

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

May 22, 2017  
5:30 p.m.

Clinton Place  
Meal Site

1. Call of Roll

The meeting was called to order by Chair Powers at 5:30 pm. Upon call of roll, the following Commissioners responded present:

Ellen Paulsen  
Joshua Powers  
Bronson Star

Commissioner Hack was absent by prior arrangement and Vice Chair Duran was ill and unable to attend. Also present were members of the public Linda Sanders and Gaye Nicholson, and LDCHA staff members Beverly Hyatt, Ruth Lichtwardt, and Shannon Oury.

2. Approve Minutes of April 24, 2017 Board of Commissioners Meeting

Commissioner Paulsen moved to approve the Minutes as presented. Commissioner Star seconded. The motion passed unanimously.

3. Receive Comments from Tenants and Public

Linda Sanders asked if the Minutes were read during the meeting. Executive Director Oury offered Ms. Sanders her copy. Chair Powers explained that the Board reads the Minutes prior to the meeting and Ms. Oury explained that the Board receives all the meeting documents on the Thursday before to the meeting, and that the packet of meeting documents is posted on the LDCHA website for the public to access. The Property Manager of Clinton Place can help residents to access the documents online if they are not computer savvy.

4. CONSENT AGENDA

- A. Receive April 2017 Public Housing Financial Reports
- B. Receive April 2017 Clinton Place Financial Reports
- C. Receive April 2017 Section 8 Program Report
- D. Cancel the Regular July Board Meeting

Linda Sanders asked to have the Section 8 report in the Consent Agenda explained because she had questions about the Section 8 program. She said she had come in under HUD subsidy but that it must not be Section 8 because she is not allowed to transfer. Executive Director Oury clarified that the Section 8 report in the Consent Agenda does not pertain to Ms. Sanders' question but is instead a financial report, and offered to describe the program. Ms. Oury explained that Clinton Place is part of what is called "Project Based" Section 8, in which the subsidy is attached to the building. Residents can move in and out but rent stays affordable because the subsidy stays with the Clinton Place units. When a

tenant moves out of a unit, the next person to move into that unit receives the subsidy. LDCHA also runs a separate Section 8 voucher program where the subsidy is through a voucher that moves with the tenant, so that the tenant can rent any unit in the private rental market that accepts Section 8. If they decide to move to another place that accepts Section 8 when their lease is up, their subsidy goes with them to the new unit. The Consent Agenda Section 8 financial report is the year-to-date finances of the voucher program. All the reports are available on the website and Clinton Place residents can use the computers in the activity room or ask the property manager for a copy.

Chair Powers clarified that no items had actually been pulled off of the Consent Agenda. Commissioner Star moved to approve the Consent Agenda as presented. Commissioner Paulsen seconded. The motion passed unanimously.

## 5. REGULAR AGENDA

### A. Executive Director's Report

Executive Director Oury reviewed the measures which had been taken at the last meeting to freeze spending on Section 8 because of the uncertain Congressional budgetary picture. Since then the financial picture has improved since Congress has passed a continuing resolution that continues Section 8 funding at last year's levels, although LDCHA still does not know what the agency will receive. If the amount is known by the June meeting, then Ms. Oury might ask for the holds and freezes to be lifted at that meeting.

Public housing did actually lose funds, with \$100 million being cut from the total federal HUD budget. Prorations are being predicted by housing industry groups to be anywhere from 85% to 92%. However, the overall picture for both programs for the next several months is better than staff feared it would be.

Ms. Oury presented background on asset management, which was instituted by HUD about ten years ago. It affects only public housing, and LDCHA split its public housing properties into two groupings, or AMPs, as part of the process. However, as an agency with fewer than 400 units LDCHA was allowed to opt out of asset management. Had the LDCHA opted in, each AMP would have been required to be operated as a separate business with completely separate cost centers. The MTW Annual Plan is where LDCHA designates that it is opting out of asset management each year, and the agency plans to do so again this year.

There is still no word on the 2017 Capital Fund Grant. The 2015 grant is completely spent and the agency is working out of the 2016 grant. The 2017 grant has been delayed along with everything else by the Congressional budgeting issues. Because salary for one position comes out of that grant, the agency is hoping the amount will be announced soon.

All 732 Section 8 vouchers are issued and some additional ones are "on the street", or in the hands of people who are looking for a unit to rent.

The agency has hired Nickie Daneke as the new Director of Housing Assistance. She will start on June 6, 2017. She was the Director of Stabilization for the local Catholic Charities and for the past year has overseen multiple city and county agencies. She has had experience working with various HUD programs.

Ms. Oury has been appointed to be one of the six Executive Directors selected to advise HUD Secretary Dr. Ben Carson on the expansion of the MTW program to an additional 100 housing authorities. The advisory group will meet periodically with the Secretary. The first meeting is June 13 in Washington, D.C. The six advisory group members were selected to reflect great diversity within the industry since all sizes of housing authorities will be applying to join MTW. LDCHA is one of the two smallest agencies in the MTW program and will bring that perspective to the expansion process.

