

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

June 4, 2018
5:30 p.m.

Babcock Place
Meal Site

1. 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
Ellen Paulsen
Josh Powers
Bronson Star

Also present were members of the public Pat Benabe, James Dunn, Bill Dupree, Wanda Hand, Arvilla Hekmati, Avanelle Mercer, Charles Miller, Terry Roth, Roene Schonberg, Sandie Smith, and LDCHA staff members Beverly Hyatt, Ruth Lichtwardt, and Shannon Oury.

2. Approve Minutes of April 23, 2018 Board of Commissioners Meeting

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

3. Receive Comments from Tenants and Public

Mr. Dunn said he was concerned that when a Section 8 tenant changes units or abruptly leaves, he is not clear for how much of the month the LDCHA will continue to pay rent. In the instance of a tenant who died on June 1st, he was not sure if the LDCHA's portion would be cut off on the day she died or paid for the month. He also said that when a Section 8 tenant changes units, it often cannot be done in one day, and the tenant might need to leave some belongings at the old unit over several days. He said that it used to be that more time was given when tenants moved before their rent subsidy was ended.

Chair Powers thanked Mr. Dunn for his comments and requested that he contact the LDCHA staff for clarification on the timing of the rent payments.

4. CONSENT AGENDA

- A. Receive April 2018 Public Housing Financial Reports
- B. Receive April 2018 Clinton Place Financial Reports
- C. Receive April 2018 Section 8 Program Report

Mr. Dunn requested that Item 4C be discussed separately. Executive Director Oury reported that so far, the Section 8 subsidy has been funded at 99%, which is historically high. The budget was set assuming a 95% disbursement. Although final funding has not been

announced, it could mean there will be a very good budget year. Unfortunately, it is taking longer than normal for new Section 8 voucher holders to find a unit and get leased up, there are currently 38 vouchers “on the street,” that is, looking for units. There were two staff meetings today about how to rectify this. Due to cash management, HUD will only disburse funds for vouchers that are actually leased up. Ms. Oury indicated on the printed budget where it shows the shortfall between the funds the agency would receive based on the number of vouchers it has, and the actual amount being sent to the agency due to the unleased vouchers. In response to a question from Chair Powers, Ms. Oury explained that the Section 8 voucher funds not disbursed were being held by HUD in the agency’s account along with reserve funds. While HUD continues to assure LDCHA that the agency still has access to the funds, the President’s 2019 budget would sweep all the reserve accounts, including those of MTW agencies.

Mr. Dunn asked what size of units the voucher holders were looking for because he was going to have some vacancies. Ms. Oury replied that the list she reviews does not specify unit size, but the LDCHA has an Americorps volunteer who is assisting voucher holders locate a unit and that she would contact Mr. Dunn.

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

5. REGULAR AGENDA

A. Executive Director’s Report

Executive Director Oury reported that the final funding for both public housing and Section 8 have not yet been announced, but are expected later in the summer. All signs point to the funding amount being higher than normal. All the operating budgets will be revised and presented to the Board for approval once the actual funding is known. Since there is likely to be a surplus, the excess funds will be accounted for in the revised budget.

Asset management has been required by HUD for about 10 years, but housing authorities with 400 or fewer public housing units have been exempted each year. LDCHA has specified that it will take the exemption in each year’s MTW Annual Plan because it would change the accounting of the agency and create duplicate inventory and unnecessary expense.

The PHAS score for 2017 was 90, which is slightly lower than the previous year but still would accord the LDCHA high performer status. When the LDCHA was accepted into MTW, its status as a high performing agency was basically grandfathered in, so the PHAS score is not officially recorded by HUD because HUD needs to develop a tool specifically to score MTW agencies and has not yet done so. However, PHAS is a valuable guide for management to judge how the agency is doing in several key indicators, so LDCHA continues to use it as a guide. The agency lost 4 points in tenant accounts receivable due to repayment issues when tenants owe the LDCHA for damages. Staff is working to rectify the issues associated with this. There has been discussion, for instance, about forgiving late fees charged to tenants which have not been paid, which would take them off the books. Chair Powers said that any recommendation the staff could bring before the Board to improve the score would be helpful.

Ms. Oury reported on the progress of the energy saving measures being performed on all the Edgewood units thanks to a grant from ECKAN. All windows are being replaced, dryer vents are being improved, insulation and weatherstripping is being installed, and all bathrooms are receiving vent fans. This will save the tenants money on their utility costs, and will also help with moisture and other issues in the units. The contractors expect to be finished by June 30th.

All the directors are reviewing the new website and it is close to being finished. Ms. Oury anticipates that a demonstration will be available at the next Board meeting, and the launch date should be by the 50th Anniversary. The website will have a better layout of information and will feature the ability to fill out forms online. Ms. Oury said another feature will be staff photos online, and she asked the Board members if they would mind having their photos there as well.

Plans are continuing for the 50th Anniversary. She listed the ads which will be appearing in local media including newspapers and radio, and said that the Mayor will be issuing a proclamation. The consultant is producing a video and invitations are going out. If there is anyone the Board would like invited, please let staff know. She gave copies of the invitation to the Board and explained the front image is the architectural rendering of Babcock Place before it was built.

