

MINUTES OF A REGULAR MEETING OF  
LAWRENCE-DOUGLAS COUNTY HOUSING AUTHORITY  
BOARD OF COMMISSIONERS  
BOARD OF COMMISSIONERS MEETING

May 20, 2013  
5:30 p.m.

Babcock Place  
Meal Site

1. Call of Roll.

The meeting was called to order at 5:30 p.m. by Chair Clark. Upon call of roll the following commissioners responded present:

William Fleming  
Sue Hack  
Allen Humphrey  
Brenda O'Keefe  
David Clark

Also present were members of the public Pat Benabe, Maria Duncan, Lois Earl, Paula Hunsinger, Bill Jewell, Casey Meredith, Bill Newsome, Woodrow Parkinson, and Annie Reed, and LDCHA staff members Beverly Hyatt, Carrie Lindsey, Ruth Lichtwardt, and Shannon Oury. Auditor Dennis Edwards joined the meeting at 5:40 pm.

2. Approve Minutes of April 22, 2013 Board of Commissioners Meeting.

Commissioner Humphrey moved to accept the Minutes as presented. Vice Chair Fleming seconded. The motion passed unanimously.

3. Receive Comments from Tenants and Public.

There were no comments.

4. CONSENT AGENDA

- A. Receive April 2013 Public Housing Financial Reports.
- B. Receive April 2013 Clinton Place Financial Reports.
- C. Approve HOPE Program Letter of Intent.
- D. Resolution 2013-10: Approve Continuation of the LDCHA as Contract Administrator for the Bert Nash Tenant Based Rent Assistance HOME Program Grant.

Commissioner O'Keefe moved to accept the Consent Agenda as presented. Commissioner Humphrey seconded. The motion passed unanimously.

5. REGULAR AGENDA

A. Receive Executive Director's Report.

Executive Director Oury announced that notification had just been received that day that the agency has received two awards of merit from the National Association of Housing and Redevelopment Officials (NAHRO), one for the Resident Service Office's Employment Center and the other for DCHI's ZOMBIE initiative. Two staff members will attend the awards presentation in Denver.

The agency still has not received the Section 8 budget from HUD and although the HUD financial analyst thinks the numbers may be released in the next few days, the sequester-required furlough of HUD employees on Friday means it may not be available until next week. The budget included in the Board packet is the best estimate the agency can develop with the lack of hard numbers but is based on the current HUD estimate of 94.1% of last year's funding. Vice Chair Fleming asked for clarification on what the estimated budget is based on, and Ms. Oury explained that it is based on the agency's Section 8 budget from last year, plus an inflation factor, then 94.1% of that amount. Mr. Fleming asked if the final budget from HUD could be an even lower percentage, and Ms. Oury said it was possible. There was discussion regarding the various permutations the budget could take and the suspension of funding of MTW initiatives plus other measures to make the projected budget deficit as small as possible.

Ms. Oury informed the Board that, due to high claims history as averaged over the past three years, the agency's longtime worker's compensation insurance carrier declined to renew the agency's policy. The notice came after the renewal process for several insurance policies which were to renew May 1 had begun, and the insurance agency was asked to immediately begin shopping around for a new carrier. The response on progress was slow, and the insurance agency had a history of presenting quotes for renewal just before they were due, so LDCHA staff also requested a local agency, CEK, to begin shopping for the same types of policies. CEK came back with matching or lower premiums on several policies. While the new worker's comp policy presented by CEK doubled the premium over the previous year, it was lower than the alternate presented by the previous agency. CEK agents had suggested policy options such as paying a small deductible on claims, which kept the worker's comp premium lower and can help lower future premiums. The rise in premium had a significant and unexpected impact on the LDCHA's budget and cuts elsewhere are going to have to be made. Due to concerns about both worker's comp and an expected rise in health insurance premiums when that renewal occurs in October, the LDCHA is embarking on an agency-wide program of employee awareness and action about health and safety. The role of the Safety Committee is being expanded and it is becoming the Safety, Health and Wellness Committee. The committee and other staff will be working with the health insurance carrier and community resources to get all agency employees involved in safety and wellness issues and hopefully bring premiums down over time.

There was only one comment received on the Admin/ACOP plan which was out for public review, and that was from a Section 8 resident in Topeka, but no comments from anyone inside Douglas County. The Plan will now be submitted to HUD for review and comment.

The Babcock Place tenants have received a preparedness award from the Douglas County Emergency Management board. They have worked to make sure the building is prepared and to let dispatch and first responders know of special needs residents.

Chair Clark asked for clarification on whether the new insurance premium and expected 94% Section 8 funding were part of the Section 8 budget which had been presented. Ms. Oury replied that those two items had been accounted for in the budget. She also explained that some of the worker's comp insurance premium might be reallocated to public housing instead of Section 8 since the risk of staff injury, through the maintenance department, is a little higher on that side.

B. Receive Final 2012 Financial and Compliance Audit Report.

Auditor Dennis Edwards informed the Board that according to what he was seeing through his audits, all housing authorities are experiencing the same sort of funding cut-backs and budget difficulties as the LDCHA. Mr. Edwards passed out copies of his report to the Board. He read his conclusion aloud, that the audit is clean, and encouraged the Board to read the attached letters and several specific sections, then discussed and explained several sections. He mentioned that when they go through the sample LDCHA tenant files each year the number of errors is very low and never major, but said that this year they found no errors at all in the public housing files and only three minor deficiencies in the Section 8 files. He also mentioned it was enjoyable to work with the agency's staff.

