

WINNEBAGO COUNTY HOUSING AUTHORITY MINUTES

Tuesday, July 28, 2009

Marian Manor, 3:00 P.M.

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

STAFF PRESENT: Brad Masterson, Executive Director
 Su van Houwelingen, Business Manager
 Kim Lynch, Executive Assistant

OTHERS PRESENT: None

- 1.) Chairman Norton called the meeting to order at 3:05 p.m.
- 2.) Chairman Norton directed the Commissioners to review the minutes of the regularly scheduled board meeting held on June 23, 2009. Chairman Norton stated that he would like to thank the Housing Authority (HA) staff for the detailed minutes that are submitted each month. Chairman Norton appreciates the way they are done because if a commissioner cannot attend a meeting, reading the minutes gives them a firm idea of what was discussed at that meeting. There being no further comments or questions, Ms. Maehl moved, seconded by Mr. Schallert, to approve the minutes of the June 23, 2009 meeting. Motion carried 5-0.
- 3.) **Finance**
 - a.) **Accounts Payable**

Chairman Norton inquired if there were any questions pertaining to the June accounts payable report that had been included in the packet. Ms. van Houwelingen explained that the payment to MGM Business Systems is services and supplies for the copiers. The payment to Gartman Mechanical in the amount of \$59,315.00 was for engineering services for Mainview which is being paid for out of the capital fund money, not the operational money. The payment to Slavic Languages Group is for interpreter services. The first entry on page five is for the return of a security deposit. The Time Warner Cable payment is for cable services to Marian Manor. Suby Von Haden & Associates are the Marian Manor auditors. Bid requests will be sent out this year for auditors. Ms van Houwelingen went on to explain the payments for State Farm, PHADA and CAPMARK. Mr. Masterson explained that the first 14 entries on the report are for the 14 Section 8 contracts that were pulled out of the program and are being paid by the COCC. The most expensive payment is \$91.00.
- 4.) **Report of the Executive Director**
 - a.) **Old Business**
 - i. **Central Office Relocation**

Mr. Masterson reported that the Authority has not gotten a response from Focus on Energy regarding considering planned improvements to the Masonic Temple and a determination of the value or potential rebates. The HA could go ahead and move in and make the mechanical changes so there is proper heating and air conditioning and replace the windows when finances permit. It would still be a large investment and it doesn't address the concern of not having secure storage for equipment, trailers, plows

and such. Additionally, there is one other property that the HA is interested in and expects to visit in the next week. Chairman Norton inquired as to what the space needs and budget constraints are for an office. Mr. Masterson stated that close to 6000 square feet are needed for office space as well as additional space for storage. As far as the budget, there isn't a problem with coming up with \$300,000 and then taking out a loan for an additional \$300,000 that would be paid off over the course of a few years. One of the wild cards in all of this is because the Court Tower tax credits were surrendered, the HA will not see much of the developer fee until 2011. It is presumed that the deal will go through in 2010 and that fee alone would be sufficient to retire the Masonic Temple debt. It's primarily a cash flow matter of getting through 2010 and 2011 after which the debt should easily be retired. The developer fee for Foxview and Riverside is nearly a half million dollars, so both Authorities should be in a position to retire debt if that is a priority. When queried, Masterson explained that some of the big "box" stores out by highway 41 have not been a good fit for a COCC office. Since the HA is a "destination", the HA would not get much value from the visibility those properties feature nor suffer from those higher prices. Commissioner Schallert inquired if the St. Vincent de Paul property had been looked at. Mr. Masterson explained that property had been visited and the building that could be used as a storage and maintenance garage was a great fit. He has not had the time to investigate converting the barn to offices and hasn't heard a price from the owners.

ii. Quarterly Occupancy Report

Mr. Masterson stated that he didn't care for the Occupancy Report included in the packet because it didn't clearly reflect the actual occupancy information and the data may not be accurate. Masterson distributed another report that more clearly shows overall occupancy at 95.3%. At Foxview and Riverside vacancies are being allowed to occur so there will be some place to move people to when the renovations start. Ms. van Houwelingen explained that a special vacancy claim can only be requested for Foxview and Riverside. However, because the units are purposely being left vacant for the renovation and are not being marketed, those units are not eligible for a special vacancy claim request. Mr. Masterson and Ms. van Houwelingen entertained additional questions about the occupancy in the individual properties and how the subsidies are calculated.

