

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

July 30, 2018
5:30 p.m.

Edgewood Homes
Conference Room

1. Swearing-In of Wallace Meyer Jr. for First Term as LDCHA Commissioner

2. Call of Roll

Chair Powers called the meeting to order at 5:32 pm. Upon call of roll, the following Commissioners responded present:

Jamie Davison
Maria Duran
Wally Meyer, Jr.
Ellen Paulsen
Josh Powers

Also present were members of the public Pat Benabe and James Dunn, and LDCHA staff members Beverly Hyatt, Ruth Lichtwardt, and Shannon Oury.

3. Approve Minutes of the June 25, 2018 Board of Commissioners Meeting

Vice Chair Duran moved to approve the Minutes as presented. Commissioner Davison seconded. The motion passed unanimously.

4. Receive Comments from Tenants and Public

There were no comments.

5. CONSENT AGENDA

- A. Receive June 2018 Public Housing Financial Reports
- B. Receive June 2018 Clinton Place Financial Reports
- C. Receive June 2018 Section 8/VASH Program Report
- D. Receive Lawrence Expanded Housing (LEH) Semiannual Financial Report
- E. Receive Building Independence III (BIND) Semiannual Financial Report
- F. Receive Quarterly Demographic Report

Mr. Dunn requested details on Items 5C and 5F. Executive Director Oury gave a synopsis of the current budget, which is halfway through the budget year. She explained that much more detail would be in item 6B, which is the revision of the Section 8 budget. She said that the largest problem right now is that there are 80 vouchers which have been issued but the participants are having difficulty finding a unit. The agency is taking several steps to assist voucher holders in finding a unit. She gave details on the changes that have taken place in the way HUD releases Section 8 funds and explained that the agency now only receives funds for units that are leased up.

Mr. Dunn asked if the voucher holders have provided feedback on why they are having difficulty locating a unit. Ms. Oury said that some places are no longer taking vouchers and at least one is trying to reposition itself for the student market. Another was built as a tax credit affordable project but is reaching the end of its affordability period and rents are going up to market rent, some of which are higher than some tenants can afford even with assistance. The non-student rental market seems to be very tight. Mr. Dunn asked about when a Section 8 tenant can and cannot pay a higher percentage of their income in rent and Ms. Oury explained the HUD rules on the percentage limits placed on the portion of rent paid and when tenants can choose to pay more themselves. There was also discussion of how the LDCHA highly encourages tenants to work out issues with their landlords rather than allowing themselves to be evicted or abandon a unit, because tenants often do not realize that the record will follow them and make it difficult to find another place.

Ms. Oury reviewed several of the demographics contained in Item 5F and pointed out that 73% of those served by LDCHA are at or below 30% Area Median Income and another 21% are between 30%-50%.

Commissioner Paulsen moved to approve the Consent Agenda as presented. Commissioner Davison seconded. The motion passed unanimously.

6. REGULAR AGENDA

A. Executive Director's Report

Executive Director Oury reported that while the Section 8 final funding proration has been released, the public housing funding has not. Staff anticipates that, as happened with the Section 8 budget, the final funding could be significantly higher than in most years. Since the currently approved LDCHA budget used more conservative figures, there could be additional funds and a budget revision to bring to the Board once the final funding is released. She gave some detail on the funding tools the agency is required to submit and the usual timing of the funding release. While final public housing funding is typically announced several months after the start of the calendar year, August is abnormally late.

Ms. Oury reviewed the 2019 MTW Plan draft which, with Board approval, will be distributed for public comment. She said that it is the same as the last version the Board saw and gave an update on the proposal to use MTW reserves to partially fund fiber internet installation at Edgewood Homes, since the agency has just been approved to participate with Connect-Home USA. If approved in the Plan, the agency will be applying to the City and other community entities for grants to pay for the balance of the project. The ongoing projects include replacing the roofs at Edgewood Homes, which is crucial since the shingles are beyond their useful life. That project was delayed from last year due to the boiler replacement at Babcock Place.

In response to questions from Chair Powers, there was discussion about the distribution of the Plan during the public comment period. Although copies are available in several locations around town and posted on the website, and the comment period and distribution locations are published in the newspaper, historically there have rarely been any comments offered on the Plan and Admin/ACOP updates. This year, in an attempt to get

more response, the public comment session will be held during the agency's Back-to-School Cookout. However, the Resident Advisory Council, which met in June to review the proposed Plan and Admin/ACOP, had some new members from family housing. They offered good feedback and were interested in participating again. Usually the only participants in the RAC are seniors, so this was encouraging. Mr. Powers said that as an employee of a local governmental entity, he was aware how difficult it often is to get public participation on issues, but that he hopes the participation will increase at the cookout. Ms. Oury asked if the Board had any comments on the Plan and there were none.