In 2011 LDCHA applied for and received offline approval and full operating subsidy for non-dwelling special use status for six Edgewood Homes units. This approval expired on June 12, 2014, then upon the LDCHA applying again it was renewed and extended to June of 2017. In April the LDCHA reapplied for a further extension of the special unit status for the six units, and this time the extension was granted indefinitely until their use changes.

Ms. Oury gave a brief history of the child care programs which have resided in Units 159 & 160 at Edgewood Homes. There have been 3 providers, who all had the units rent free in exchange for serving a minimum number of children from LDCHA participating households. The current provider is Positive Bright Start. LDCHA has been notified that they plan to lease a different property in the area so the pre-school can be expanded, although the timing is very uncertain. Once the move is imminent, the Board will need to decide if the agency should issue an RFP for a new provider or to convert the units back to dwellings. Staff is contacting several community partners who might be able to use the space for child care services in order to gauge their interest. There was discussion with the Board on the child care services which have been offered and the number of participant children required to be in the child care.

Ms. Oury asked the Board to comment on whether they would prefer to have their phone numbers removed from the website. Several Commissioners currently have their phone number listed on the LDCHA website, and each Commissioner's email also has a link there. Some Commissioners have received very late after-hours calls. Chair Powers pointed out that email would provide a written record of the conversation. Linda Sanders commented that there were people who didn't have access to email, and Ms. Oury mentioned that there are computers available for use by all LDCHA participants, and staff who could assist them. For general information about the programs, people should not be calling the Commissioners. There was a brief discussion, with the Commissioners concluding that an email address on the website by which to contact them was sufficient.

This year the Health, Safety and Wellness Committee would like to hold the annual staff picnic at Clinton Lake on Friday, June 30. Previously it has been held on the back patio of the main office. The official picnic will be from 12:00 - 2:00 pm. Ms. Oury requested the Board's permission to close the offices at 12:00pm and release the staff at 2:00 pm. The idea is that most staff will stay at the lake for the afternoon, but that would not be required.

Commissioner Star moved to give permission for the LDCHA offices to close at noon on June 30 and for the staff to be released at 2 pm. Commissioner Paulsen seconded. The motion passed unanimously.

B. Discuss Preliminary Objectives for the 2018 MTW Annual Plan

Executive Director Oury outlined the process for submission of the MTW Annual Plan. Staff held a meeting to discuss what the agency would like to include. The first initiative would be to create the ability to purchase six to ten units near the Bert Nash Center, which will be built by either the County or Bert Nash. Ms. Oury has had conversations with County Administrator Craig Weinaug and Bert Nash CEO David Johnson about the project, and the feeling is that given the uncertainty of LDCHA's HUD-held reserve funds, the project should move forward no matter what happens with the proposed Crisis Center. There will always be a need for the units. The exact number will be worked out between the LDCHA and other involved agencies, taking into account both the actual demand and avoiding overconcentration. Ms. Oury will be looking at some units in Kansas City which were built for the same purpose.

There are two possible ways to fund the units that Ms. Oury has found so far. One is through a grant such as HOPE House uses, with Continuum of Care grant funds. However, the recently leaked proposed budget from the administration shows certain grant funds being zeroed out. The other way is to create an MTW activity such as the one being proposed for an alternate Project-Based Voucher program. As an MTW agency, LDCHA can create more PBVs but prefers to use them for special populations such as for the Crisis Center. Some MTW agencies such as Oakland have project-based almost all their vouchers, but that is because the payment standard there cannot cover the very high rents. LDCHA wants to avoid project-basing too many vouchers.

The last item that staff proposes for the 2018 Plan is to place Activity 14-1, Biennial HQS Inspections, on hold. Due to problems with the housing software, it is taking much more staff time to track than anticipated, and has never been utilized by many landlords. Rather than cost savings, it is creating extra work. There were a few questions from the Board regarding the software.

Ms. Oury asked the Board if they had any comments or further suggestions. There were none.

C. Discuss Recommendations for Appointment to Fill Expiring Commissioner Position

Executive Director Oury reminded the Board that Commissioner Hack's second term was expiring at the end of June, and that due to term limits she could not serve a third term. Her position is appointed by the County. Ms. Oury reminded the Board that generally the Board has had a banker or someone with financial expertise, which is an important ability due to all the budgets that the Board reviews and approves. She is pleased with the diversity of backgrounds of the current members.

Audience member Linda Sanders asked some questions about how the County Commission appoints the Board members that represent the County, and suggested a person as a possible Commissioner, which Ms. Oury took note of to contact. Commissioner Star spoke in favor of someone with a financial background since the Board had previously benefitted from that knowledge in both David Clark and William Fleming. The other Board members

concurred. Another possible name was offered by a Board member. Ms. Oury said she would contact them and also ask around for suggestions.

