

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

June 26, 2017
5:30 p.m.

Edgewood Homes
Conference Room

1. Call of Roll

The meeting was called to order by Chair Powers at 5:33 pm. Upon call of roll, the following Commissioners responded present:

Maria Duran
Ellen Paulsen
Joshua Powers

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

2. Approve Minutes of May 22, 2017 Board of Commissioners Meeting

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

3. Receive Comments from Tenants and Public

Mr. Dunn commented on his deep concern as a landlord with tenants on the HUD VASH program. He understands that unlike in the other rental voucher programs, a VASH voucher holder who gets evicted for nonpayment of rent and causes property damage is able to immediately obtain another VASH voucher and move to another unit with no repercussions. He had this situation a year or so ago and expressed his distress at the time. He is again experiencing this issue with some other VASH voucher holders who are tenants of his and he might need to begin eviction proceedings. This is very expensive for him and he is worried that there are likely to be no consequences to the tenants because that they know they can just move somewhere else. He asked if the VASH program was still allowing this situation. Executive Director Oury replied that according to the VASH program regulations, it remains the same. The Veterans Administration must be the entity that terminates a VASH voucher, the LDCHA cannot.

Mr. Dunn said that when the VASH representative from the VA was at the Board meeting last year and the issue had been discussed, the representative had said to send him a bill for the damages. Mr. Dunn did so but has never heard back. Ms. Oury offered to have staff speak with the VASH case worker and to point out the concern that if this situation continues, private landlords might begin dropping out of the program. There was discussion with members of the Board on aspects of the current situation with Mr. Dunn's VASH tenants. Ms. Oury emphasized that LDCHA wants to keep the private landlords happy since they are needed as partners in all the voucher programs. Mr. Dunn said that he looked forward

to a report on the results of LDCHA staff conversations with VASH representatives, and to hearing about Ms. Oury's meeting with Secretary Carson when it occurs.

4. CONSENT AGENDA

- A. Receive May 2017 Public Housing Financial Report
- B. Receive May 2017 Clinton Place Financial Report
- C. Receive May 2017 Section 8 Financial Report
- D. Resolution 2017-13: Approve Continuation of the LDCHA as Contract Administrator for the Bert Nash Tenant Based Rent Assistance HOME Program Grant

Mr. Dunn requested to hear more on Agenda Items 4C and 4D. Ms. Oury gave a synopsis of the current Section 8 budget and reported that final funding still has not been received and that the freeze remains on several MTW activities until funding is known. The meeting with Dr. Carson had been cancelled due to the budget hearings he had to attend, so that process is still ongoing. The current budget zeroes out CDBG and HOME funds. That budget will likely not pass, but Ms. Oury expects a sequestration-like reduced funding year for 2018. She does expect to get at least even funding for the Bert Nash HOME program.

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

5. REGULAR AGENDA

- A. Receive Executive Director's Report

Executive Director Oury reported that the agency is still in a holding pattern on funding, neither public housing or Section 8 final funding has been released. Salaries, open positions and some MTW activities are still frozen pending funding being released. LDCHA just received word earlier in the day that public housing revisions have been extended to August 15, meaning that final numbers will likely not be available until after the September meeting.

There is disagreement with HUD on the amount of LDCHA reserves already transitioned because HUD is not counting the amount transitioned in January, and they also have not deducted amounts for the Babcock Place roof replacement and bus. There is a call scheduled with LDCHA's HUD financial analyst to try to straighten this out. HUD still says the transitioned reserves are agency money and will be moved into an account that will not be swept once they are committed and obligated. Ms. Oury is moving forward as quickly as possible to obligate funds for the proposed units by the Bert Nash Center, especially in light of the retirement next week of Bert Nash's long-time CEO and another key staff member who is reported to be retiring later in the year. She has held several meetings with the County and the incoming Bert Nash CEO on the issue.

Ms. Oury reported that the last site visit from anyone from the HUD MTW office was in 2012 because the office has been understaffed. An MTW site visit by the new representative has been scheduled for August 9. It is a good opportunity to ask questions one-on-one and there will likely be discussion on using the MTW reserve funds.

It has always been an MTW requirement that each MTW agency serves “substantially the same” number of participants as when it came into the program. It had not been previously monitored, instead the agencies would self-certify that they were meeting the requirement. In 2012 HUD began taking steps toward monitoring it by creating a baseline chart. HUD has recently sent the latest baseline, and LDCHA is actually serving 66 more households than it indicates. It is missing the special vouchers created in 2016, the New Hampshire property, and several other items. Ms. Oury indicated the column on the chart which shows the corrections. The corrected information shows that the agency exceeds the requirement.

