

WINNEBAGO COUNTY HOUSING AUTHORITY MINUTES

Tuesday, January 26, 2010

Marian Manor, 3:00 P.M.

COMMISSIONERS PRESENT: Mike Norton, Chairman
Rebecca Hackett
Karen Keller

STAFF PRESENT: Brad Masterson, Executive Director
Su van Houwelingen, Operations Director
Ruthi Griffiths, Finance Director
Kim Lynch, Executive Assistant

OTHERS PRESENT: Craig Ubbelohde, President, Lutheran Homes of Oshkosh, Inc.

- 1.) Chairman Norton called the meeting to order at 3:02 p.m.
- 2.) Chairman Norton directed the Commissioners to review the minutes of the regularly scheduled board meeting held on December, 30, 2009. There being no comments or questions, Ms. Keller moved, seconded by Ms. Hackett, to approve the minutes of the December 30, 2009 meeting. Motion carried 3-0.

3.) **Finance**

Mr. Masterson introduced the Board members to Ruthi Griffiths, the new Finance Director. Ms. Griffiths left an Oshkosh care business to join a mission oriented non-profit. Her prior experience began working with some special needs populations in Ohio where she held various positions as she worked her way up in non-profit and government finance.

a.) Accounts Payable

Chairman Norton inquired if there were any questions pertaining to the December accounts payable report that had been included in the packet. Ms. van Houwelingen reminded the commissioners that the format of the report was a little different because of the new Marian Manor checking account. There is now a subtotal for the Marian Manor account, a subtotal for the COCC checking account and a report total that includes both accounts. It was explained that the Wisconsin Public Service Corp. and the City of Oshkosh checks were for utility payments. When queried by Chairman Norton, Ms. van Houwelingen explained the Kelly Green Lawn Care was for lawn care services provided to the group homes, row houses and the Menasha office that are contracted out via the bidding process. This contract will be put out for bids again in the spring. Housing Authority staff usually handles the lawn care for the five buildings and the vacant family units.

b.) Review Audit FYE 06/30/2009

Ms. van Houwelingen stated that there were no findings that will be reported to HUD. However, the HA will always have an audit deficiency because both Brad and Su have keys to everything and the HA does not have a CPA on staff. This issue of segregation of duties will always be there because of the small size of the WCHA staff. Both Masterson and van Houwelingen are satisfied that the HA has done the best it could, with the resources it has, to divide up the duties. Regarding the supplemental bill in the amount of \$23,000 that was submitted by Collins and Associate, the HA sent a letter and an additional payment of \$4,000 of the \$12,000 that was being requested. To date there has been no response from the audit firm regarding the difference. Chairman Norton inquired if one of the auditors could attend a board meeting on a yearly basis to explain how the audits are being done and respond to any questions the board may have regarding the audit. Ms. van Houwelingen is looking into

changing the year end for all the programs to December 31 instead of having some December 31 and others June 30. It was further explained that usually the auditors come on site 60-90 days after the year end to do an audit. They are usually on site for about a week.

4.) **Report of the Executive Director**

a.) **Old Business**

i.) **Pleasant Acres Redevelopment**

Masterson distributed a draft of a letter that he proposes to send to County Executive, Mark Harris, making it clear that the HA is unable to commit to a lease for the Pleasant Acres property at this time. The letter also invites Mr. Harris to consider transitional moves to delay demolition of the building. Encouraging news was that architects, Brey and Associates, who had been working with the County on Pleasant Acres, took bids on a similar tax credit project in Sheboygan. Renovating the same square footage for assisted living brought a bid at \$4 million, which bolsters the position for preservation being affordable via tax credit redevelopment. However, attempting preservation brings operational cost and uncertainty the county isn't comfortable with and that risk can't be resolved until late 2010.

b.) **Public Housing**

i. **PHAS Revisited**

Mr. Masterson explained that on 01-12-2010 a HUD notice was published saying that because no final rule was published regarding the 2008 proposed rule for converting to asset management, the 2007 rule goes back into effect where MAAS becomes an issue again and the tenant surveys come back to name just a few. A waiver request can be filed because it would cause a hardship since the HA has already converted to asset management. The waiver must be filed within 30 days from the date of the notice. HUD may come out with a new rule, but for now everything is in limbo.