D. Discuss Audit Contract

Executive Director Oury explained that the LDCHA distributes an RFP for audit services every two years. The last RFP was sent in November of 2015 to eight firms, including some which were recommended by other MTW agencies, and only one, Niewedde & Wiens, responded with a bid. The RFP process for an auditor has been onerous with little return. Ms. Oury has spoken with other MTW agencies and found that it is generally difficult to find an auditor that understands the special provisions of the MTW program, and that many of those firms do not want to take on an agency as small as the LDCHA, which is one of the four smallest in MTW. Furthermore, she found that the price charged by Niewedde & Wiens is very reasonable compared to what some other MTW agencies are paying. The price in the current three-year contract offered is the same as the previous contract. The LDCHA procurement policy allows for noncompetitive bids in circumstances such as this upon approval of the Board.

Furthermore, in the time that Niewedde & Wiens has been performing the audits, LDCHA staff has learned much from them which has improved its own internal financial processes and allowed it to perform its business better. Ms. Oury would like the Board's permission to accept and execute the contract which Niewedde & Wiens has offered for the next three audit years.

Commissioner Star moved to accept the contract of Niewedde & Wiens without issuing an RFP. Commissioner Paulsen seconded. The motion passed unanimously.

E. Determine New Parameters of Smoke Free Policy

Executive Director Oury expressed regret that Vice Chair Duran was unable to attend this meeting due to illness, as she believed that Ms. Duran has been receiving many direct comments on the policy from Babcock Place residents. Chair Powers said he was surprised that more residents were not in attendance at the meeting since there had been a large turnout at previous meetings which had smoking policies on the agenda.

Ms. Oury reviewed that the Board is being required by HUD to adopt a smoke free policy with a new 25-foot perimeter around LDCHA public housing buildings but that other provisions of the policy were up to the Board. The new policy could include a 25-foot perimeter at all other LDCHA property and not just public housing, could include electronic cigarettes, or could make all LDCHA property completely smoke free beyond the mandated 25-foot limit. The Board must also choose the date on which to implement the new policy. The policy incorporating the Board's decisions will be drafted and taken to the Resident Advisory Council for comment.

There were questions from the Board on electronic cigarettes, and Ms. Oury discussed the ongoing research and possible outcome. She further commented that if the agency had known this was coming it would have drafted its original no-smoking policy differently, as the new HUD mandate is going to require smokers to change their behavior significantly

from what is currently allowed and staff is projecting it will be extremely difficult for smokers to adhere to. There was discussion among the Board members and questions to Ms. Oury on details of the various options available to include in the new policy.

Clinton Place resident Linda Sanders commented that when the current non-smoking policy was implemented, she had spoken out against it because she was a smoker who felt that she should be allowed to smoke in her apartment. However, she said she really should not have been smoking at all and that she has quit. Now her issue is that she can smell the smoke all the way down the hall when the smokers in the smoking hut outside enter the building, and on their clothes, and it makes her want to smoke. She is suffering health issues from smoking and does not want to start again. She would prefer that the LDCHA campuses all be made completely smoke-free.

Chair Powers said that the Board could make a motion to create the policy with current staff recommendations, or to make changes to any of it. There was further discussion answering several of Ms. Sanders questions about the properties affected per staff recommendation, which would not include Clinton Place since it is not public housing.

Commissioner Star moved to create the smoke free policy provisions per staff recommendations: to implement a 25-foot smoke-free perimeter around all buildings on public housing properties and Peterson Acres II, but not other LDCHA properties; to also prohibit the use of electronic cigarettes; and to implement the policy on July 30, 2018. Commissioner Paulsen seconded. The motion passed unanimously.

F. Discuss Use of Reserves for Boiler Upgrade at Babcock Place

Executive Director Oury explained that the domestic hot water system at Babcock Place was failing and that the boilers controlling that were currently in the process of being replaced using capital fund grant funds. However, there are 13 other boilers which provide heating throughout the building and which are 38 years old, having lasted well beyond the 25-year life expectancy they were designed for. Capital fund grants will not cover the \$500,000+ cost and staff would like permission to use public housing reserve funds to replace the boilers before they also experience catastrophic failure. The work would need to be finished before cold weather begins if possible, and the building needs to be switched over to heat. Otherwise it will need to wait until next summer.

There were questions from the Board regarding the timing and Ms. Oury explained the process of changing over from cooling to heat.

Commissioner Star moved to approve the use of public housing reserve funds to replace the 13 boilers and authorized the Executive Director to solicit bids. Commissioner Paulsen seconded. The motion passed unanimously.

6. Calendar and Announcements

Executive Director Oury will be out of the office May 26 and return June 2, and will be out of the office June 12 – 13 for the meeting with HUD Secretary Carson. There was discussion about that meeting and the importance of MTW.

7. Adjournment

There being no further items of business, Commissioner Paulsen moved to adjourn. Commissioner Star seconded. The meeting adjourned at 6:40 pm.

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Chair

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Secretary

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Attest