

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

September 24, 2018  
5:30 p.m.

Babcock Place  
Meal Site

1. Call of Roll

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

Jamie Davison  
Maria Duran  
Wallace Meyer, Jr.  
Ellen Paulsen

Chair Powers was absent by prior arrangement. Also present were members of the public Pat Benabe, James Dunn, Paula Hunsinger, Annie Reed, Dava Spohn, and LDCHA staff members Beverly Hyatt, Ruth Lichtwardt, and Shannon Oury.

2. Approve Minutes of the July 30, 2018 Board of Commissioners Meeting

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

3. Receive Comments from Tenants and Public

Paula Hunsinger requested that the new computer lab stay open until 7 or 8 pm instead of being closed at 5 pm. Chair Duran said that it is locked by staff when they leave for the day. Executive Director Oury said she would ask the Babcock Place staff about the hours.

James Dunn said that one of his suppliers has informed him that all products he sells that come from China are about to have a 10% price increase because of the tariffs, but that also his U.S. made products are increasing in price by 10%. Ms. Oury commented that the agency might need to take that into account in its 2019 budgeting.

Mr. Dunn also spoke about an inspection which took place in one of his units, which failed due to several tenant-caused damages including the smoke detector being removed from the ceiling. He performed the repairs, and called in his electrician to replace the smoke detector since it is hard-wired. At the follow-up inspection, at which the tenant was present, the other repairs were intact but the smoke detector was found to be hanging off the ceiling by its wires. The inspector reattached the smoke detector. Mr. Dunn said the apartment was in rather rough condition with trash and other issues, and the tenant was barely functioning. He said that for tenants that were receiving mental health services, he would like to encourage the inspection staff to bring the tenant's third party case managers on-site at least for the second inspection so that they can witness in person what is going on

with their clients. Ms. Oury said that she thought that was a great idea, and that the agency has service agreements with several service providers. She said that she thought it would be possible at least for units that have failed inspection and that she will coordinate with staff to have that done.

4. CONSENT AGENDA

- A. Receive August 2018 Public Housing Financial Reports
- B. Receive August 2018 Clinton Place Financial Reports
- C. Receive August 2018 Section 8 / VASH Program Report
- D. Resolution 2018-21: Approve Amendments to the LDCHA Personnel Manual
- E. Approve Revised Minutes for June 25, 2018
- F. Resolution 2018-22: Approve Disposition of Broken and Obsolete Items to Electronic Recycling
- G. Resolution 2018-23: Approve 2019 Public Housing, Section 8 and HOME Program Utility Allowances

Mr. Dunn asked that Items 4C and 4G be pulled off for further discussion. Commissioner Paulsen moved to approve the Consent Agenda without Items 4C and 4G. Commissioner Davison seconded. The motion passed unanimously.

On Item 4C, Executive Director Oury reported that the final allocation for Section 8 / VASH is a proration of 99.745%, which is the highest allocation she has ever seen. There is now a currently projected surplus of about \$200,000 over what the agency budgeted for. The surplus funds will be expended, some as part of the 2019 MTW Plan which is presented in the regular agenda for approval. As reported previously, new Section 8 participants have been having more difficulty finding a unit to rent and it has been taking longer to get them leased up. For September, it appears that 727 out of 732 will be leased up, and there are still 47 vouchers on the street. Because LDCHA is an MTW agency, it is allowed to be over leased, and funds for the additional vouchers can come from the surplus. For the VASH vouchers, 43 of the 45 vouchers are leased up and two are searching for a unit. She pointed out some of the other voucher types. The agency hopes to be over leased. The goal for the surplus is to use it first on vouchers to lease people up.

Mr. Dunn asked if people seemed to be having problems finding an apartment since he as a landlord gets frequent calls. Ms. Oury said that the agency has seen a longer time period between households receiving a voucher and being able to find a unit. However, a former Americorps volunteer has been hired as a temporary employee to assist voucher holders in finding a unit, and the amount of time to lease up has been dropping since she came on board. Mr. Dunn said he would start referring people to her.

