

**Lincolnshire Apartments, Inc.**  
***Lincolnshire North Apartments, Inc.***

**Board of Directors' Meeting**

***MINUTES***

**October 15<sup>th</sup>, 2008**

A concurrent meeting of the Boards of Directors of Lincolnshire Apartments, Inc./Lincolnshire North Apartments, Inc. was held on Wednesday, October 15<sup>th</sup>, 2008 at 11:50 a.m. in the Board Room at Audubon Area Community Services, Inc.

***Board Members Present:***

Mr. Larry Conder\*\*

Rev. Jerry Manning  
Deputy Sheriff Jeff Jones

Mr. Mike Morton\*

\* Lincolnshire members

\*\* Lincolnshire North Members

***Staff Present:***

Ms. Sheila Boling, Housing Director  
Ms. Cheryl Calloway, Housing Manager  
Ms. Denise Marcum, Executive Assistant  
Mr. Byron Mayes, Chief Financial Officer  
Ms. Maryanne Mountain, Fiscal Manager

***Others Present:***

Mr. Charles Kamuf, II, Attorney

Chairperson Mr. Manning thanked everyone for being in attendance. Because there were two (2) new board members present, Mr. Larry Conder and Deputy Sheriff Jeff Jones, he asked everyone to introduce themselves. Introductions were made by everyone.

***Prior Meeting Minutes.***

Mr. Manning asked if everyone had a chance to look over the minutes from the last meeting of March 31, 2008. Mr. Morton asked Ms. Boling if HUD was still saying that properties could not charge for wasting of utilities. Ms. Boling stated that KHC reviewed the Lincolnshires' list of tenants' charges and did not comment on the charge when the monitoring was completed. Mr. Manning asked if there were any more questions. There were none.

*Mr. Michael Morton made a motion to accept the March 31, 2008 Lincolnshire Boards' minutes. Mr. Jeff Jones seconded the motion. Motion carried.*

***NEW BUSINESS***

**Kentucky Housing Corporation 2008 "HUD" Monitoring Report.** Ms. Boling distributed a summary to each board member for the monitoring review that she received from Kentucky Housing Corporation (KHC) that was performed by KHC in July 2008. She advised the members to look over the KHC reports and noted that the review was going to appear to be repetitious. The main thing that was going to clearly be different was the sections where KHC spoke to residents and/or visited their units.

***Lincolnshire Apartments Monitoring Report.*** Ms. Boling said that she would start with the Lincolnshire review, the property that has the 100 units. Under Section A.2., under General Appearance, KHC explained what they found on the outside of the property as the monitors were walking around. Everything that was written up as “findings” has, said Ms. Boling, been corrected and the verification of those corrections sent to KHC.

Ms. Boling went on to speak on some of the items. Topic “number 2” is security. The monitors broke their report down into drug activity and miscellaneous calls. Ms. Boling stated that there had been more police calls than what she had thought. There were 107 “miscellaneous” items just in Lincolnshire — and 186 recorded in Lincolnshire North.

Ms. Boling pointed out that under “resident interviews,” KHC didn’t have any tenant that they spoke to that had any problems as far as maintenance was concerned. Following that item in the report was “lease and occupants.” This is where KHC reviewed the House Rules, Tenant Selection Criteria, Tenant Damages policy ... and any legal forms that Lincolnshire has. This also includes any applicant’s files that the monitors actually went through and noted the “findings” that they found in each.

Ms. Calloway suggested that everyone look at the “general comments” at the very beginning of the “applicants and monitoring” section. She stated that Lincolnshire had to show the KHC monitors an e-mail from Mr. Bob Kunley, attorney for HUD, regarding screening of the applicants. Lincolnshire has in the past been through recurring issues with KHC about *their* definitions and requirements for the screening of the applicants which differ from HUD’s.

Mr. Kamuf explained that Lincolnshire sent a letter just over two (2) years ago because there was an issue concerning tenants on the waiting list where Tenant A applied before Tenant B. But Tenant B had all of the required information that was needed in order to move in and Tenant A had not yet provided the required information. And who gets to move in first? KHC previously wrote up Lincolnshire for not allowing Tenant A to move in first despite the applicant not having all of the required documentation. HUD’s attorney, Mr. Kunley, said that KHC was wrong on that point. Mr. Kamuf said that Mr. Kunley stated that Lincolnshire should be doing it the way that the staff is doing it.

Ms. Boling stated that KHC did *try* to write Lincolnshire up again for the same issue. Ms. Calloway said that she doesn’t know how to get around that. Ms. Calloway explained that if she has a vacant unit and applicant “B” is totally ready, has needed the money, and is ready to move in that from what she understands what KHC wants Lincolnshire to do is just keep applicant “B’s” would-be apartment vacant until applicant “A” decides they want to turn in their required information.

At the same time, Mr. Manning commented, Lincolnshire is written up because of vacancies. Ms. Calloway said absolutely! This is an issue that apparently is going to be ongoing and this is the second year that KHC has tried to cite Lincolnshire on this. Mr. Manning suggested having a lot of documentation to counter KHC’s issue. Ms. Boling stated that the agency does.

Ms. Calloway stated that some of the KHC-cited issued for Lincolnshire occurred because KHC staff had changed the time frame for response. Under the “corrective action required” were citations regarding missing student certifications, but Ms. Calloway said that she and others had showed the KHC monitors where the certifications were in the applicants file. But KHC had written them up anyway.

Mr. Morton asked if there was a time limit for an applicant to have all of the required information before the tenant could move in. Ms. Boling stated that Ms. Gail Nelson sends a letter to the applicant and the applicant has fourteen (14) days to get their information back in before they can move in or the applicant will be removed from the waiting list. Ms. Calloway stated that then a rejection letter was sent, which gives them a time limit to respond and come in to have a meeting with her. This is all done in a timely matter, she said.