Mr. Masterson stated that he would like to touch on a few other topics under old business. A summary sheet was distributed on the SAFE Act issue from the Department of Commerce. Masterson stated that he wanted to be sure that the issue was accurately and clearly explained. The Safe Act puts new constraints on mortgage bankers, brokers and loan originators which will prohibit some finance companies, as well as the Housing Authority's Home Buyer program, from writing mortgages effective January 01, 2010. Without relief from this rule, non-profit agencies and governments wouldn't be able to lend their HOME and HCRI money because they would be precluded from writing zero-interest deferred loans.

b.) Public Housing

i. Menasha Forty Family Renovations

Mr. Masterson explained that these units consist of two ranch style, accessible, units and the rest duplexes that were built in the 1980's. The last of the bidding anomalies has been fixed. Menard's backed out and wouldn't sign the federal contracts. After Pro Build put the missing items in their bid, they were several thousand dollars over Home Depot. So, they were not awarded the bid. Ultimately, the contract will be awarded to Home Depot with perhaps exterior doors being purchased through LaForce to accommodate the special mortise locks used at all HA properties. As soon as the architect is done redrawing the plans by bring the garages from the back part of the lot

up toward the front as attached garages, they will be submitted to the city of Menasha. The next step will be to get the bids out for the steel roofs and for the pouring of the concrete. The target for having the first tenant move into a finished unit is September.

ii. CFRC Applications Aborted

Mr. Masterson reported that there were four categories in the Capital Fund Recovery Competition Grants under which an application could be sent. Because the HA has five different eligible properties, it resulted in 20 possible applications that could be sent. The two applications that were developed the farthest for the County were for the Menasha 40 units, which are already in progress, and the 46 newer units. The 46 newer units were really the priority needing heat pumps and new windows. However, because new garages have already been built there three years ago, most of those yards couldn't get a well driller to the back yard to drill geothermal wells. Detailed completion of the application for the Menasha Forty required certifying either WCHA properties were a blighting influence on the neighborhood, or the neighborhood itself was blighted. Comparing the HA's properties to those adjacent to it, Masterson concluded it would be a stretch to say our properties were a blighting influence on the neighborhood. Neither the City of Menasha nor the residents would have supported a claim that the whole area was blighted. In the end Masterson concluded that sufficient funds were already allocated and adding "stimulus" funds based on questionable blighting influences couldn't be justified. So, no applications were submitted on behalf of the WCHA. Applications of \$4 million each were sent in for Court Tower and Mainview to start the replacement dwellings for disabled clients at Court Tower and at Mainview to add solar hot water heating, solar electrical generation and to complete the installation of the Mitsubishi highly efficient VRF system. A third application for \$277,500 was also sent in for Mainview. The outcome for these applications should be known by next months meeting.

c.) Assisted Housing

Ms. van Houwelingen informed the Board that, as of yesterday, the Affirmative Fair Housing Marketing Plans for Marian Manor, Cumberland Court, Foxview and Riverside have been approved by HUD. Staff has been working on these for several months. The auditors have sited us for the past few years for not having approved plans. Also, Ms. van Houwelingen has been working with Patrick Johnson, HUD – Milwaukee, on getting the Foxview and Riverside lease compliant with HUD's Assisted Housing model lease, which is required to be used. HUD did allow the HA to put an addendum on with some of our own requirements, but the lease is three pages longer due to HUD's mandates.

Ms. van Houwelingen and Property Manager, Anne, met yesterday with Pam Martin, Community Officer at the Neenah Police Department. In the recent past, the relationship between the Neenah PD and the WCHA was limited. WCHA and the Neenah PD are now working together. The HA will be working with the Neenah PD on their abatement program where if the police have to respond to a unit more than three times, the police department will notify the HA as the landlord of the situation so the HA can consider enforcement actions. The Neenah PD will also now be sending the HA reports each time they are called to one of the HA's units. Mr. Masterson added that when the HA does its PHAS reporting annually, the HA needs to certify that it is getting crime information as well as certify that each property manager is recording any eviction actions taken based on One-Strike for drug or criminal behavior. Mr. Masterson informed the board that there was an incident at Riverside in which the Winneconne Police were called regarding loaded firearms and drugs in one of the units. An eviction notice has been issued.

i. River Cities LLC**▪ Great Lakes Tax Credit Commitment & Fee Submission**

Mr. Masterson reported that there is a meeting going on today in Madison with Great Lakes Capital Investment who is the syndicator that has said they want to buy the River Cities LLC tax credits. Great Lakes is developing a Wisconsin only investors pool which they expect to close at the end of this month. So, the HA should know by the end of the month if Great Lakes has the money they intend for purchasing River Cities credits. At the next Board meeting in August, it is likely that another \$17,000 will need to be committed, but by then River Cities LLC will also have a firm commitment from Great Lakes. All of these fees that are paid in to WHEDA for the tax credit application and the reservation fees do not come back to us in any way, shape or form. They are development soft costs associated with putting the deal together and support WHEDA's allocation administration. WHEDA will not be used to get the construction loan as they are already at the limit of what they have to loan. WCHA is exploring loans at very favorable rates with the County Finance Director either incorporated in a bond issue or via the Commissioner of Public Lands.