Item 4G is final approval of the new Utility Allowances, which were first brought to the Board at the July meeting. Since then notice has been given to and comments taken from public housing residents. Ms. Oury explained the process for determining the rates and how it is applied. Commissioner Meyer had several questions about the calculation, which Ms. Oury answered along with an explanation of the report supplied by Siemens. Ms. Benabe commented on how high her electric bill is and mentioned that a couple of lights

outside her building are out. Mr. Dunn commented on how several of his tenants under the “cold weather rule” have been hit with exceedingly high bills they were not expecting. Ms. Oury explained that it was likely due to the “budget billing” system, and explained the issues which been revealed about that. Due to this system, some people have had their utilities turned off in July when the temperatures were above 100 degrees. Ms. Benabe commented that the problem is worse because several of the utility assistance programs which used to be available no longer exist.

Commissioner Davison moved to accept Items 4C and 4G as presented. Commissioner Meyer seconded. The motion passed unanimously.

## 5. REGULAR AGENDA

### A. Executive Director's Report

Executive Director Oury informed the Board that the current Congressional funding expires September 30 and the 2019 HUD bill is held up with several others, so a continuing resolution is expected that will go until December 2.

The Board had previously granted permission to apply for additional Non-Elderly Disabled (NED) vouchers, and LDCHA was awarded 19, bringing the total number of its NED vouchers to 99. The new vouchers will be active January 1 and there are plenty of qualified applicants on the waiting list. Commissioner Meyer asked how many are on the waiting list and Ms. Oury said around 600. She said that while it was unlikely that the agency would be able to solve the affordable housing problem, her goal was to increase the availability each year, whether it was by 6 units at 1725 New Hampshire, or 19 new vouchers like this.

Ms. Oury reported that the initial paperwork has been sent to HUD to seek approval for the supportive housing units at the Bert Nash Behavioral Health campus, and that she has had an initial conversation with them. She said that one of the items required in the documents for HUD was a name for the project, so she had called it “The Cottages.” She informed the Board that when she had been researching the previous history of the property, she found that it had been owned by a local businessman named Green, whose brick factory had created the lake down the hill from the site, and that the lake was known as “Green’s Lake.” She asked for feedback from the Board on an official name for the project, saying that she had thought of either “The Cottages” or “The Cottages on Green’s Lake.” The Board liked the historical tie-in and enthusiastically approved “The Cottages on Green’s Lake” as the official name.

Ms. Oury said that there are several meetings scheduled with the architects, the City Development department, Planning Commission, and City Commission on this project. She said that when the project was first being considered, she did research on how design features could help to lessen the frustrations of the residents in mental health treatment. She spoke about having many pieces of built-in furniture and storage to make the most of the space, and to avoid having soft items because of the city-wide issue of bedbugs. She also had been assisting Bert Nash in its application for a Housing Trust Fund grant through KHRC, and it turned out that Bert Nash’s Tier II housing is not eligible because it

is temporary housing, however the LDCHA's project would be because it is permanent supportive housing. She would like to submit an application for a grant for the cost of the built-ins and asked for the Board's authority to do so.

Commissioner Paulsen mentioned that there are some new CLO grants available to build technology into special purpose developments, such as housing for seniors. Ms. Oury said that she would investigate that.

Commissioner Davison moved to approve a grant application be submitted for the cost of the built-ins. Commissioner Paulsen seconded. The motion passed unanimously.

Ms. Oury reported that the management review for Clinton Place has been successfully closed out.

Lawrence Douglas County Health Department received a grant from the Kansas Health Foundation in support of the Health for All Community Initiative, which is focused on single parent households located mostly in East Lawrence who face barriers to obtaining or maintaining employment. The Health Department hired a Community Liaison who is also a LDCHA participant and will be working out of the RSO office. This dovetails nicely with LDCHA's MTW goals. There were some questions from the Board, and Ms. Oury said that there will be a report on the results which will be brought back to the Board. There are several community partners working on various parts of the grant.

