

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

September 25, 2017
5:30 p.m.

Clinton 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
Bronson Star

Chair Powers had notified the Board he would arrive late due to heavy traffic. Commissioner Paulsen was absent with prior approval. Also present were LDCHA staff members Beverly Hyatt, Ruth Lichtwardt, and Shannon Oury.

2. Approve Minutes of the August 28, 2017 Board of Commissioners Meeting

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

3. Receive Comments from Tenants and Public

There were no comments.

4. CONSENT AGENDA

- A. Receive August 2017 Public Housing Financial Reports
- B. Receive August 2017 Clinton Place Financial Reports
- C. Receive August 2017 Section 8 / VASH Program Report

Commissioner Davison moved to accept 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 funding update news continues to be poor. A continuing resolution was adopted which extends funding through December 8th. However, it contains a "rescission" or across-the-board cuts on all domestic spending of .6791% for the last two months. So far the agency does not know how HUD is going to apply the cut. There has been indication that the November and December rescission will be applied in January for the Section 8 subsidy. There has been no information yet on the cuts on the public housing side but it will also be affected. There is a significant difference between the President's proposed budget and the Congressional budgets, and

some predictions have been made that there is such a disconnect in Congress that next year might be funded entirely by continuing resolution. Staff is expecting for 2018 to be a year of lower funding and is planning a very conservative budget.

Ms. Oury reported that HUD has finished conducting an on-site audit of the amount of Section 8 reserves which have been transitioned from agency accounts to an account at HUD. She provided a brief synopsis of the reason for the transition. The result of the audit was that the amounts which HUD showed should be transitioned and the amount the agency shows to have transitioned do match, so there should be no more offset. There will be one finding which has to do with the general depository agreement signed with the LDCHA's banks. There are minor amendments on the agreements because the banks would not accept the agreement without the amendments, but HUD says that no amendments are allowed. One of the auditors said that the amendments were among the most minor he had seen and suggested that the LDCHA request that HUD grant a waiver to allow the amendments. The other option is to do an RFP to try to locate a bank which will accept the general depository agreement without amendments. The agency will try the auditor's suggestion. To close the accounts from the current banks and withdraw the investments before their maturation dates could cost the agency a lot of money.

Ms. Oury gave background on the LDCHA's 2016 financial audit and called the Board's attention to the letter included in their packet from HUD which closes the finding from that audit. She explained the past difficulties with the fee accountant turning in the FDS too close to the deadline for the staff to review, and the resulting error that occurred last year. The LDCHA has renegotiated the fee accountant contract to specify that the FDS must be delivered to the agency with enough time to review the statement before submitting it, and the contract can be terminated if this condition is not met. This response satisfied HUD, which closed out the finding.

Ms. Oury mentioned that since July, there have been HUD monitoring groups visiting the office about every two weeks to perform a routine audit of one or another of the agency's programs. The next one she reported on was a management review of the HOPE supportive housing program. The period of the review was for 2016-2017, when both the HOPE supportive housing specialist and her supervisor were new in their positions and still learning, so the agency was expecting some issues. There turned out to be only three, on which Ms. Oury gave more detail. Findings 1 and 2 have been resolved to HUD's satisfaction. The third issue is that money which has been collected in rent and held in reserve needs to be spent down, so the agency is using some of it to expand the program by two people, who will be housed very close to HOPE House. She detailed the agency's plans to continue funding the additional participants even if future grants do not cover them.

Due to the participants coming from homelessness, HOPE House has also been experiencing a serious bedbug problem. One of the items proposed to be purchased with the excess funds is a machine which heats a room to kill the bedbugs. Ms. Oury explained that multiple chemical treatments had failed to eradicate the bedbugs. Commissioner Star asked about training for the employees who would operate the machine and Ms. Oury assured him they would be thoroughly trained. One employee already has some experience with these machines as well. The last large expenditure with the funds, if approved,

would be to purchase bicycles and accessories for the HOPE participants, which would allow them to be more independent.

Commissioner Star asked when HUD might reply on the proposed resolutions. Ms. Oury said the agency was hoping to hear by the end of the month.

Ms. Oury called the Board's attention to the copy of the memo by City Attorney Toni Wheeler which they had received in the Board packet. Ms. Wheeler had requested that it be stressed that she can only advise the City, its employees, and its advisory board volunteers, and cannot give legal advice to any other parties on the issues up for the special election in November. Ms. Oury said it is very clear that the LDCHA cannot use any of its funds to promote or influence the vote. She will likely be quoted in the paper frequently and she can supply facts on the local need for affordable housing but will not advocate that people vote for the ballot measure. The LDCHA is not allowed to use any of its funds for political activity, both per federal regulations and as an agency of the City and the County and with representatives of both on its Board. LDCHA employees are also not allowed to lobby or promote a position in their official capacity, although they can, for instance, place a sign in their yard as a private citizen. However, Ms. Oury expects that she will continue to be approached by local media, as has already happened, for interviews and information regarding the length of waiting lists, the funding that has been lost, and the agency's perception of the need for affordable housing. She will never advocate but will educate. She told the Board members that she will send them the current waiting list information etc. in case they also get approached for comment.

