufficiency Program

Funded through HUD's Housing Choice Voucher Program and the ROSS Public Housing Self-Sufficiency Resident Services Delivery Model-Family grant programs; this program provides both public housing and Section 8 residents with a broad range of support services designed to increase self-determination and economic stability. Participation in the FSS program is voluntary and includes individualized case management services, employment assistance, job training, post secondary and vocational education opportunities, counseling, substance abuse treatment, parent education and therapeutic support groups. The Family Self-Sufficient program provides additional support for participants in the Moving to Work program. Last year 186 residents participated in the Family Self-Sufficiency program, with 50

participants successfully completing their goals. Resident Services staff typically spends 78% of their time providing direct service to program participants.

Circle of Women Circle of Words

This year Resident Services published a book called *Circle of Women Circle of Words; Poetry and Prose from the Lawrence-Douglas County Housing Authority's Women's Writing Group*. The writing group provides a therapeutic and empowering venue for residents to share their life experiences. The book was created to give readers a broader understanding of issues relating to women in public housing. The writing group has been offered through Resident Services since 1999 and is facilitated by Caryn Mirriam-Goldberg, PH.D., an author of five books and a professor at Goddard College in Vermont. The book and cover design were created by artist Kris Hermanson, the former Director of Resident Services. The books are available for purchase at the Resident Services Office and at Raven Bookstore in downtown Lawrence.

Listing of Programs and Workshops Offered During the Year

Adults

- Strong Start – Strong Finish
- Men's Photography Group
- Connections for Women
- Women's Quilting Class
- Women's Writing Workshop
- VITA Tax Assistance
- Computer Give Away
- Basic Computer Training
- Credit Repair
- Credit Card Survival
- Home Maintenance
- Asset Building
- Bankruptcy Prevention/
Foreclosure Prevention
- Basic Budgeting/Financial
Management

- Homeownership 101
- Land Trust
- Habitat for Humanity Workshop
- Identify Theft

- Predatory Lending
- Appraisals, Inspections & Choosing a Lender

Youth

- Scouting-Daisy, Brownies, Juniors, Cadettes
- After school Tutoring /Computer Resource Room
- Foster Grandparent Program
- Microsoft Word Class for Students Entering Junior & High School
- College Enrollment Program
- Good to Great “Ordinary People Doing Extraordinary Things” Project
- Crazy Cards Youth Card Project
- Tall Oaks Camping Trip
- Art Enrichment Activities
- 10 Local and Statewide Field Trips

ELDERLY SERVICES

The LDCHA operates two housing developments for older adults. Babcock Place, 120-apartment high-rise at 1700 Massachusetts and Peterson Acres, a 25-unit development located at 2930 Peterson Road. The LDCHA is committed to helping residents age in place. Funds to assist residents are provided by a HUD Elderly services Coordinator Grant and LDCHA operating fund.

Transportation Services are available to tenants four days a week. Primary use is for shopping, medical appointments, personal errands and special programs. Average ridership usage for 2006 was 11.75 per day. Staff is trained as ambassadors for the Lawrence Transportation Service and assist tenants in riding the “T”.

Physical Fitness Programming includes group and individual exercise instruction.

In addition to exercise classes 5 days a week, tenants are provided with equipment for individual exercise and access to commercial equipment.

Health Screenings are provided weekly by the Douglas County Health Department. This year has seen a significant increase in the need for assistance with prescription drug costs. LDCHA staff has worked with tenants to navigate the Medicare Part D enrollment process and assure adequate coverage.

Nutrition Assistance includes commodity distribution, the Heartland Share Program, a congregate meal served at noon at Babcock Place and Edgewood Homes by Douglas County Senior Services and evening meal delivery through collaboration with Lawrence Memorial Hospital. Classroom instruction provides current nutrition

information to tenants about skills for healthy, independent living.

Legal Assistance provided by the Jayhawk Legal Services for Senior Citizens. Jayhawk Support Services for Elders has partnered with the LDCHA to assist tenants with financial management.

Mental Health and Support Counseling Services provided by the aging specialist from the Bert Nash Community Mental Health Center. Peer support groups for vision and hearing impairment meet monthly.

Hearing Evaluations and simple repair of hearing aids are provided by Lawrence Otolaryngology.

Leisure and Community Programs represent a variety of community

services. Classes are provided by Douglas County Senior Services, the Community Mercantile, K-State Research and Extension, Lawrence Public Library, partnerships with private Lawrence companies and LDCHA staff. The Tenant Association sponsors social programs and entertainment. Arts programs include classes and exhibits including writing classes, gallery tours, music and drama productions. Tenants frequently use the computer stations to communicate with family and friends.

Individual Services including assistance with housekeeping and activities of daily living are provided by community agencies. The Elderly Services Coordinator assists with the referral and application process.

2006 FINANCIAL STATEMENTS

STATEMENT OF OPERATING RECEIPTS AND EXPENDITURES YEAR ENDING DECEMBER 31, 2006

PUBLIC HOUSING PROGRAMS

OPERATING RECEIPTS

Rental Income	\$1,074,938
Interest Income	64,277
Other Income	131,679
HUD Subsidy	<u>537,303</u>
	\$1,808,197

PUBLIC HOUSING PROGRAMS

OPERATING EXPENDITURES

Total Administrative	\$ 517,338
Tenant Services	91,256
Utilities	285,508
Ordinary Maintenance	503,047
Protective Services	11,375
Insurance	128,695
PILOT	79,447
Collection Losses	8,946
Other General Expense	0
Non-routine Maintenance	0
Capital Expenditures	(2,491)
Prior-Year Adjustments	<u>0</u>
	\$1,623,121

SECTION 8 RENTAL ASSISTANCE

OPERATING RECEIPTS

Interest Income	\$ 157,030
Annual Contributions	3,495,567
Fraud Recovery	<u>4,036</u>
	\$3,656,633

SECTION 8 RENTAL ASSISTANCE

OPERATING EXPENDITURES

Hsg.Assistance Payments	\$2,794,905
Administrative Costs	582,476
Prior-Year Adjustments	0
Audit Costs	<u>7,425</u>
	\$3,384,806

Net Operating Income or (Deficit) \$ 271,827

GRANT PROGRAM EXPENDITURES

Capital Fund	\$ 647,690
Family Self-Sufficiency - Public Housing	54,533
Resident Services Delivery Model - Families	49,041
Good to Great Grant – Youth	13
Kansas Health Foundation – Strong Start	21,378
Network Neighborhood	82,673
Ross – Homeownership Grant	31,906
Special Needs Assistance – Supportive Housing	120,982
Lawrence Community Arts Grant	540