Ms. Oury reported that she had reached out to various people who were suggested for the County-appointed Board position which is being vacated at the end of June by the retirement of Commissioner Hack. Jamie Davidson has agreed to serve, and Ms. Oury asked the Board if they would like her name forwarded to the County for possible appointment. Chair Powers said that he is acquainted with Ms. Davidson from his Leadership Lawrence class and that he believed her financial knowledge would be an asset to the Board. The other Board members also gave approval for Ms. Davidson’s name to be submitted to the County for appointment.

The 2018 MTW Plan process is moving forward. It was taken to the Resident Advisory Council on June 15. The main initiative for 2018 is to project-base vouchers for units that serve special populations. The approved replacement of the shingle roofs at Edgewood Homes will be carried over to 2018 since it did not get accomplished in 2017 due to the emergency need to replace the Babcock Place boilers. The Plan plus revisions to the Admin/ACOP and draft Smoke-Free policy, if approved for distribution.

There is a HUD management review of the HOPE House project being conducted next week, and another one for the State HOME grant will be scheduled for some time in July. The results will be reported back to the Board once they are received from HUD.

DCHI received a \$1,000 grant from the Capital Federal Foundation for the ‘Hungry for Homeownership’ program, which will pay for food during the monthly Homeownership Program workshops offered to tenants over the next year. There are currently 20 families in the Homeownership Program. Because the workshops are offered in the evening during what is normally dinnertime, families are able to attend the workshops more consistently if there is food available as well as child care. HUD does not like its funds being spent on food so outside grants have been sought to pay for this.

DCHI also received \$3,000 for the Employment Program from the Douglas County Community Foundation through a Momentum Grant. These funds are for the Building (Y)Our Future project to increase enrollment at the Dwayne Peaslee Technical Training Center and remove educational barriers for Section 8 and public housing tenants. The grants to participants will be \$500 per individual, and can be used for books or computers or anything else related to their training that they do not have funding for.

Staff would like to create a Facebook page for the Full Circle program. It would provide a forum to announce grants and awards for the agency, and can announce LDCHA activities and opportunities. It will increase the visibility of the unique programs of the agency and

allow to cross-link with community partners' social media. The page will be restricted so that not just anyone can post on it.

The LDCHA has been notified that DCCDA has retracted its notice to end its lease and intends to keep its Positive Bright Start child care in the facility at Edgewood Homes. Additionally, they would like to convert Unit 160 from a therapeutic space to a regular classroom in order to expand the number of children they can accept. LDCHA is happy they will be staying and will work with Positive Bright Start to evaluate the cost and possible renovations that would permit licensing of this room. Chair Powers asked if there was any insight as to why they decided to stay. Ms. Oury replied that she believed they had wanted to move their office and classroom facilities closer together as well as add another classroom but had realized the cost would be too great at the location they were planning to move to. They will concentrate on creating another classroom instead.

B. Resolution 2017-14: Approve Revised "One Strike" Policy

Executive Director Oury explained that the agency has had a One Strike policy since the mid-1990s, which was encouraged by HUD in order to be able to quickly evict tenants for violence, or gang or illegal drug activity. However, some agencies were using an arrest without a conviction or other evidence as a reason to evict people. LDCHA already includes in its policy that an arrest alone is not sufficient grounds for eviction. Staff checks the Douglas County jail log daily. If a current participant has been arrested for a "One Strike" activity, they will be sent a notice of pending termination which says that they must come talk with staff to explain what is happening. Although this has been the practice of the LDCHA, the written policy did not make this procedure clear so the purpose of this revision is to lay out the steps which are taken by LDCHA, and also clarify that the tenant has the opportunity to explain before any eviction proceedings might take place. Once the tenant has explained and provided any documentation required, the agency will wait for any charging action.

Vice Chair Duran moved to accept Resolution 2017-14 as presented. Commissioner Paulsen seconded. The motion passed unanimously.

C. Approve Draft Public Housing Smoke Free Policy for Distribution for Public Comment

Executive Director Oury synopsised the origins of this new draft policy. It combines into a single policy the three former separate policies on smoking while on medical oxygen, smoking in LDCHA buildings, and enforcement, it incorporates the new 25-foot rule mandated by HUD, and includes the additional specifications decided upon by the Board at the last meeting. It will go into effect on July 31 of 2018, and the last paragraph stipulates that the current policies remain in effect until that date. It also specifies that the current policies will remain in place for Clinton Place and the other non-public-housing properties excepting Peterson Acres II.

