

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

March 26, 2018
5:30 p.m.

Clinton Place
Meal Site

1. Call of Roll

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

Jamie Davison
Maria Duran
Ellen Paulsen
Josh Powers
Bronson Star

Also present were James Dunn, Sarah Cauthon, Brad Finkeldej, and LDCHA staff members Beverly Hyatt, Ruth Lichtwardt, and Shannon Oury.

2. Approve Minutes of the January 22, 2018 Board of Commissioners Meeting

Commissioner moved to approve the minutes as presented. Commissioner Bronson seconded. The motion passed unanimously.

3. Receive Comments from Tenants and Public

There were no comments.

4. CONSENT AGENDA

- A. Receive Public Housing 2017 Year End Financial Reports
- B. Receive Clinton Place 2017 Year End Financial Reports
- C. Receive Section 8 / VASH 2017 Year End Financial Reports
- D. Receive Lawrence Expanded Housing 2017 Year End Financial Reports
- E. Receive Building Independence III 2017 Year End Financial Reports
- F. Receive Combined Cash & Investment Report as of 12/31/2017
- G. Receive February 2018 Public Housing Financial Report
- H. Receive February 2018 Clinton Place Financial Report
- I. Receive February 2018 Section 8 / VASH Program Report
- J. Resolution 2018-08: Approve 2016 Section 8 Management Assessment Submission (SEMAP)

Mr. Dunn requested further discussion on items 4C, 4I and 4J. Executive Director Oury synopsised the both the Section 8 report financials and added that there are currently 36 vouchers that have been issued with people still looking for a place to rent. There has been an uptick in the amount of time it is taking for participants to find a unit. She gave a summary of the management assessment for Item 4J, some of which cannot be measured because

LDCHA is an MTW agency. For those items which can be measured, the agency would receive a score of 100% plus 5 bonus points for “Deconcentration,” which indicates that most participant families with children are living in low-poverty areas.

5. REGULAR AGENDA

A. Executive Director’s Report

Executive Director Oury provided an overview of the promotions planned for the agency’s 50-year anniversary, and asked the Board members for additional names for the “save the date” postcards which are being mailed out. She also asked if July 12 was a good date for their schedules for the celebration lunch at Babcock Place, 11:30 – 1 pm. It appeared to be a good date to all the commissioners.

There was not a government shut-down on Friday, and there is now a budget. Ms. Oury said that the good news is that it appears the budgets will be better than last year, though the actual proration and final budget figures will likely not be announced until April or May. Unfortunately the president’s 2019 budget is the opposite, and completely defunds capital funds for public housing. That would radically change how the agency takes care of its property. Since the LDCHA is an MTW agency and has reserve funds, it could use those for capital improvement projects and in that way is better off than traditional housing authorities. However, it would mean that those funds could not be used to expand affordable housing in the community.

Commissioner Star is not eligible to serve a second term due to a recent policy that excludes city employees from sitting on the boards of agencies connected to the city. Ms. Oury called the Board’s attention to an email from Mayor Boley, who wants a new selection process to be used where interested applicants fill out a form on the city’s website. In the past, Ms. Oury has contacted possible candidates recommended by the sitting Board members to explain about the agency and duties of the board and to gauge interest. She will no longer follow that process but is concerned that people will not go to the website on their own to apply, and requested the Board to please send anyone that they know who might be interested to the online application.

Commissioner Paulsen has been serving the remainder of former commissioner Fleming’s term and has agreed to have her name brought back before the County Commission when her term expires in June. She is eligible to serve two 4-year terms.

The 2017 MTW Report is one of the attachments for Board review which has made the packet so large this month. It will be submitted before the March 30 deadline. Ms. Oury pointed out that the next item in her report shows how long it takes to get approval of the MTW reports, as the 2016 report was just approved on March 14th.

The GDA finding issue appears to have been resolved, pending final review and approval by HUD. Since the issue was last reported on at the January meeting, the Kansas City Field Office and HUD had denied the LDCHA ‘s request for acceptance of the modified GDAs, so staff spoke with both banks, who agreed to sign the unmodified version. These have been submitted to HUD. The auditors are in the LDCHA offices this week and have the updated information.

The final two items are just for the Board's information. HUD's Regional Administrator, Jason Mohr, and the Regional Director of Public Housing paid a visit to discuss the MTW program and to ask the LDCHA to review and consider participating in a new program, En-Vision Centers. The LDCHA is again co-sponsoring the Fair Housing Poster Contest with the City in honor of Fair Housing Month in April. The deadline for entries is April 5th, and the details are on the attached flyer.

Mr. Dunn asked who the Regional Administrator was, and Ms. Oury answered that he is the president's political appointee for HUD Region 7 and that he is based in Iowa.

B. Review Draft of Long-Term Lease for Recovery Campus Project

Executive Director Oury introduced Brad Finkeldei, attorney at Stevens and Brand, who has been working on matters regarding the living units to be built at the proposed Bert Nash Mental Health Recovery campus. Mr. Finkeldei outlined what would normally happen when the LDCHA builds units, and complications that have arisen due to land ownership issues since the land is not owned by the City. He stressed that the current issues and solutions might change considerably after May 15th depending on whether the tax measure passes or not. However, assuming it will pass, the current solution is to create a lease for the property, and have the LDCHA lease it for a period of 80 years. The cost of the lease will be the maximum amount allowable under HUD regulations. Likely 10 units can be built with that amount. There were questions from the Board about options if the sales tax does not pass, and Mr. Finkeldei gave details about what Bert Nash has been negotiating with the County under the assumption it would pass. If the tax does not pass, most but not all of the land would likely be transferred from Bert Nash to the County.

