

# WINNEBAGO COUNTY HOUSING AUTHORITY MINUTES

Tuesday, February 16, 2010

Marian Manor, 3:00 P.M.

COMMISSIONERS PRESENT: Mike Norton, Chairman  
Patty Maehl, Vice Chairman  
Rebecca Hackett  
Richard Schallert

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.  
Mary Bach, Community Homebuyer Coordinator

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1.) Chairman Norton called the meeting to order at 3:03 p.m.

<p><b>Public Hearing: Proposed Project and the Issuance of Bonds Therefore Regarding Lutheran Homes of Oshkosh Inc., Lutheran Homes of Oshkosh Rehabilitation Center and Green Houses, Inc.</b></p>
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2.) Chairman Norton opened the Public Hearing at 3:04 p.m. and invited comments and discussion. Chairman Norton called twice more for public input without a response. There being no response, Chairman Norton called for a motion to close the Public Hearing. Ms. Maehl moved, seconded by Mr. Schallert to close the public hearing. Motion carried 4-0.

3.) Chairman Norton directed the Commissioners to review the minutes of the regularly scheduled board meeting held on January, 26, 2010. Mr. Masterson explained that the garages for the WCHA Family units mentioned on page 3, section iv, of the January minutes may still be done some time in the future depending on funding. There are some sites that will not be able to accommodate garages due to the size of the lot and the placement of the dwelling structure on the lot. It was estimated that the cost would be about \$25,000 per garage. There being no further questions, Ms. Maehl moved, seconded by Ms. Hackett, to approve the minutes of the January 26, 2010 meeting. Motion carried 4-0.

Before proceeding to item four on the agenda, Chairman Norton introduced the new Finance Director, Ruthi Griffiths to the Board members who were not able to attend last months meeting.

4.) **Finance**

**a.) Accounts Payable**

Chairman Norton inquired if there were any questions pertaining to the January accounts payable report that had been included in the packet. The commissioners were reminded 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 Dish Network payment is for television services for Mainview and Court Tower. Mr. Masterson

explained that those buildings were not able to get cable service from Time Warner because the wiring is too old and leaks signal beyond FCC standards.

**b.) Quarterly Financial Report**

Ms. van Houwelingen presented the second quarter financial reports. There is nothing out of the ordinary that needs to be pointed out. The Section 8 program is still running at a bit of a loss. Due to new staff, the COCC will need to draw on reserves a little until new business is acquired or tax credit award money is realized. Commissioners were reminded to look at Net Operating before Depreciation to get a true picture of actual income over expenses. It appears that the Summit/Greenfield Profit & Loss Statement may have an error on it. Ms. van Houwelingen will look into it. Chairman Norton asked if a column could be added to compare the numbers to date to the actual budget. Ms. van Houwelingen went on to explain how the homeownership program works. The money for the program is expensed and then the HA gets reimbursed by the state. Ms. van Houwelingen also reported to the board that \$10,148.74 has been collected so far this year through TRIP which is the tax return intercept program.

5.)

**Report of the Executive Director**

**a.) Old Business**

Mr. Norton confirmed for Mr. Masterson that Winnebago County has approved \$700,000 to demolish the Pleasant Acres building. So, it looks like moving the HA offices to Pleasant Acres will not be an option.

**b.) Public Housing**

**i. Menasha Forty Family Renovations Update**

Mr. Masterson reported that a late bid for roofing, porches and HVAC replacement in the Menasha Forty Family Units was accepted in error. One of the bidders protested and the protest was upheld. So, the job will be sent out for bids again. The new bids are due back 02/26/2010 at 1:00 p.m. This job will be funded with stimulus money which must be obligated by 03/17/2010.

On April 1, 2010 a new rule will go into effect requiring a carbon monoxide detector on every floor of a rental unit. The larger buildings will probably be okay because the boiler room is a fire rated room and is separate from the residential facilities and probably won't need the carbon monoxide detectors except in that room or adjacent to the room. Exactly how the new rule will affect the family units is not known for sure.