Ms. Oury called the Board's attention to two points in the attached housing study. She pointed out that the study says the community needs an additional 5,200 affordable housing units for households who earn less than \$20,000, and there are an estimated 1,300 persons with disabilities who need accessible affordable rentals. She said the new sales tax for affordable housing will be coming online in 2019, and the agency should use these points in considering how it should participate in expanding housing for the extremely low income. There are new grants as well which the LDCHA will be exploring. Commissioner Meyer asked if in Ms. Oury's opinion, 5,000 new affordable units is a fair estimate of what is needed. Ms. Oury replied that the estimate does not surprise her even though it is a very high number. However, achieving even half that number of units would be very difficult due to the high cost of construction, and would require multiple layers of types of funding and partnerships. The Affordable Housing Trust Fund is estimated to have about \$1 million a year beginning around the end of 2019, which will not go far for new construction. Since the units would be housing very low income households, they would likely not generate enough revenue to be invested in creating more units. It is a hugely ambitious number and one that she does not believe can be reached, but she thinks it probably is correct. Any amount of new affordable units that can be created for very low income households is a win.

Mr. Meyer asked where those households are likely to be living now. Ms. Oury said that there are many households doubled up, living with family or friends. There is no way to quantify exactly how many, but anecdotally it is a large number. She discussed the choices that many low income families have to make in utilizing their very limited resources, for instance in keeping a car running to get to work rather than being able to save up for deposits on rent and utilities. There are also at least a hundred at the Lawrence Community Shelter, and that does not include homeless families who live in their car. The agency gets its best information on homeless families with children from the school district. Mr. Meyer asked if HUD has limits on the amount that can be spent on creating units, and Ms. Oury explained that while HUD does have limits, the greater issue for Lawrence is the price of land and the cost of construction in a hot market.

Commissioner Paulsen commented on the issues low income seniors face and how the numbers are growing in Lawrence. There was discussion about the options and services for keeping seniors in their home. Ms. Oury emphasized that the Board decides the priorities of what the LDCHA will do to expand affordable housing, and that the new affordable housing fund coming available will make a difference in the choices available. She will keep working on finding new opportunities and partnerships throughout the county and the Board will choose which to pursue, if any. Based on previous Board discussions

there is definitely a will for LDCHA to expand the number of affordable units it owns, and to serve a variety of low income populations.

Mr. Powers requested that Ms. Oury find out from the school district how many students might be facing homelessness and what the areas of collaboration have been. He said this could be answered through email rather than as an official Board report. Ms. Oury said she would obtain that information and said that in the past, the agency has contacted every local school counselor in August to find out about students that they know of who are facing housing problems.

Mr. Meyer asked about the parameters of possible projects for expanding affordable housing, and Ms. Oury explained that the Board had developed a matrix to use as a guide when evaluating possible projects. Mr. Powers said that the Board will try to help bring Mr. Meyer up to speed on the past projects and discussions, and that unfortunately the Board had lost some very knowledgeable members over the past couple of years. There was discussion about additional assistance that the LDCHA gives to homeless students, such as backpacks with school supplies. Ms. Oury explained that while the agency has participated in preparing backpacks, what the agency can do is limited by the parameters of the funding it receives, for instance it cannot use HUD funding to assist families that are not Section 8 or public housing participants. However, there is nothing to stop the agency from partnering with other agencies to address some of these issues, and it does so. She gave several examples of situations where the agency reached out to families outside its programs due to partnerships or individual employee initiative. She praised the Resident Services staff and their activities to help residents. Mr. Powers mentioned that mission creep could become a concern if the agency were not limited to using its resources to assist its own housing participants.

There was discussion with Pat Benabe and Board members about homelessness and nutrition.

