

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

June 24, 2013
5:30 p.m.

Clinton Place
Meal Site

1. Swearing-In Ceremony for Sue Hack for 2nd Term as LDCHA Commissioner.

Executive Director Oury administered the oath of office to Commissioner Hack. Ms. Hack is serving her second term as a Douglas County appointee.

2. 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:

Sue Hack
Allen Humphrey
Brenda O'Keefe
David Clark

Vice Chair Fleming was absent by prior arrangement. Also present were Patrick Dipman, Ivy Briggs, and Max Briggs of Boy Scout Troop 52, and LDCHA staff members Carrie Lindsey, Beverly Hyatt, Ruth Lichtwardt, and Shannon Oury. Staff member Alana Winner joined the meeting at 6 pm.

3. Approve Minutes of May 20, 2013 Board of Commissioners Meeting.

Commissioner Hack moved to accept the Minutes as presented. Commissioner O'Keefe seconded. The motion passed unanimously.

4. Receive Comments from Tenants and Public.

There were no comments.

5. CONSENT AGENDA

- A. Receive May 2013 Public Housing Financial Report.
- B. Receive May 2013 Clinton Place Financial Report.
- C. Receive May 2013 Section 8 Financial Report.

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

6. REGULAR AGENDA

A. Receive Executive Director's Report.

Executive Director Oury informed the Board that twenty Veterans Affairs Supportive Housing (VASH) vouchers have been awarded to the agency and will be issued once the Annual Contributions Contract (ACC) has been received. The amount of the funding is very close to the amount for the 22 VASH vouchers which the LDCHA already administers so the agency believes that all costs will be covered.

Ms. Oury reported that the HOPE Building renewal grant, although awarded, does not actually have funds available yet due to staff furloughs and a new administrative process. No date has been provided for when grant funds will be issued, so in the meantime the program is being funded out of the program's reserves. Expenses have been cut, including lowering the hours of the program coordinator from 33-35 hours per week to 30. If the reserves get too low before the grant comes through, other decisions about what to do with the program will need to be made.

Ms. Oury reported that the new Attachment B to the MTW Agreement has been finalized and distributed. The process of creating the form began in 2011. The entire document is very large, so only the section for housing authorities to identify "Funds Obligated and Committed" was included with the Board packet. Staff considers this new section to be a positive addition as it will allow the agency to show that funds for the proposed Fairfield Flats development are already obligated. HUD was not able to develop a definition of MTW reserves for this year but included a note that a definition would be forthcoming and in the future MTW agencies would need to complete that section and report on their reserves.

Ms. Oury presented the new agency brochure which will be distributed to agency partners in the community. It is a different format than previously used and is designed to answer the frequent questions of people not familiar with the process of applying for affordable housing in Douglas County.

Ms. Oury informed the Board that agency staff has met with residents at Babcock Place, Edgewood Homes, and scattered sites as part of capital improvement planning. One of the requests was new tables for the Babcock meal site. A resident who passed away last year left a bequest to the meal site for new equipment. Douglas County Senior Services also received a bequest which was earmarked for the Babcock meal site.

The new Physical Needs Assessment requirements, which Ms. Oury had informed the Board of several months ago, has been a topic of discussion between affordable housing industry groups and HUD. Agencies have requested regulatory relief in this time of severely lowered funding, and in response HUD has postponed the final rule on the assessment. LDCHA has already begun documenting inventory and entering the data, and will be ready once the regulation is implemented, probably in 2014.

B. Review Section 8 Funding Issues, Cost Saving Measures and MTW Initiative Priorities.

Executive Director Oury explained to the Board that in spite of the very conservative figures which staff estimated when creating the Section 8 budget while waiting on the Renewal Funding Allocation to be announced, the actual funding turned out to be significantly lower. For the first time HUD used a National Renewal Funding Inflation Factor instead of a local inflation factor, which effectively resulted in no increase in funding for inflation. The difference is significant, and means \$77,420 less than staff had estimated. Since local Fair Market Rents (FMR) went up by 16-17% and subsidy has gone down, the Section 8 program is now operating at a budget deficit. In addition, a portion of the funds will not be released until October.

Two options were offered by HUD to assist suffering housing authorities with a funding shortfall, which Ms. Oury studied and discussed with other MTW agencies. She decided that neither is appropriate to the LDCHA as an MTW agency with its long-term goals, and so did not apply for the shortfall funds.

There are a range of options that LDCHA has to cut expenses to try to bring the budget back in line and several have already been implemented. Whether other steps will be necessary will be determined by the progress of these initial steps. The largest is the suspension of issuing new Section 8 vouchers, which includes suspending other practices such as splitting vouchers when a family divorces. HOME Transitional Housing Program graduates are the exception, since participants have worked their way from homelessness to permanent housing and the vouchers will be issued much more slowly.

In addition, MTW initiatives which involve payments to third parties have been frozen with an exception made for homeownership grants. The agency believes that because self-sufficiency and moving off of public assistance is the overall goal of MTW, and homeownership participants have achieved that goal after years of work or school, that the LDCHA should use reserves if necessary to live up to its contractual promise of a matching grant. Certain DCHI program grants which receive matching funds from LDCHA will continue to receive the match.

The option of furlough days for LDCHA employees was discussed. Ms. Oury informed the Board that several housing authorities were furloughing employees multiple days. She asked the Board to express its opinion on whether they were comfortable with seeing how successful the current expense cuts were before implementing other measures, or whether they would want to consider options such as furlough days prior to the next scheduled Board meeting in August. Some expenses such as anticipated higher health insurance premiums will not be known for several weeks.

The Board discussed the options at length and decided to wait on implementing any further expense cuts until the effect of the measures already in place could be determined. The possibility of a phone meeting in July in the event that the budget picture did not improve was also discussed.

Commissioner Humphrey moved to approve Resolution 2013-12, to continue the suspension of new Section 8 vouchers until such time as the budget will allow them to be reissued. Commissioner Hack seconded. The motion passed unanimously.

7. Calendar and Announcements.

Executive Director Oury informed the Board that the LDCHA offices will be closed for the July 4th holiday, and that Babcock Place will be celebrating its 40th Anniversary with a party on September 27.

8. Adjournment.

There being no further items of business, Commissioner Hack moved to adjourn the meeting. Commissioner Humphrey seconded. The meeting adjourned at 6:23 pm.

Chair

Secretary

Attest