**ii. Group Home Notice of Lease Terminations**

Mr. Masterson reported that the County notified the HA that it will be terminating the leases for two of the group homes, Pinel and Greenfield group homes. This is due to the changes in healthcare delivery and the new Lakeland Care District. The leases will terminate effective June 30, 2010. It will be up to the new provider to come to a new lease agreement with the HA if they want to continue to use the facility. Letters will be sent out to those agencies currently managing programs in the buildings letting them know that if they want to continue to run programs out of those buildings, they will need to be under a new lease by July 1, 2010.

**iii. South Park CBRF and Quarry Methane**

Mr. Masterson informed the board that the City of Oshkosh has now determined that South Park Group Home may be too close to the quarry. The engineering company working on removing the passive methane gas collection system and replacing it with a more active system, has done some methane testing and is now concerned about the proximity of the group home to the quarry. More testing will be done and the HA should

know by the end of March if South Park Group Home will continue to exist. The City could take the building under eminent domain and the HA would need to relocate the group home. Masterson will be working with Clarity Care, who runs the group home, to find alternatives.

**iv. Annual and Five-Year PHA Plans**

Mr. Masterson reported that the public meeting is scheduled for February 26, 2010 at 2:00 p.m. and adoption of the plans will be at the April 13 board meeting. There are still no real surprises for the WCHA Annual or Five-year plans. Once the Menasha units are done, just the air conditioner and window issue and a small roofing issue in the newer family units will need to be addressed. Therefore, the new Five Year plan money will presumably all be directed to those issues.

Mr. Masterson informed the board that the HA is shopping for new trucks again. The 1994 Chevy truck currently at Foxview and Riverside has pretty much been retired and the 1999 GMC truck can't really plow anymore because it overheats. The Force Account team is asking for a 3500 series truck with a V-plow on it. So, the HA will be shopping for those and then shift the other trucks around.

**c.) Assisted Housing**

**i. River Cities LLC Tax Credit Closing and Construction Planning**

Mr. Masterson reported that Ms. van Houwelingen is still working with Dimension Development and Stratford Capital on due diligence items. A new insurance application needs to be submitted because of a change to an LLC. To close, the HA will need a general contractor with a guaranteed maximum price (GMP). Using the current design plans, the project is currently one million dollars over budget without garages. The start of construction is targeted for the beginning of April and the project should be completed by the end of July 2011. The project doesn't have to be done until the end of September. So, there is a few months cushion there. It has been determined that a covered parking structure for Riverside is not financially feasible. The City of Omro has contacted Masterson and stated that they are interested in pursuing building a new garage which opens up the possibility for the HA to purchase the old city garage to use as a parking structure for Foxview. This is good news as resident support was 2-1 for trying to acquire the Omro city garage to use for Foxview's parking.

**d.) Housing Choice Voucher Program Update**

Ms. van Houwelingen stated that the number of issued vouchers is moving back up which is good. As of February 1, 2010, 382 of the 413 vouchers allotted to the HA have been issued. Intake meetings continue to be held in an effort to get more clients into the program. The Voucher Management System (VMS) that the HA is required to use for reporting, is now asking for net restricted asset information every month. This is another reason why the HA wants to bring the financials back in house as opposed to having them done by an accounting firm. Currently the HA doesn't have the necessary net restricted asset information to report it in VMS by the 22<sup>nd</sup> of each month when it is due. Masterson stated that he expects to hear by the end of the month what the monthly allotment of voucher dollars will be for the remainder of the year. Masterson and van Houwelingen responded to questions on how the voucher program works.

**e.) NSP/HBR Activities Update with Community Housing Coordinators (Mary Bach)**

Mr. Masterson introduced Mary Bach, President of Community Housing Coordinators, who contracts with the Housing Authority to run the Home Buyer Program. Mary is recognized by the state and nationally as one of the best resources on affordable home ownership, Masterson said. She has facilitated over 150 home ownership deals for the Winnebago County HA during the past eleven years. Mary is also an integral part of the NSP program.

