

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

February 27, 2017
5:30 p.m.

Edgewood Homes
Conference Room

1. Call of Roll

The meeting was called to order by Chair Star at 5:58 pm. Upon call of roll, the following Commissioners responded present:

Maria Duran
Joshua Powers
Bronson Star

Commissioner Hack was absent by prior arrangement. Also present were members of the public Pat Benabe and LDCHA staff members Beverly Hyatt, Ruth Lichtwardt, and Shannon Oury.

2. Approve Minutes of January 23, 2017 Board of Commissioners Meeting

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

3. Receive Comments from Tenants and Public

There were no comments.

4. CONSENT AGENDA

- A. Receive Public Housing 2016 Year End Financial Reports
- B. Receive Clinton Place 2016 Year End Financial Reports
- C. Receive Section 8 / VASH 2016 Year End Financial Reports
- D. Receive Lawrence Expanded Housing 2016 Year End Financial Reports
- E. Receive Building Independence III 2016 Year End Financial Reports
- F. Receive Combined Cash & Investment Report as of 12/31/2016
- G. Receive Building Independence III (BIND) 2017 Budget
- H. Resolution 2017-05: Approve Update to LDCHA Security Policy for Confidential Documents and Data

Commissioner Duran moved to approve the Consent Agenda as presented. Vice Chair Powers seconded. The motion passed unanimously.

5. REGULAR AGENDA

A. Executive Director's Report

Executive Director Oury reported that there is still no news on Section 8 funding and said that more information would be in Agenda Item 5B. Public housing requires tools to be prepared and sent to HUD, which will be used to calculate the subsidy. The single combined tool previously used has been turned into two tools for this year, and unlike a previous test

tool sent out by HUD, the current tools follow the correct procedure per the MTW contract. Both tools have been calculated and submitted to HUD. In answer to questions from the Board, she gave details of the recent history of the public housing and Section 8 prorations. It appears that the calculations will be of benefit to the agency although the proration amount is not yet known.

Ms. Oury provided details on the current discussion with HUD on the interpretation of “substantially the same.” HUD has always interpreted this to mean whether an MTW agency is serving substantially the same number of people that it served when it first entered the MTW program, plus or minus additional allocations of vouchers or units an agency is funded for or has taken offline. What HUD is now proposing is that “substantially the same” means the number of families served should be based on the funding an agency received. In order to do that, HUD is attempting to come up with a national average of the cost of serving a family. Further, HUD wants to set some standards for this using local criteria and others using national ones. There were questions from the Board about comparing the cost of serving a family in California versus serving a family in Lawrence. Ms. Oury outlined the objections that the LDCHA and other MTW agencies have regarding this interpretation and said that the agencies sent a letter to HUD identifying these issues and objecting to this interpretation.

Ms. Oury reported that Dr. Ellen Paulsen has agreed to serve on the Board to finish out William Fleming’s term which expires in 2018. She requested the Board’s approval to submit Dr. Paulsen’s name as a recommendation for appointment by the Douglas County Commission, which was granted.

Ms. Oury provided background on the funds which have gone into the DCHI account, and explained that going over the amounts had caused her to realize that it would be to the advantage of the LDCHA to take some funds from low-interest savings accounts and place them into much higher interest rate CDs. The funds would be from the Lawrence Expanded Housing, the HOME Reserves and Douglas County Housing, Inc. She discussed developing an RFP to send to local banks which would include the investment limitations established by HUD and the execution of a deposit agreement for compliance with the limitations on investing Public Housing Authority funds. Some of the funds would be left liquid for emergencies. The Board briefly discussed the issue and approved creating an RFP. The proposals will be brought back to the Board for final approval.

The 2016 Audit is scheduled for on March 27 through March 29. Ms. Oury informed Chair Star that documents would be coming to him from the auditors and staff will coordinate that delivery if necessary.

REAC inspection of Edgewood Homes and scattered sites occurred earlier in the day. There were no health and safety violations. Scores have not been released yet but staff thinks the inspection went well.

B. Resolution 2017-06: Approve 2017 Section 8 / VASH Budget if Appropriate
Executive Director Oury presented the proposed budget, explaining that a low proration is predicted for this year by the agency’s financial analyst at HUD and that the Section 8 budget correspondingly assumes a poor financial outlook. Several optional MTW Activities

which are funded out of the Section 8 budget have been suspended since it does not appear that there will be enough of a proration to fund all available vouchers and all the MTW Activities and of course the vouchers have priority. This budget assures that all current Section 8 and special vouchers will be funded and reduces the agency's MTW Activities to achieve a balanced budget. Current special vouchers will be honored but additional ones will not be able to be issued.

Ms. Oury spoke about the low proration and sequestration situation of 2013, comparing it to the current expected budget circumstance. It is likely that the final proration for this year will be released earlier than it was in 2013.

There were questions from the Board about the HUD-held reserves. Ms. Oury explained that there is currently enough in both on-hand and HUD-held reserves to cover expenses but if the current scenario continues that might change. If the reserves were not being held by HUD, it would be possible to issue more special population vouchers as needed.

C. Resolution 2017-07: Approve 2016 Section 8 Management Assessment Submission (SEMAP)

Executive Director Oury explained that the LDCHA is exempt from being scored under SEMAP due to the MTW Agreement but provides a paper copy to HUD which shows what the score would have been. Several of the 14 indicators cannot be used to score the agency. Quality control samples and actual program operation data reports show that LDCHA would receive all but 5 of the available points in 13 of the 14 performance indicators.

There were 5 points lost in Indicator 3 for errors, which Ms. Oury detailed. She also outlined the more rigorous waiting list quality control process which has been implemented. The Family Self-Sufficiency indicator is no longer applicable to the LDCHA as the agency long ago completed the contracts for all of its mandatory FSS units. Some indicators that HUD now scores through the PIC system cannot be used by the LDCHA due to unique features of MTW. The agency would also receive 5 bonus points under the Deconcentration Bonus. The program data indicates that the LDCHA would receive a 100% SEMAP score.

D. Resolution 2017-08: Approve Eighth Annual Payment Amount under the Clinton Place Loan Agreement

Executive Director Oury gave a synopsis of the history of the purchase and extensive rehab of Clinton Place with MTW reserves, and the history of the loan repayment. The loan repayment amount can be determined either before or after the depreciation amount. Due to the large amount of Clinton Place reserves in the HUD-held account, the Board has generally repaid the higher amount before depreciation. Since everything in Clinton Place is basically new, staff does not foresee anything needing replacement that would cost more than the current reserves, and the depreciation amount would be required to be added to the reserves held by HUD. The loan repayment goes to Douglas County Housing, Inc. There was discussion about the reserves in general.

Commissioner Duran moved to approve the Clinton Place loan repayment in the amount of \$192,043. Vice Chair Powers seconded. The motion passed unanimously.

6. Calendar and Announcements

Executive Director Oury will be attending the County Commission meeting because they are discussing the proposed Bert Nash crisis center and the jail.

Chair Star announced that Ms. Oury's performance review will be at the March 27 Board meeting.

Ms. Oury also informed the Board she would be out of the office for HAI meetings on March 30 and 31.

7. Adjournment

There being no further items of business, Vice Chair Powers moved to adjourn. Commissioner Duran seconded. The meeting adjourned at 6:22 pm.

Chair

Secretary

Attest