Ms. Oury discussed with the Board the issue of one-time lump sum merit increases for employees who are at the top of their pay scale. The current wage scale dates from 2006 and is in the process of being updated, but in the meantime there are five employees, herself included, who cannot receive merit pay unless the Board approves a one-time lump sum amount. Commissioner Meyer asked if since the wage scale is being updated, the employees could wait until the wage scale review is finished, when it would become part of their regular compensation. Ms. Oury explained that per agency policy, the Board is the only entity that has the authority to adopt a compensation package, and the current wage scale is what was adopted. The salaries also have to fall within HUD guidelines on reasonable compensation, which they do. The updated wage scale is expected to be brought to the Board with the 2019 budget. There was discussion among the Board regarding approving a one-time lump sum check versus a permanent raise, and staff was asked which employees tend to prefer. The answer was that while employees do like an annual one-time check, it is important for employees who are within five years of retirement to have a permanent higher salary for KPERs purposes. Commissioner Davison said that she was in favor of paying the one-time lump sum since it would cover the 5 employee's merit pay for 2018 and possibly part of 2017, and then for the Board to consider an updated wage scale with the 2019 budget.

Commissioner Davison moved to approve a one-time lump sum merit pay for the five topped-out employees. Vice Chair Duran seconded. The motion passed unanimously.

Ms. Oury discussed the issue which had previously been reported to the Board regarding the 2018 Capital Fund Grant and the unilateral and automatic changes to the Annual

Contributions Contract which would be compulsorily authorized once the agency begins drawing on the funds. The LDCHA has been working on the required documents to accept the grant but continues to delay drawing down the funds while it works with other agencies and HUD to resolve the issue. The MTW Steering Committee, on which Ms. Oury sits, sent a letter stating that it believes the new ACC violates the MTW Agreement. A meeting took place where HUD acknowledged the MTW agencies concerns but said they were still going to do it. There is a phone meeting with HUD scheduled for Friday.

Unfortunately, the current capital fund grant is almost expended and the LDCHA is going to need funds from the 2018 grant soon. The MTW Steering Committee has drafted another letter trying to reserve the rights of the agencies which are contained in the MTW Agreements, which was passed by Congressional legislation and states that changes must be mutually agreed upon. There were questions from the Board about the method that HUD is using to make the ACC changes, and Ms. Oury gave a brief history of the issues the MTW agencies had when the 10-year MTW Agreements were being negotiated with HUD in 2015-2016. She said that tying strings to the Capital Fund drawdown appears to be HUD's method of imposing the changes that they had attempted to make in the MTW Agreements but were not able to due to Congressional action. There was brief discussion about the failing HVAC units which must be replaced.

B. Discuss Construction of a Gazebo Located at Least 25 Feet from Babcock Place That Will Allow Use by Smokers

Executive Director Oury briefly reviewed the HUD rule which has been implemented which bans smoking any closer than 25 feet from any public housing building, and pointed out the likely placement of a gazebo for smokers outside Babcock Place. A tent has been temporarily erected on the lawn of the courtyard because it is so hot outside. Concrete has been poured in the area which had been identified as space for the gazebo. She summarized previous discussions on the gazebo and said that because an objection was raised by a resident after the last Board meeting, this meeting had been relocated to Babcock Place to help facilitate comment.

Annie Reed introduced herself and said that she had been unaware of discussions about a gazebo. She said that she had spoken with several residents who said they also had not known about it. She has been at Babcock Place since 2009 and the health concerns of second hand smoke have been an issue and thinks the residents should be allowed more input into the construction of a structure and the resources should be put into the garden which is a health improvement.

Vice Chair Duran said that she lives in Babcock Place and that everyone she has spoken to was aware a gazebo was going to be built, the only question was the location since it had to be 25 feet from the building. She has spoken to many Babcock residents about Board issues, including the gazebo.