Ms. Boling advised that on the next page there were some comments KHC made about Lincolnshire's application. Ms. Boling stated that her office puts on the top of the application of the date and time the applicant comes in. KHC wanted a space on the application for *time*, and that has been taken care of.

Ms. Boling further advised that on the Tenant Selection Criteria, there were some additional items that KHC wanted in the tenant Selection Criteria regarding social security cards, assisted animals, and student eligibility. Ms. Boling stated this has been taken care of too.

As of last week, Ms. Boling received another notice pertaining to revising the Tenant Selection Criteria concerning the *Violence Against Women Act*, which will include doing a new lease addendum and house rules.

***Lincolnshire North Apartments Monitoring Report.*** Ms. Boling advised the members to look on monitoring report pages 4, 5 and 6 of the 108-unit Lincolnshire North property. That report entails the files KHC went through and some of the KHC "findings" for Lincolnshire North. Lincolnshire North's report is not going to be much different than Lincolnshire's, she added. The only difference is who the KHC monitors talked to. All of the applicant processing selection and leasing will be exactly the same because it is the same for both properties.

Ms. Mountain asked what KHC was referring to when revising the application cover sheet concerning third-party verification. Ms. Boling stated that Lincolnshire has to get landlord references from the past three (3) years, and that is currently being done. Ms. Boling also stated that the application cover sheet is mailed off. KHC tried to cite Lincolnshire with the landlord references they saw in files stating that they were not good landlord references. KHC thought those references were from subsidized housing; they were ready to cite Lincolnshire for that.

Ms. Boling said there's really not much project staff can do if someone is elsewhere paying \$500 a month in rent and wants to make their case to go to *subsidized* housing. Lincolnshire assists those who cannot pay these rents, so the Lincolnshire properties really can't reject someone because they *can't afford* to pay \$500-\$600 in rent. Ms. Calloway stated that was why applicants come to subsidized housing, because they *can't* pay \$600 a month in rent.

**Vacancy Rates.** Mr. Manning asked how Lincolnshire was doing on the vacancies. Ms. Calloway informed the members that there were seventeen (17) vacancies as of two (2) hours previous. For Lincolnshire North, there were a total of thirteen (13) vacancies, and three (3) vacant apartments were presently ready to rent. Lincolnshire has a total of four (4) vacant units with one (1) apartment ready to rent.

Vacancies are a little higher now, said Ms. Calloway, but at one point recently Lincolnshire had no vacancies at all for about a week. Occupancy tends to go up and down, she said. Around August or September, vacancies tend to go up. For the one- and two-bedroom units, none of the applications are yet ready to move in, she said. Ms. Calloway stated she can't move anybody in when their paperwork is not ready. On the three-bedroom units, she has people that are ready to move in, but they are waiting on the apartments to be "maintenanced."

**2008-2009 Section 8 Contract Renewals.** Ms. Boling said that one final item was the FY2008 Section 8 expiring contracts. The FY2009 contracts for both properties were recently approved by KHC. She pointed out the differences between the 2007-2008 approved rents the 2008-2009's rents. A 1.03% cost adjustment factor was added to this year's rents. But remember, she said, this does not affect anyone residing in the units *unless* they pay full market rent, and there are three (3) tenants who pay full market.

Ms. Boling also advised the Boards that a notification letter for the 2009 expiring contracts must now be submitted to all residents in November. Yes, residents must receive a year-in-advance notice that these Section 8 contracts will again be expiring *next* November.

***Harvest Carnival.*** Ms. Calloway informed the members that Lincolnshire is going to have a Harvest Carnival instead of their normal Halloween party. Ms. Calloway explained, especially for the new members, that Burns Middle School has adopted the Lincolnshire apartments. Each year Burns does a “Halloween” event and an Easter party for children at these properties. But this year there was something with the funding of the Halloween event. Ms. Calloway suggested that maybe Lincolnshire could get together with the “City, Ghosts and Goblins” and possibly receive some funding. Instead of having “trick or treating” there will be a “Harvest Carnival” at Lincolnshire on November 1<sup>st</sup>, 2008. Ms. Calloway said that everyone was welcome to attend.

### ***OTHER BUSINESS***

Mr. Manning asked if there were any more questions. Mr. Manning asked Ms. Boling and Ms. Calloway to explain to the new members the purpose and mission of Lincolnshire and Lincolnshire North Apartments.

Ms. Boling stated that “Lincolnshire” is *two* separate Section 8 complexes. AACCS bought both properties in November 1995. Every person’s rent is based on 30% of their income. The apartments are monitored by KHC, although they supposedly monitored according to HUD regulations. HUD contracted KHC to do all of the “HUD” monitoring throughout Kentucky.

When AACCS first acquired the properties, there were two mortgages on each of the properties. Now, though, there is only one mortgage on each property.

Mr. Manning asked about the gas leaks situation noted by the Public Service Commission’s inspector. Ms. Boling stated that this issue had been taken care of and was fixed.

There was damage from the wind storm. The missing shingles have not been replaced yet. The insurance adjuster arrived this past Monday and wrote up the claim. Mr. Mayes asked if there was a deductible pertaining to the insurance policy. Ms. Boling said yes, but she doesn’t know what the deductible is.

Mr. Manning asked everyone if they wanted to add anything or had any questions. There were none.

### ***ADJOURNMENT***

*Mr. Morton made a motion to adjourn the meeting and Ms. Murphy seconded the motion.  
Motion carried.*

There being no further business,

*The meeting was adjourned at 12:30 p.m.*

Rev. Jerry Manning  
Chairperson