Chair Powers said he would be pleased to have his picture on the website so people would know who to look for. One of the audience members asked if he would be wearing sunglasses.

Mr. Dunn asked how much late fees are. Ms. Oury replied that they are \$25, and the agency does not do escalating late fees. Mr. Dunn suggested that based on whatever plan the Board adopted, it might be helpful for other housing providers to plug into the idea of late fee forgiveness.

B. Discuss Preliminary Objectives for the 2019 MTW Annual Plan

Executive Director Oury said that staff has held a meeting to determine what updates should be made to the Admin/ACOP Plan, and to make staff suggestions for the Annual Plan. The late fee forgiveness was one topic discussed. She highlighted the schedule for developing the MTW Plan and explained that as an MTW agency the LDCHA does not submit the same type of annual plan that other housing authorities do. The MTW Plan includes matrixes for the items that the agency must measure. She spoke on the three legislative objectives of the MTW program and reviewed the chart in the packet which lists all the current initiatives and which of the objectives they meet. She said that participation in the public hearing for the Plan has been exceedingly low, so in an effort to increase participation this year, the public hearing is being held in conjunction with RSO's annual back-to-school cookout.

Chair Powers asked about Activity 14-1, which on the chart shows as being placed "on hold." Ms. Oury explained that the Activity was the biennial HQS inspections, which required staff to track which landlords were eligible to have their inspections skipped for a year. An unused field in the agency's housing software had been used as a workaround by

staff to track landlord eligibility, but due to an update made by the agency's housing software provider, the field was no longer available for that use. Tracking the landlords' eligibility by hand is extremely time-consuming and would take up a great deal of staff time, exactly the opposite of the goal of the Activity, which is to save both staff and landlords time and costs. The Activity is on hold until another method could be found to track eligibility more automatically.

Chair Powers asked if a request had been made to the software provider. Ms. Oury explained that a request had been submitted for a means to track so the Activity can be reactivated, but the LDCHA is not their only customer and they are not likely to make working on it a priority. Mr. Powers asked if doing a hard reset of the process would make sense, and Ms. Oury said that is likely the best solution. A new person is coming on in that position, and creating an entirely new tracking system would be the best option. She mentioned it is very disheartening to have a field be repurposed and lose all your work.

C. Discuss Outcome of Proposition 1 Vote and Status of Project

Executive Director Oury synopsised the history of project and each of the stages which have been brought before the Board. Since Proposition 1 was defeated, the project is being refigured accordingly. She said the long-term lease has been revised and she has reviewed that version, which is now at the County. Tier Two of the original project, 12 units of temporary housing component, cannot happen now using the originally planned funding. Bert Nash is looking at applying to the Federal Home Loan bank for funds. There had been discussion on who would be the actual grantee, and it appears it will be Bert Nash. Bert Nash could get points toward the loan if they have renter education programs. LDCHA would like to enter into a Memorandum of Understanding with Bert Nash to provide that service to Tier Two clients since it has been doing Renter's Ed for a long time, and to provide other housing-related service pieces which are outside the scope of what Bert Nash normally does.

Bert Nash has already given the land to the County and the County is ready to begin construction of the LDCHA's portion of the housing. Ms. Oury explained that in spite of this, since the picture has so radically changed with the failure of Proposition 1, she wanted to bring the project back before the Board to see if they are still comfortable with going forward with it.

Chair Powers asked for comments from the Board. Commissioner Paulsen asked how clients would transition from Tier Two to Tier Three, the LDCHA permanent housing, under the current scenario. Ms. Oury answered that she did not know. She went over some possible scenarios and outlined some current programs, which are full. The County is meeting to decide whether to bring another ballot initiative forward for funding the Crisis Center, but Ms. Oury said that ultimately without the Crisis Center she was not certain how transitioning clients would be handled. Commissioner Duran asked about spending the funds and if any was already encumbered. Ms. Oury explained that none of it was encumbered yet because the process was not far along enough for HUD approval for the project to be obtained. This project would not take the entire amount of the reserve funds because HUD has a per-unit spending limit. The agency's goal is to get a majority of the funds encumbered to provide affordable housing in the community instead of letting the entire account be swept. Although

major pieces of the entire Crisis Center project are now in flux, there is an obvious need for this type of housing, based on the fact that programs in the community such as Bert Nash's Community Support Services (CSS) are always full and have a waiting list. Ms. Oury would rather build the units and house more Bert Nash CSS clients while waiting for the rest of the project to solidify. It would cost between \$1.5 and \$2 million.

Mr. Powers said he agreed that the agency should pursue building the units and also believes that based on the debate leading up to the vote that the public is fully behind the Crisis Center project. He believes the Crisis Center will eventually be built. Commissioner Star said whether they were built or not there was an obvious community need and he would support building the units. There was further discussion about the proposed MOU.

Commissioner Duran moved to authorize the agency to enter into a Memorandum of Understanding with Bert Nash to provide services which would assist in their application with the Federal Home Loan bank. Commissioner Davison seconded. The motion passed unanimously.