▪ Elderly Only Qualification Confirmed

Mr. Masterson explained that HUD's definition of elderly only was 62 or older, but in 1992 HUD redefined elderly to include all disabled persons. At that time, WCHA filed for Foxview and Riverside to be elderly only buildings under the old definition. At some point after that, the WCHA had trouble keeping the buildings full with elderly only and HUD states that if you can't keep the building full with elderly only, you must open it up to other eligible populations including disabled persons. So, they did and now there are disabled persons under 62 at the buildings. In the Tax Credit application, River Cities LLC stated that the buildings would go back to elderly only and that the disabled persons under 62 would be given vouchers or other opportunities in the community. HUD did send proof that they did certify the buildings as elderly-only back when it was requested. However, HUD is now telling us that the HA needs to come up with rent rolls or other evidence that proves that in both January and October of 1992 there were no non-elderly residents living at the buildings. This kind of information can now be pulled from the computers, but the database only goes back to 1995. It is very unlikely that the information from before 1995 can be found because tenant ledgers are not kept beyond 7 years. This could create a problem for the tax credits if 1992 cannot be reconstructed.

d.) Housing Vouchers**i. HUD Waiver to Impose Reduction in Payment Standard Submitted**

Mr. Masterson stated that 14 people were moved out of the Section 8 program and into the COCC to ensure that the program does not go over the number of unit months allowed. A purge process has been started to clean up the waiting list and remove people who do not respond to the request for updated information. The waiting list is currently over 1000 applications. The HA's application for a waiver to reduce the payment standard is being denied per Dave Vargus in Washington D.C. Relying on their math, he thinks the HA will have enough money to make it through the end of the year. Brad will be calling Dave back to discuss the issue because the amount of money Dave says the HA has in net restricted assets is not what is there. According to the HA's records, the numbers that HUD is using is short by about \$80,000. If HUD corrects that error, the HA would have enough money to cover expenses. Last week, HUD did confirm that, based on the appeal that was sent in, the HA will be getting 100% of the money that it is entitled to. HUD was going to give the HA \$126,000 and now they will also give us the other \$126,000. Ms van Houwelingen added that Deb Rodriguez out of the Kansas City office suggested going back to 1995 and looking at

our records to compare numbers. Unfortunately, there are not enough hours and staff to do that. Mr. Masterson stated that HUD did approve the waiver for Madison to go from 110% to 90% of FMR. Mr. Masterson explained that if HUD would go to a two year rolling base, it would totally alleviate these annual budget crises issues.

- 5.) Mr. Masterson presented Resolution 558-09. This resolution approves the revised Pet Policy for Foxview Manor and Riverside Apartments. Ms. Keller moved, seconded by Ms. Hackett to approve Resolution 558-09. Motion carried 4-1.
- 6.) Mr. Masterson presented Resolution 559-09. This resolution approves the revised EIV Policy allowing retention of records for 3 years. Ms. Hackett moved, seconded by Mr. Schallert to approve Resolution 559-09. Motion carried 5-0.
- 7.) Mr. Masterson presented Resolution 560-09. This resolution approves the Neighborhood Preservation Program Contract Award. Ms. Maehl moved, seconded by Ms. Hackett to approve Resolution 560-09. Motion carried 5-0.
- 8.) Mr. Masterson presented Resolution 561-09. This resolution approves the reduction in the payment standard to 90% of Fair Market Rent. Ms. Hackett moved, seconded by Ms. Maehl to approve Resolution 561-09. Motion carried 5-0
- 9.) **Discussion**

Chairman Norton asked how the upcoming Family Care might impact the Housing Authority. Mr. Masterson explained that he hasn't kept up on all the details, but has directed the social workers to keep up as implementation nears.

a.) Partners Update – Congress, HUD, WHEDA, DOC/BOH

Mr. Masterson reported that Congress has passed a Housing & Transportation Bill. No details of the bill have come as of yet. Masterson believes that the bill was pretty strong about fully funding the Section 8 program for the first time in a few years as well as the operating fund, but the capital fund did fall off.

The WHEDA Multi-family Housing conference has been scheduled and the HA is looking to send several staff. The second round of tax credits has also been awarded. There has been no word on the fourth round of tax credits being reinstated. Ms. van Houwelingen mentioned that the HA doesn't plan on sending any staff to the WAHA conference in Superior this fall. There wasn't anything on the agenda for the fall conference that was outstanding. However, three staff members will be attending a three-day training in September in Chicago. Chairman Norton asked about any upcoming training for commissioners. Mr. Masterson stated that there may be some on a federal level and that he will watch for some.

The Department of Commerce is stretched trying to award the stimulus money. It was just announced that there is energy assistance money for multi-family housing. However, it is limited to buildings with more than 20 units in them. The HA doesn't have any buildings with this need that would qualify. A memorandum of understanding was passed at the state level between HUD and the Department of Energy that states that if a tenant lives in subsidized housing, they are eligible for weatherization services and do not have to go through all of the application hoops.

b.) Commissioners Orientation & Tour, Tuesday, August 4, 12:00 p.m. – 5:00 p.m.

Mr. Masterson distributed a tentative schedule for the training saying that the agenda was subject to change, but the day and time were not. Property Managers will also be invited to the orientation so the board can meet them and hear their perspective.

- 10.) There being no further business or discussion, Chairman Norton called for a motion to adjourn. Ms. Hackett moved, seconded by Ms. Keller to adjourn the meeting. Motion carried 5-0. The Meeting adjourned at 5:12 p.m.

Respectfully submitted,

BRAD J. MASTERSON
Executive Director
Winnebago County Housing Authority

APPROVED