Masterson also wanted to mention that the HA has been notified by the City of Oshkosh about significant excavation the city will be doing in the Quarry Park area by Knapp Street, including behind South Park Group Home. Deep trenches need to be dug to remove the passive methane gas collection system which is being replaced by a more active system. It is believed, other than all the construction going on in the area, the work shouldn't negatively affect the property.

Mr. Masterson reported that the appeal that was submitted regarding the REAC inspections was denied. The pictures that were submitted were not sufficient. HUD wants more comprehensive evidence. IF you claim that an electrical box is behind a locked door you would need to film the door the lock and the path to the alleged hazard. The lesson learned here is that if the HA wants to appeal things in the future when scores are more than advisory a much stronger case will need to be made with more documentation including video.

ii. **Occupancy Report**

Mr. Masterson distributed an Occupancy Analysis report. At 97.5%, the OHA's occupancy rate is better than the WCHA's which is 91.3% overall. The vacant units at Foxview and Riverside, however, have not been taken off line yet even though the HA is not trying to fill them in order to be ready for the start of renovations. Masterson went on to answer commissioners' questions about occupancy standards.

iii. Menasha Forty Family Renovations Update

Mr. Masterson reported that the interior work on the phase one units will probably not be done by the end of January as was first thought. The problem that was encountered with the siding while the windows were being done will be revisited when the weather is warmer, the renovations are further along and the HA can more accurately determine how much money there is to work with. Some siding contractors have already contacted the HA to see if there services might be needed to finish up the renovations. Bids for the roofing, air conditioners and front porches will be discussed later in the meeting.

iv. PHA Annual and Five-Year Plans

Mr. Masterson requested the commissioners input on the Five Year Plan. There will be a public hearing on the plan at the March board meeting at which time the board will adopt the plan. Meetings have already been held for the residents at the buildings as well as the tenants in the family units. Masterson still needs to do a presentation at the Winnebago Housing Coalition meeting on Wednesday and then a public meeting will be held inviting the public at large to discuss needs, priorities, any policy changes and scheduling of capital improvements. By the February board meeting the full financial plan should be in place. When queried, Masterson explained that the OHA and the WCHA each have their own plan. Chairman Norton inquired if the last five year plan could be mailed to the commissioners so they could see what was on the last plan. Masterson explained that he would send them, but thought they wouldn't be of much use because the recent formats only had about five questions on them and there was not much info on them. Regarding financial spending, the WCFU renovations were estimated to cost approximately \$1.5 million with garages. It now looks like it will cost almost that without the garages. There is that much in the reserve account or the capital fund pipeline so the project looks to be on track budget wise. Therefore, the new five year plan money will presumably all be directed to the newer county family units as they have some needs as well.

c.) Assisted Housing**i. River Cities LLC Update**

Mr. Masterson reported that a survey had been sent to the residents to see if their priorities were the same as the HA's. Most of the resident's priorities were consistent with the HA's priorities. Resident support was 2-1 for trying to acquire the Omro city garage to use for Foxview's parking. The HA needs an answer from the City of Omro soon regarding acquiring the garage so it can be determined which land to survey and then send the results to the Stratford Group. Riverside residents were supportive of the HA's redevelopment plans. WHEDA now has hired a lawyer so that will help foster closing tax credit deals.

ii. Elevator Maintenance Contracting

Masterson reported that the new bids are 25% lower than the 2006 rates. The lower rates are most likely due to the modernization of several of the elevators which can now be monitored electronically. Four companies responded to the bid request. Otis Elevator was awarded the contract with the low bid of \$1876 per month for all five buildings.