D. Resolution 2018-12: Approve Public Housing Smoke Free Policy

Executive Director Oury explained that this is the last step in the process which began last year to approve a smoke free policy with the restrictions required by HUD's new smoke free rule. The draft of the policy was brought before the Board last fall and the new lease which incorporates the restrictions has been approved and implemented. The date the policy will go into effect is July 1.

Ms. Oury said that she was guessing that several of the audience members were interested in the subject of the gazebo which would be built at Babcock Place beyond the new 25-foot smoking boundary. She spoke about the difficulty about providing a covered space on some of the properties, but said there is an area near the Babcock Place parking lot which should be suitable for a gazebo.

Chair Powers said he was in favor of building a gazebo at Babcock Place, but wants to know which pot of money the \$10,000 would be coming from. Secondly, he wanted to know how much obligation there is to provide a covered smoking area and at what point would the agency have to say the cost is too much. Ms. Oury replied that the agency has no obligation to provide a covered area, and in fact the HUD directive had said that housing authorities could make their properties entirely smoke free if they wished. It was not the will of staff or the Board to go that far. The funds for the gazebo could come out of either Capital Funds or public housing reserve funds, and that since the agency had just received the largest amount of Capital Funds ever, the money to pay for it was not a problem. It is also a priority to build something attractive to go with the nicely landscaped courtyard.

An audience member asked how the agency would deal with people who smoked in the building. Mr. Powers explained that there are five strikes written into the policy and Ms. Oury said that the steps are the same in the new policy as in the old. There was considerable discussion about the location of the gazebo, weatherization, possible security issues, and what would happen if residents continued to smoke in the building.

Commissioner Duran moved to approve Resolution 2018-12, the new Public Housing Smoke Free Policy. Commissioner Star seconded. The motion passed unanimously.

E. Resolution 2018-13: Authorize Application for Special Purpose Vouchers for Non-Elderly Persons with Disabilities (NEDs)

Executive Director Oury explained that the LDCHA currently has 80 NEDs vouchers and that they are 100% issued. An opportunity has arisen through an offer from HUD to apply for \$200,000 in new NEDs vouchers. About 25% of the current waiting list would qualify for these vouchers so having additional ones would allow several non-elderly persons with disabilities to receive housing faster. It is not possible to say exactly how many vouchers could be issued because it depends on the size of the households, with larger households costing more.

Commissioner Duran moved to approve Resolution 2018-13 to authorize application for NEDs vouchers. Commissioner Paulsen seconded. The motion passed unanimously.

F. Resolution 2018-14: Review and Approve 2017 LDCHA Annual Report for Publication and Distribution to the City, County and Interested Parties

Executive Director Oury explained that the Annual Report is normally approved at the Annual Meeting in April, but was delayed because the LDCHA is using it to celebrate the 50th Anniversary of the agency as well as reporting on 2017. The report is being professionally printed this year instead of being printed in-house, so the border that appears on the Board's copies will not appear. It will be distributed to the usual places, on the website, and also at the anniversary party.

Commissioner Paulsen moved to approve Resolution 2018-14. Commissioner Davison seconded. The motion passed unanimously.

G. Resolution 2018-15: Accept the LDCHA 2018 Capital Fund Allocation

Executive Director Oury said the staff was astonished when it saw the allocation figure, which is about 35% higher than the previous year. It can only be spent on capital expenditures in the agency's real property. Over the last few years it has been used to replace siding on scattered sites, and the hot water and boilers at Babcock Place. The next big project was slated to be replacing the roofs at Edgewood Homes, but this amount of money will allow for other upgrade expenditures as well. Meetings will be scheduled with tenants to gather ideas, and staff will develop plans. The money must be obligated within two years and spent within four.

There was discussion about possible upgrades at Babcock Place. Ms. Oury said she had long wanted to replace the drapes. There was hearty assent from the audience.

Commissioner Davison moved to approve Resolution 2018-15 to accept the 2018 Capital Fund grant. Commissioner Star seconded. The motion carried unanimously.

There was a recommendation from Mr. Dunn regarding the bathroom ventilation fans being installed in Edgewood Homes, which Ms. Oury said she would pass along to the Director for Programs and Property Management. There was a question from an audience member about the adjacent property on New Hampshire Street which is owned by LDCHA because he had observed a lot of trouble over there. Ms. Oury replied that there were issues with one tenant there which the agency was addressing, but that it was required to comply with certain time periods.

6. Calendar and Announcements

Executive Director Oury said that the only thing on the calendar is the 50th Anniversary event at Babcock Place on July 12th. There was discussion about the next meetings, since there will be a second meeting in June and a meeting in July. Commissioner Star mentioned that the June meeting will be his last, since he is being required to retire at the end of his first term due to a recent City policy change. Ms. Oury said that she had had one inquiry from a possible Board candidate and had met with them.

7. Adjournment

There being no further items of business, Commissioner Paulsen moved to adjourn. Commissioner Davison seconded. The meeting adjourned at 6:31 pm.

Chair

Secretary

Attest