Ms. Oury asked if the Board had any further changes it would like to make, or any questions. Vice Chair Duran asked about the distance at Babcock Place, and whether a previously discussed gazebo could be built. Ms. Oury said that nothing prohibited an enclosed area from being built, the only question was where since the 25-foot radius severely limited

the possible locations. By the dumpsters and next to the garden might be the only choice, since the other areas would be parking lots. Removing parking spaces is not an option. At Edgewood Homes it would be impossible to build a single sheltered location since the complex is so spread out that few people could comfortably walk to one. There had been a real effort made when the agency adopted its original nonsmoking policies to ensure that there was a sheltered location for all smokers, which worked well since the porches and balconies on all LDCHA properties have an overhang. The HUD mandate removes that possibility. The agency would like to provide a sheltered smoking area at all properties but it is cost prohibitive, and there is the issue of a shelter attracting extra residents who would sleep there.

Vice Chair Duran moved to approve the draft Smoke Free Policy for public distribution. Commissioner Paulsen seconded. The motion passed unanimously.

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

Executive Director Oury discussed in detail each of the changes proposed for the Admin/ACOP. One change is to the points assigned to elderly applicants to Babcock Place, which gives more preference to the age of the applicant since Babcock Place is designated as being for elderly residents. Another next change removes duplication on the waiting lists by dropping people from the list more quickly when they have turned down offers for a type of housing they do not want. This will keep the lists moving faster by ensuring people are not taking up space on lists for housing they do not want and will stay on lists for their housing preference. There is a change to bring the Admin/ACOP in line with the One-Strike policy. Ms. Oury specifically discussed the provision that adds disabling a smoke detector or alarm as a One-Strike offense. The policy for tenants who routinely pay rent very late is tightened because the agency has found that when it allows habitual late payment, the tenants will sometimes have an issue that causes them to miss payment on the last day of the month, and the agency will not accept rent payments in the next month.

Pat Benabe asked if other reasons for termination are brought up during Renter's Ed. Ms. Oury said that she has seen it brought up at the Renter's Ed classes she has attended. Ms. Benabe commented that she gets the impression there is very high turnover and that she thinks they do not understand they are on a program and must adhere to the rules. She said some also misinterpret kindness for weakness.

Ms. Oury also said that the One Strike and Smoke Free sections are updated to match the policies just voted on by the Board. The last change defines the new special vouchers created in 2016 as Transitional.

Vice Chair Duran moved to approve the draft Admin/ACOP changes for public distribution. Commissioner Paulsen seconded. The motion passed unanimously.

E. Discuss Operating Reserve Offset Litigation

Executive Director Oury explained that in 2012, HUD did a reserve offset where they required any housing authority that had reserves to use part of those reserves as operating

funds. HUD did not know the amount of reserves LDCHA had because up to that point it had not required reporting of the reserve funds. Several housing authorities sued HUD over this issue, but LDCHA did not participate because its MTW Agreement has a provision that states its funding is contingent on appropriations acts. The court did not agree, it said that the Annual Contributions Contract (ACC) trumps that, and the agencies that sued won their case. The LDCHA still has an ACC, and the court ruled that all agencies must be treated equally. Some housing authorities did not have enough reserves and they were not offset, but agencies that did were offset. Because of the ruling, LDCHA has the opportunity to participate in a second class action lawsuit to recover over \$100,000. The cost to participate would be \$3,000 for attorney's fees, which cannot be from federal funds. The agency's Lawrence Expanded Housing account has over \$300,000 in reserves, and they are not from federal funds so can be used for this purpose. If the class action suit is won, the funds returned would be Treasury funds and not from HUD, so they would be unencumbered.

There were questions from Chair Powers on the timing and the chances of success. Ms. Oury outlined the agencies who qualify for the suit and said that because of the large number of agencies and amount of money, an appeal might be likely. However, she thinks the ultimate chance of success is high.

Mr. Dunn asked a question for clarification on the source of the funding for the attorney's fees. Ms. Oury explained the Lawrence Expanded Housing reserves.

Vice Chair Duran moved to approve the payment of \$3,000 for attorney's fees for the litigation. Commissioner Paulsen seconded. The motion passed unanimously.

6. Calendar and Announcements

Executive Director Oury informed the Board that the LDCHA offices will be closed after noon on Friday, June 30 for the staff summer picnic and then all day Tuesday, July 4th for the Independence Day holiday.

7. Adjournment

There being no further items of business, Vice Chair Duran moved to adjourn. Commissioner Paulsen seconded. The meeting adjourned at 6:47 pm.

Chair

Secretary

Attest