B. Resolution 2018-18: MTW Section 8 / VASH Budget Revision #1

Executive Director Oury explained that the Section 8 proration is 99.745%, an almost unbelievably high percentage and possibly historically unprecedented. It leaves the originally approved budget with a surplus of almost \$290,000. The revised budget includes changes such as doubling the number of Safe Housing vouchers, and hiring a special project employee for 120 days to assist voucher holders to find a unit. Other revisions include purchase of a letter folding machine for the office which will save a good deal of staff time. Resident Services has higher budget amounts for resident support services, tuition, the car repair program, school participation fees, and other items that will improve the lives of residents and their children. There was discussion with the Board on some of the programs, and Ms. Oury also explained that there is a “cushion” built in to pay for additional vouchers because if every household currently searching for a unit finds one, vouchers will be over-issued. The agency is happy to be over-issued since it means more low income families are housed.

Vice Chair Duran moved to approve Resolution 2018-18 as presented. Commissioner Paulsen seconded. The motion passed unanimously.

C. Review 2019 Utility Allowances for Public Housing Programs

Executive Director Oury reviewed the requirements for annually calculating utility allowances and proposed changes, and pointed out the letter which will be sent out to public housing tenants for comment on the proposed allowances if the Board approves. The allowances for both public housing and Section 8 will be brought back before the Board at the September meeting for final approval. Advance notice of proposed utility allowance changes to Section 8 participants is not required, so this approval only applies to public housing.

Pat Benabe said she was waiting to see the new weatherization program works since she has all new appliances and windows but her electric bill was very high. She also said there are frequent power surges. There was discussion about the metering of properties. Ms. Oury said the agency needs to see if the new windows have helped. Ms. Benabe said usage might be going down but rates keep going up.

Commissioner Davison moved to approve the proposed public housing utility allowances as presented. Commissioner Meyer seconded. The motion passed unanimously.

D. Resolution 2018-19: Review and Approve Renewal of the Clinton Place 10-Year HAP Contract

Executive Director Oury gave a brief history of Clinton Place and the HAP contracts which have been attached to it. The current 10-year contract will be expiring so she plans to apply for renewal for another 10 years. This resolution is to authorize staff to submit the contract for renewal. This is the first step of a long process but she does not anticipate any difficulty in the renewal.

Commissioner Paulsen moved to approve Resolution 2018-19 as presented. Commissioner Davison seconded. The motion passed unanimously.

E. Review Amendments to Admin/ACOP and Approve for Distribution for Public Comment

Executive Director Oury synopsised the purpose of the Admin/ACOP and explained that it is updated both to comply with changes in regulation and to make agency policy revisions. At the last meeting the Board had expressed its desire to help cover the cost of tenants who are required to move because they are overhoused and their unit is needed for a larger family. The Board also requested to know how many required moves occur each year. There have never been more than two or three cases a year when tenants need to change units for any reason, including damage to the unit, being overhoused, and for accessibility reasons. A policy change to help with moving expenses in the form of payment assistance for a rental truck has been added to this version. An additional change was also made since the last version for debt repayment for unintentional fraud, to ensure the repayment amount does not take such a large proportion of a tenant's income as to jeopardize their ability to pay their rent.

Commissioner Davison moved to approve the Admin/ACOP amendments and to distribute it for public comment. Vice Chair Duran seconded. The motion passed unanimously.

F. Resolution 2018-20: Review and Approve Long-Term Lease for Recovery Campus Project

Executive Director Oury went over the previous Board discussion on the Lease and that the Board had authorized the Chair to sign the Lease if it was substantially the same. It is substantially the same but it has been long enough since the Board has seen it that Ms. Oury thought the Board should review it again. In the meantime, the ownership of the remainder of the parcel of land has been transferred from Bert Nash to the County. The originating ordinance for the LDCHA requires agency property to be titled to the City, therefore if it is owned by the County it must be leased rather than owned by LDCHA. She synopsized the terms of the Lease and what is required for HUD approval.

Vice Chair Duran moved to approve the Lease. Commissioner Davison seconded. The motion passed unanimously.

7. Calendar and Announcements

Executive Director Oury will be out of the office August 24 & 27 and September 6 & 7. LDCHA offices will be closed on Monday, Sept. 3 for the Labor Day holiday. She also informed the Board that she was interviewed for an article in the Lawrence Business Journal. LDCHA is partnering with Catholic Charities on a landlord seminar and recruitment event on September 13th. Mr. Dunn expressed a wish for Chair Powers to make a presentation, and Mr. Powers said he would be happy to do so.

8. Adjournment

There being no further items of business, Commissioner Davison moved to adjourn. Vice Chair Duran seconded. The meeting adjourned at 7:05 pm.

Chair

Secretary

Attest