Ms. Reed asked if HUD allowed the option of banning smoking entirely on housing authority properties. Ms. Oury replied that it was option under the HUD smoke-free rule, but the Board had chosen the 25-foot option because a total ban would force some into the

street and create safety concerns. Staff also believes that banning smoking on all Babcock Place grounds, which would include the parking lot and sidewalks, would likely drive people back to smoking inside their units, which would make the secondhand smoke issue much worse due to the building's ventilation system. It is very difficult to police residents who smoke inside their units because staff is not in the building 24 hours a day.

Paula Hunsinger asked about locating the gazebo on the south side of the building and Ms. Oury said the distance was not 25 feet so it did not comply. Ms. Hunsinger said she has regularly been bothered by the smoke, especially when the air conditioning was turned off.

Ms. Duran thanked Ms. Reed for her comments and asked if anyone else had any questions or concerns. Mr. Dunn said that this issue had been discussed for over a year at many meetings, that this was not a new issue. Commissioner Paulsen said that she had just counted up the number of residents in the chronology who had attended the various meetings around this issue, and there had been 34. Commissioner Davison said she appreciated Ms. Reed's comments and that the Board must see both sides. She does not want to discriminate against nonsmokers who objected but also did not want to discriminate against smokers who are engaging in a legal activity and complying with the rules. There was discussion about the expenses of building an enclosed area with ventilation, and the problem of keeping uninvited guests out of an enclosed area with a door.

Ms. Reed requested that the Board table a decision on a gazebo until they get more comments. She would be happy to share with the Board responses which she had gotten from the City and State although she did not get any comments from the County. Ms. Davison said that the Board was tabling a decision on a gazebo because Chair Powers had been unable to attend.

Ms. Reed said she had been astonished to see that the number of "strikes" had been doubled in the new smoke free policy before residents could be evicted for smoking in the building, that it takes far fewer strikes to evict someone for bad behavior. Ms. Oury explained that the 6 steps that it takes to evict smokers remains the same as in the LDCHA's original no smoking policy which banned smoking inside all buildings, implemented in 2011. The agency's goal is to get people to smoke outside of the building, but it does not want to make seniors homeless. LDCHA fully supports smoking cessation, and the Senior Coordinator has been sent to multiple smoking cessation trainings.

C. Resolution 2018-24: Approve the Use of Public Housing Reserve Funds for Replacement of HVAC Units

Executive Director Oury explained that all of Edgewood Homes and the scattered sites had HVAC units that were installed in 1991 and are past their useful life. Numerous units have recently begun failing. Additionally, the units are old enough that they still use Freon and so if they break they cannot be repaired but must be replaced. Due to the Capital Fund Grant issue which was previously discussed, the funds available to replace them are limited. Replacing the HVAC units using public housing MTW reserves has been included in the 2019 MTW Annual Plan.

Ms. Oury explained how the MTW single fund authority works and that after all obligations are subtracted, the agency has about \$1.7 million in unencumbered reserves. In response to several questions from the Board, she gave more detail about the number and estimated total cost to replace all the HVAC units. The reserves can be used to supplement what the Capital Fund cannot cover. She also discussed the cast iron plumbing stacks in Babcock Place, which have been developing cracks and were previously being replaced in piecemeal sections which was getting very expensive; the agency is now replacing the whole stack when a section fails, which costs more up front but saves a great deal of money over time. If a large number of the pipes develop cracks at once, it might be necessary to use reserve funds for the replacement costs.

Ms. Oury gave a detailed explanation of the options for funding large cost projects, which include the planned replacement of Edgewood Homes roofs, and the HVAC unit replacement which was not originally planned for, but with so many suddenly failing it quickly became obvious all will need to be replaced.

Commissioner Meyer said it could be helpful to have a list of items that could be projected to fail or need replacement in the future along with the options for funding. Ms. Oury gave a synopsis of the upcoming Capital Fund meetings with tenants, which tenants are highly encouraged to attend and to identify projects they would like to see funded, such as expanding the garden. Staff evaluates the age of items and prioritizes what is expected to need replacement, with items most likely to experience failure at the top of the priority list and working down from there. Ms. Oury cited several capital projects which had been recently completed based on the review, including the replacement of the Babcock Place roof and boiler replacement. The Babcock roof had been at the top of the list because of the high likelihood of catastrophic failure. She said that the new list will be drawn up during the creation of the upcoming 5 Year Capital Fund Plan. The current 5 Year Plan runs through 2019.