In response to several questions from the Board, Mr. Finkeldei explained that part of the complication stems from the actual physical configuration of the land since a large segment is floodplain. What can be built on the eastern section is directly impacted by whether the main crisis center building is built first or if that land remains vacant. About 30% of the land can never be built on because of the flood plain. He outlined some options such as building fewer living units if the tax does not pass. There was discussion of the fact that the president's 2019 budget includes recapture of reserves, which adds urgency to getting the project underway, since if the funds are not encumbered they might be permanently lost. Of course approval by HUD is the number one contingent.

There was discussion on some details of the proposed lease, which would need to be approved by the Board and signed by the Chair. Mr. Dunn asked why the period of the lease would be 80 years. Mr. Finkeldei explained that 30 years is the HUD standard, but 80 years is considered to be about the useful life of the buildings. It gives the agency the option to continue the lease and fix up the buildings about the time they will need more work, or perhaps turn them over to Bert Nash or another entity. The lease actually states a 30-year minimum with 10-year options to 80 years. Mr. Dunn asked if a case manager will have space at the living units, and Ms. Oury explained that the current concept is that the case managers will be at the nearby buildings on the same campus.

Commissioner Star moved to authorize the Board Chair to execute this draft lease or one substantially similar to this lease with Douglas County. Commissioner Paulsen seconded. The motion passed unanimously.

C. Resolution 2018-04: Approve 2018 Public Housing Operating Budget if Appropriate

Executive Director Oury said that since the Appropriations Act had passed since this budget was developed, all this might change and the budget is likely to be better because the proration will probably be better. She went over the current figures. Commissioner Paulsen asked about the rise in one of the insurance premiums and Ms. Oury explained that it was due to a claim from a couple of years previously. The agency is looking for another provider for that insurance but does not have any firm quotes yet so the budget figure is an estimate.

Vice Chair Duran moved to accept Resolution 2018-04 as presented. Commissioner Davison seconded. The motion passed unanimously.

D. Resolution 2018-05: Approve 2018 Clinton Place Operating Budget if Appropriate

Executive Director Oury synopsised the proposed budget, and stressed it does not take into account the probable rent increase which is normally automatically granted by HUD and takes place in September. Part of the paperwork for the increase has been submitted and the rest will be submitted soon. The increase usually makes the budget better by the end of the year. The planned upgrade for the year is new lobby furniture. Also, a van with a wheelchair lift was donated and there will be more expense for insurance and a part-time driver to offer transportation to Clinton Plan residents for the first time.

Commissioner Paulsen moved to accept Resolution 2018-05 as presented. Commissioner Star seconded. The motion passed unanimously.

E. Resolution 2018-06: Approve 2018 LDCHA Expanded Housing Operating Budget if Appropriate

Executive Director Oury reviewed the properties which are included in Lawrence Expanded Housing and synopsised the operating budget. She explained that a reserve is being built in the properties which will provide funds for the capital needs, and once it reaches an amount that will be sufficient for that, the excess will be used to acquire more affordable housing.

Vice Chair Duran moved to accept Resolution 2018-06 as presented. Commissioner Davison seconded. The motion passed unanimously.

F. Resolution 2018-07: Approve 2018 Section 8 / VASH Budget if Appropriate

Executive Director Oury explained that this is the single largest budget for the agency and gave a synopsis of the MTW programs made possible by this budget. There is a projected shortage in the budget of about \$50,000 caused by MTW special vouchers, which will be made up by a transfer of MTW HUD-held reserves back to the agency at the end of the year. Again, however, this budget was developed prior to the Appropriations Act and it appears likely that the proration will be higher and there will be a surplus without moving reserves. There are 732 regular Section 8 vouchers, and 20 additional special vouchers. Ms. Oury gave brief history of the acquisition of the various types of vouchers over time in response to Board questions.

Vice Chair Duran moved to accept Resolution 2018-07 as presented. Commissioner Star seconded. The motion passed unanimously.

G. Resolution 2018-09: Approve Ninth Annual Payment Amount under the Clinton Place Loan Agreement

Executive Director Oury provided a history of the Clinton Place purchase and loan, and discussed the many improvements to the building. The building has a HUD-required reserve which will more than take care of any anticipated needs.

There was considerable discussion about the amount to pay since the loan is close to being paid off. Ms. Oury mentioned that once the loan is paid off, the agency will need to explore the process of what to do with the extra funds which are generated each year and have been going to pay the loan. The building currently is coming to the end of its 10-year HAP contract with HUD, and Ms. Oury will be asking for another 10-year contract. She would prefer the loan not be paid off completely this year so that she has time to explore what use the funds can be put to after the new contract is in place. Commissioner Davison asked several questions about depreciation and suggested splitting the loan into two equal payments this year and next. There was brief discussion of the amount and what the building normally costs to maintain, which is relatively little since the renovations are recent.

Commissioner Paulsen moved to approve Resolution 2018-09 and to set the amount of the loan payment at \$141,242.50 to be paid to Douglas County Housing, Inc. Commissioner Star seconded. The motion passed unanimously.

7. Calendar and Announcements

Executive Director Oury announced that she will be out of the office March 30 – April 6. The April 23 meeting will be the Annual Board Meeting, Regular Board Meeting, and Annual Meeting of Douglas County Housing, Inc. Due to the Memorial Day Holiday, there will be two Board meetings in June, and with the approval of Chair Powers there will be a July meeting but the August meeting will be cancelled unless there is pressing business.

Mr. Dunn asked if the LDCHA is partnering with the City on any Fair Housing activities this year. Ms. Oury said there was a copy of the poster contest flyer in the packet which is being sponsored with the City, and that she needs to speak with City staff about other possible activities.

8. Adjournment

There being no further items of business, Commissioner Davison moved to adjourn. Commissioner Star seconded. The meeting adjourned at 7:10 pm.

Chair

Secretary

Attest