Ms. Oury gave an explanation on how the staff carefully studies weather forecasts and temperature predictions before choosing a date to begin the several-day process of switching the A/C or heating over at Babcock Place each season. In spite of all the preparations, unfortunately about 50% of the time there is a shift in the outside temperature which makes it uncomfortable for the residents during the switch. The long-time residents know to expect this but it often upsets the newer residents, and some have been known to contact Board members to complain. With the boiler replacement project nearing completion, the water system, including heating and cooling, could be disrupted for several days. Plenty of notice will be given to the residents. Each unit has a space heater so even if there is a delay, residents will not be completely without heat if there is a temperature drop. Ms. Oury gave a lengthy explanation of the process involved and spoke of her confidence in the staff involved.

Ms. Oury informed the Board that the agency has been awarded \$50,000 from Douglas County to continue the New Horizons transitional housing program, which is specifically for families with children at the Lawrence Community Shelter.

Ms. Oury told the Board that she is meeting with the project engineer at 326 Michigan Street to try to determine exactly where the sewer lines are, because they are showing in different locations on different documents. The LDCHA will not agree to any easement until the actual locations are determined.

The Journal World called Ms. Oury just before the Board meeting in regard to a large meeting taking place on Wednesday on the Crisis Center/affordable housing units. She

anticipates more publicity on the issue and will keep the Board informed of the outcome of the meeting.

Chair Powers joined the meeting at 6:11 pm.

B. Resolution 2017-18: Approve Submission of the LDCHA 2018 MTW Annual Plan and the 2018, 2017, 2016, and Final 2015 & 2014 Capital Fund Performance and Evaluation Reports to HUD

Executive Director Oury explained that the Plan as submitted is the same which the Resident Advisory Council had approved and the Board has already seen and discussed multiple times. There were no public comments during the public comment period. The Capital Fund Performance and Evaluation reports which are required to be sent to HUD with the Plan are the only addition.

Chair Powers moved to approve the resolution. Commissioner Star seconded. The motion passed unanimously.

C. Resolution 2017-19: Approve Amendments to the LDCHA Combined Admin-ACOP Plan

Executive Director Oury explained that these amendments have also been reviewed several times by the Board and was also up for public comment, of which none were received.

Chair Powers moved to approve the resolution. Commissioner Star seconded. The motion passed unanimously.

D. Resolution 2017-20: Receive and Approve FFY 2018 Fair Market Rents and Adjust Payment Standards for Tenant Based Rental Assistance Programs

Executive Director Oury outlined the process that HUD uses to determine the Fair Market Rents and explained that the LDCHA is required by HUD to have them approved by the Board. The agency is allowed to pay up to 110% of FMR and has done so every year except 2013 because the rents in the community are very high and it allows voucher holders greater flexibility in finding a unit. Unfortunately, the FMRs all went down except for 0 bedroom sized units. For the 0 bedroom units the increase will be instituted January 1 for current Section 8 participants and October 1 for new participants. The FMRs which went down will be instituted a year from now. The decrease was less than 1%, but it is labor intensive for staff because of the issue of having two different FMRs in use simultaneously. When the FMR went down in one other instance, they went up again before they were actually applied. Ms. Oury also explained that the flat rents will not change because they are set based on the FMRs and the change is so small.

Commissioner Star moved to approve the resolution with a 110% payment standard for the FMRs. Commissioner Davison seconded. The motion passed unanimously.

E. Receive Executive Summary of Abt Study: Testing Performance Measures for the MTW Program

Executive Director Oury informed the Board that this was for their information only. She provided background on the original study, of which the LDCHA had been part. This report was the follow-up. The report shows that the MTW program has been very successful overall, with the exception of disbursement of Section 8 vouchers. This likely can be attributed to the admission into the MTW program several years ago of several very large distressed public housing authorities such as Chicago. She spoke of the difficulty HUD has had in creating a nationwide standard for MTW agencies to have served “substantially the same” number of households, and that the measure is going to remain the same as a result.

6. Executive Session to Discuss Personnel Matters of Non-Elected Personnel

Chair Powers moved to enter into executive session for 20 minutes to discuss only personnel matters of non-elected personnel. Commissioner Star seconded. The Board entered into executive session at 6:32 pm

Commissioner Star moved to exit executive session. Commissioner Davison seconded. The Board exited executive session at 6:58 pm.

7. CALENDAR AND ANNOUNCEMENTS

Executive Director Oury announced that the annual Team Celebration Lunch would take place on November 9th, Noon - 2 pm. An invitation will be sent to the Board members.

Commissioner Star announced that due to a new Lawrence city policy, city employees can no longer sit on city-related boards. He is allowed to finish out his current term. Several people shared their disappointment that he will not be able to serve a second term.

8. Adjournment

There being no further items of business, Commissioner Davison moved to adjourn. Commissioner Star seconded. The meeting adjourned at 7:02 pm.

Chair

Secretary

Attest