Ms. Oury said that in order to pay for replacing the number of HVAC units which are projected to fail by the end of the fiscal year based on the current rate of failure, the agency is asking the Board to authorize \$75,000 be used from public housing reserves now. Since the Board packet went out on Thursday, another unit has failed. Replacement cost is about \$4,000.

Vice Chair Duran moved to authorize \$80,000 be used from public housing reserves for HVAC replacement for the remainder of 2018. Commissioner Davison seconded. The motion passed unanimously.

D. Resolution 2018-25: Approve Submission of the LDCHA 2019 MTW Annual Plan and the 2019, 2018, 2017, and Final 2016 Capital Fund Performance and Evaluation Reports to HUD

Executive Director Oury explained that following public comment and with the failure of the HVAC units, the Plan has had two changes made since the last draft was reviewed by the Board. The changes are to Activity 13-1, where the \$1 million limit was removed,

and the use of public housing reserve funds was added under the “Sources and Uses of Funds” section to include up to \$500,000 for HVAC replacement. She gave the history of the original \$1 million limit in 13-1 and explained why it is no longer relevant, and pointed out the location in the Plan of the addition of the HVAC replacement. She reported on the public hearing and the comments which were received. The Plan must be submitted to HUD by October 15.

Vice Chair Duran moved to approve Resolution 2018-25. Commissioner Meyer seconded. The motion passed unanimously.

E. Resolution 2018-26: Approve Amendments to the LDCHA Combined Admin/ACOP Plan

Executive Director Oury synopsized the updates to the Admin/ACOP Plan. This is the third time these changes have been before the Board. It was commented on at the same public hearing as the 2019 MTW Plan.

Vice Chair Duran moved to approve Resolution 2018-26. Commissioner Davison seconded. The motion passed unanimously.

Commissioner Paulsen had a question about whether the age 50 or over exemption from the work requirement was a federal or a local rule. Ms. Oury answered that it was a local exemption which went back to the agency’s first MTW Plan. She gave the history and rationale for the policy as it had been explained to her by staff who had helped develop the first Plan.

F. Resolution 2018-27: Receive and Approve FFY 2019 Fair Market Rents and Adjust Payment Standards for Tenant Based Rental Assistance Programs

Executive Director Oury explained the Fair Market Rents (FMRs) and how they are determined annually by HUD. The LDCHA normally exercises its option to set its payment standard at 110% of the FMRs so voucher holders have an easier time finding a unit. The final notice from HUD will be issued October 1 but the Board must adopt the FMRs previous to that. If they change in the final notice it will be brought back to the Board.

Additionally, HUD adopted a new rule on flat rent several years ago. They need to be updated because they are based on the FMRs. She also explained the historical formula for determining flat rents for Babcock Place and Peterson Acres; the difference between those flat rents and other public housing flat rents is now so small that staff is proposing to make them the same.

Vice Chair Duran moved to approve Resolution 2018-27. Commissioner Meyer seconded. The motion passed unanimously.



6. CALENDAR AND ANNOUNCEMENTS

Executive Director Oury announced she will be out of the office September 26-Oct 1 for HADA and HAIG Conference in Colorado Springs, and that the Annual Team Celebration Lunch will be October 25 from noon–1:30 pm at the Lawrence Visitor’s Center. Commissioner Paulsen said she will not be able to attend the next meeting in person and asked if she could attend via Skype. Ms. Oury said that will be arranged.

7. Adjournment

There being no further items of business, Commissioner Paulsen moved to adjourn. Commissioner Davison seconded. The meeting adjourned at 7:31 pm.

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Chair

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Secretary

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Attest