Mary presented an overview of the Home Ownership Program. Clients must go through some home ownership education, be income eligible and be approved by an authorized lender. The HOME program, which started in 1991, provides support for down payment money and sometimes rehab money. The foreclosure rate for clients who go through our program has proved to be much lower than the foreclosure rate on mortgages in general.

The NSP program has been very challenging. There is 1.2 million dollars to spend in a short period of time and in a very limited area. There are many restrictions and regulations. The goal is to complete 21 deals in which 30% of the money must be spent on families who are at or below 50% of CMI. To date, four of the five houses that have been purchased have been spoken for by clients in the program.

Masterson continued saying that one of the problems that was discussed at the last meeting was regarding not being able to draw down on new money. The state was saying that program income from re-selling a property had to be spent first before any new money could be drawn. The State has since said that, though they won't let us draw down new money, they will count it as an obligation of new money. So, we will be meeting the goal of drawing down the 1.2 million dollars that was awarded and not suffer recapture of any of it. Masterson explained that the HA will start doing "land banking". This would eliminate the need to "blight" a neighborhood which opens up other problems. A proposal would need to be drawn up as to what the HA wants to do with the property, but we could then sit on it for years if necessary. With the properties that have been identified for potential land banking, it will bring the total number of NSP projects from five to ten. The HA will have until mid-August to obligate the money for the other eleven deals. The money must be spent by February 2013. Brad pointed out that Mary is a very good collaborator with clients, lenders and the cities. NSP has been a problem in the Neenah/ Menasha area. Potential properties are restricted to only three census tracts and the Fox Cities Habitat chapter has not been able to find any lots. So, unless things change drastically, it looks like the money that was allocated to them will be spent in the Oshkosh area. Mary Bach and Masterson fielded additional questions from the Commissioners about the Home Ownership and NSP programs.

- 6.) Mr. Masterson presented Resolution 571-10. This resolution provides for the issuance and sale of health care facilities revenue bonds (Lutheran Homes of Oshkosh, Inc Project). Ms. Hackett moved, seconded by Mr. Schallert to approve Resolution 571-10. Masterson stated a correction needs to be made to the resolution on page 4, section 5, line 7. The resolution should read ... officers of the Authority ..., not ... officers of the City ... It was also clarified that the bonds are strictly for building the new campus, not for the rehab of the old units at Bethel Home. Mr. Craig Ubbelohde, President and CEO of Lutheran Homes of Oshkosh, Inc., was again present to answer questions regarding their proposal. Motion carried 4-0.

7.) **Discussion**

**a.) Affordable Housing News**

Mr. Masterson reported that the new stimulus package does not include more NSP money. Outside of that, there is not much news. The new rent rule may be better than was first thought regarding how rents will be calculated. The staff had EIV training last week and it was clear that, in most instances, third party rent verifications could go away.

**b.) Computer and Office Equipment Replacement**

Masterson stated that the copier in the main office is pretty much at the end of its life. The repair people can't get parts for the unit any more because it's so old. So, as soon as the HA is able to get quotes, we will be purchasing a new copier. Also, Frank Tower will be assuming a new position and will no longer be able to take care of network issues for the Housing Authority. Advent Computers will take over doing our outside IT work. The Authority's computer system needs to be upgraded to Windows 7, the server needs to be upgraded to

Server 2008 and at least 2/3 of the work stations need to be replaced on the new operating system with a unified MS Office edition. Due to the growth of the agency, the HA is currently exceeding the number of Windows server licenses it has purchased.

The Commissioners were reminded where to find information on training opportunities. Masterson informed the Commissioners that the March meeting will be on March 16, 2010 at 3:00 p.m.

- 8.) There being no further business or discussion, Chairman Norton called for a motion to adjourn. Ms. Maehl moved, seconded by Ms. Hackett to adjourn the meeting. Motion carried 4-0. The meeting adjourned at 4:48 p.m.

Respectfully submitted,

BRAD J. MASTERSON  
Executive Director  
Winnebago County Housing Authority

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APPROVED