Vice Chair Fleming moved to accept the Audit Report as presented. Commissioner Humphrey seconded. The motion passed unanimously.

C. Discuss Fairfield Flats Project.

Chair Clark recognized developer Bill Newsome to speak on the proposed Fairfield Flats project, and stated that he was abstaining from any discussion or decisions on the topic due to Mr. Newsome's relationship with his employer. Mr. Clark reminded the Board that there was an executive session scheduled later on the agenda if the Board wanted to discuss issues related to the project after Mr. Newsome had spoken.

At Mr. Newsome's request, Executive Director Oury passed out a summary of what has happened since the RFQ was published. Mr. Newsome explained where the process currently is and what changes to the project are proposed, including making the development all affordable housing instead of mixed income. He went over the likely timeline for the approval process and equity amount requested from LDCHA, which is about \$1.5 million.

Vice Chair Fleming asked at what point in the process the agency would become committed to the project without chance of withdrawal. Mr. Newsome answered after HUD approval. There was considerable discussion on some of the details of the timeline, the approval process, and some financing and assessment numbers.

Ms. Oury told the Board that through the 2013 MTW Plan, HUD had approved up to \$1 million to invest in a development. In order to change the amount, the Plan will have to be amended and other processes will have to be done in addition to obtain approval to spend the agency's MTW funds.

Chair Clark asked if there were any comments from the public. Bill Jewel asked several questions about the design plans and building codes and requested that the Board agree that the criteria for design should incorporate energy saving performance standards. Ms. Oury mentioned that all documents presented at the Board meetings were available on the LDCHA website and that the agency sends an email notice to all who have expressed interest in being informed when the issue is up for discussion. Mr. Newsom told Mr. Jewell that the project was not at the design stage yet and Mr. Fleming stated that it was

premature to be specific on any building design elements at this stage in the proposed project since it hasn't yet been determined exactly what form the project will take.

The Board decided to finish the regular agenda and then move into Executive Session to decide what action if any to take.

D. Discuss Preliminary Objectives for the 2014 MTW Annual Plan and the Use of MTW Funds.

Executive Director Oury outlined the process for creating the MTW Annual Plan and explained the initiatives which were proposed for 2014 by agency Staff. One is to create a biennial Inspection process for existing Section 8 properties with a history of passing HQS inspections and the other is to create a Landlord On-Site Verification of Repairs for existing Section 8 properties for non-safety repairs instead of doing a physical re-inspection. Both are cost-saving initiatives in that as more properties are added through the VASH vouchers and other programs, the number of inspectors can remain the same, and these proposed initiatives will not need funding to implement.

Commissioner Humphrey requested to see a ranking of the order of importance of the current MTW initiatives. Ms. Oury said that staff would be happy to do that and also explained that all initiatives that required funding are currently frozen due to the budgetary situation.

E. Resolution 2013-11: Approve Execution of Annual Contributions Contract (ACC) for 20 VASH Vouchers if Awarded.

Executive Director Oury explained that VASH is an acronym for Veterans Affairs Supportive Housing and that VASH vouchers are a priority for HUD. The LDCHA currently administers 23 vouchers issued through Topeka and splits the administrative fee with them. These vouchers would be issued directly through the LDCHA, which would retain the entire fee. The agency feels confident that the vouchers will be awarded, and would like to be ready to execute the contract. In response to a question from the audience, Ms. Oury affirmed that in order to be issued a VASH voucher, a veteran needs to be homeless.

Commissioner Humphrey moved to accept the Resolution 2013-11 as presented. Commissioner O'Keefe seconded. The motion passed unanimously.

F. Discuss Notice to Terminate Lease from Head Start Childcare Facility at Edgewood.

Executive Director Oury explained that due to sequestration, Head Start has been forced to cut services and close classes. The decision had been made to close the facility at Edgewood and move the children to other locations, which fortunately will not place any Edgewood families in child care crisis. Rather than convert the 2 units back to living units, the agency would rather open up the opportunity for another child care facility to use the space. The history of previous child care organizations which used the units was briefly discussed.

Commissioner O'Keefe moved to approve submitting an RFP for a new child care facility to use the units being vacated by Head Start. Vice Chair Fleming seconded. The motion passed unanimously.

6. EXECUTIVE SESSION

Commissioner Hack moved to adjourn to Executive Session for discussion related to possible acquisition of real estate until 7:30 pm. Commissioner O'Keefe seconded. The motion passed unanimously. The Executive Session commenced at 7:08 pm.

Vice Chair Fleming moved to exit Executive Session and pass back into regular session at 7:29 pm. Commissioner Humphrey seconded. The motion passed unanimously.

7. Continued Fairfield Flats Discussion.

Commissioner Hack moved to authorize Executive Director Oury to enter into negotiations with Southwind Capital for a development agreement limited to the already approved \$1 million investment from the LDCHA [pursuant to the LDCHA's 2013 MTW Plan already approved by HUD]. Commissioner Humphrey seconded. The motion passed, with Chair Clark abstaining.

8. Calendar and Announcements.

There were no announcements.

9. Adjournment.

There being no further items of business, Vice Chair Fleming moved to adjourn the meeting. Commissioner Humphrey seconded. The meeting adjourned at 7:30 pm.

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Chair

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Secretary

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Attest