d.) Housing Choice Voucher Program Update

Mr. Masterson stated that another 120 disabled application were pulled and processed. The program will still be about 20 short of the 413 eligible leases. Another 80-100 applicants will probably be pulled for processing. The actual program budget will not be known until late February or March.

e.) NSP and Home Buyer Programs, including Safe Act

Masterson stated that Mary Bach now has three new forms that she uses to support the fair lending legislation in the Safe Act. However, the other part of the Safe Act is the requirement for mortgage holders to establish escrow funds, millions of dollars of insurance, special training and specific licensing among other things. An e-mail was received from the Department of Financial Institutions indicating that they have agreed not to conduct any enforcement actions for a period of at least 30 days which ends at the end of January. So, there is a state, as well as national, effort to still find relief for government and non-profit entities from this legislation.

There are accepted offers on the Jefferson Street and Custer Ave properties in Oshkosh. The HA has closed on the Henry Street property in Neenah and will be selling it to a Homebuyer program client within the next few weeks. There is also an offer pending for a property on Scott Street which looks like it will be accepted. Masterson fielded questions from the commissioners about the NSP rules, options for spending the money and a new rule regarding the spending of program income. Masterson again reiterated that NSP money can only be spent on homes that have gone through the foreclosure process.

- 5.) Mr. Masterson presented Resolution 569-10. This resolution conditionally awards a contract for a project; conditionally authorizing and providing for the sale of bonds for the financing of such project; and providing for various further proceedings in connection therewith. Ms. Hackett moved, seconded by Ms. Keller to approve Resolution 569-10. Masterson stated that Lutheran Homes of Oshkosh was the only respondent to the ad that was placed for proposals from developers to build the needed housing a copy of which was in the Commissioners packet. Mr. Craig Ubbelohde, President and CEO of Lutheran Homes of Oshkosh, Inc., was present to answer any questions regarding their proposal. Motion carried 3-0.
- 6.) Mr. Masterson presented Resolution 570-10. This resolution approves a contract award for roofing, porches and HVAC replacement in the Menasha Forty Family Units. Ms. Hackett moved, seconded by Ms. Keller to approve Resolution 570-10. Masterson distributed a copy of the resolution and bid tab and proceeded to explain the bid tab and a bidding abnormality that had occurred. Motion carried 3-0.
- 7.) **Discussion**

a.) Affordable Housing News

Mr. Masterson called the Commissioners attention to the copy of a letter that was sent to President Obama by a number of Senators in support of a robust affordable housing budget. Despite a new proposal to put a freeze on non-entitlement spending, the HA's budget is still fairly stable at this time. There is capital fund money again in the jobs bill which has been approved by the House, but has not been taken up yet by the Senate. The final rent rule has been issued. However, most of the helpful items in the rule went away and the only thing left in the rule is changes in Social Security number and eligibility issues. A household is now eligible for housing assistance even though there are no legal adult citizen immigrants in the household. One eligible child is now enough for a household to be eligible, but the assistance would be prorated based on the number of eligible family members in the unit. So, the rent rule did not turn out to be as helpful as originally thought.

WAHA has contacted Mr. Masterson encouraging him to consider attending the legislative conference in Washington D.C. again. It appears that no one else, other than the Milwaukee delegation, from Wisconsin will be going. Masterson will consider it depending on what is on Congress' agenda and his March calendar.

Chairman Norton has a conflict with February's meeting and initiated discussion on future meeting schedules. It is proposed that the next meeting be on February 16, 2010 at 3:00 p.m.

There also appears to be a conflict with April's meeting. It was agreed to discuss an alternate date for April's meeting at the next board meeting.

- 8.) There being no further business or discussion, Chairman Norton called for a motion to adjourn. Ms. Keller moved, seconded by Ms. Hackett to adjourn the meeting. Motion carried 3-0. The meeting adjourned at 4:31 p.m.

Respectfully submitted,

BRAD J. MASTERSON
Executive Director
Winnebago County Housing Authority

APPROVED