

# WINNEBAGO COUNTY HOUSING AUTHORITY MINUTES

Tuesday, August 25, 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 3:02 p.m.
- 2.) Chairman Norton directed the Commissioners to review the minutes of the regularly scheduled board meeting held on July 28, 2009. There being no comments or questions, Ms. Keller moved, seconded by Ms. Maehl, to approve the minutes of the July 28, 2009 meeting. Motion carried 5-0.
- 3.) Chairman Norton then directed the Commissioners to review the minutes of the Joint Orientation & Tour meeting held on August 04, 2009. Chairman Norton and Commissioner Schallert both thought the meeting was outstanding. The commissioners in attendance enjoyed the tour and liked meeting other staff members. Both Su and Brad were commended on their presentations. There being no further comments, Ms. Keller moved, seconded by Ms. Maehl, to approve the minutes of the August 04, 2009 joint meeting. Motion carried 5-0.

#### 4.) **Finance**

##### **a.) Accounts Payable**

Chairman Norton inquired if there were any questions pertaining to the July accounts payable report that had been included in the packet. Ms. van Houwelingen explained that the payment to WHEDA in the amount of \$16,236 is for a tax credit reservation fee for River Cities LLC. The payment in the amount of \$1,336.50 to Omro Water & Sewer is a quarterly bill for Foxview.

##### **b.) Year End Financial Review**

Ms. van Houwelingen distributed and explained the fourth quarter financial statements. The commissioners were reminded that these are the year end financials for the programs. The balance sheet is a summary of each property's assets and liabilities. Ms. van Houwelingen pointed out that the assets exceed liabilities across all projects, which means the Authority has enough money to cover its debts. The Statement of Account shows the net operating income/loss before depreciation. Ms. van Houwelingen included in the summary sheets a column showing each property's numbers last year so, as requested, commissioners can see data for comparisons. This year the voucher program expenses out pace income, but that has been repeatedly discussed the past few meetings, and that is a calendar year program financially so accounts will come closer to balance as 2009 progresses. The 86 Family Units are doing better this year than last. The Authority's investments really haven't suffered much during the economic down turn because most investments were in bonds that hadn't fully matured or been called. Information on Capital Funds and the Home Ownership program is not given on these sheets because they are a wash. The money comes into the account and

then goes out. Ms. van Houwelingen went on to explain Restricted Reserves. For Public Housing, it is money that is set aside for modernization from Capital Funds. Foxview, Riverside and the group homes have Replacement Reserve payment requirements as part of the mortgage payments to fund the reserves for future replacement needs of the properties, and if there are any residual receipts (excess cash) at year end, this is also placed in Restricted Reserves. The Authority is not allowed to spend that money without HUD's permission. Masterson also explained that a payment in lieu of taxes is paid on all properties except for Cumberland Court. Generally, this payment is calculated by taking the rent minus the utilities, times 10%.

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

a.) **Old Business**

i. **Central Office Relocation**

Mr. Masterson reported that the Authority has toured the 1<sup>st</sup> Choice Insurance building that is for sale. The mechanical systems look to be in good shape. The downfall, however, is there is no additional room for storage. The asking price is \$629,000. The Authority also looked at another property near the city garage that would be great for maintenance. There is plenty of workshop area, room for equipment storage and vehicle parking with potential for records storage as well. Office space, however, is insufficient. The asking price for the property is attractive and land appears ample for an addition to make it work. The St. Vincent de Paul property is still an option. That property too is great for maintenance, but an old barn would have to be renovated for the offices.

b.) **Public Housing**

i. **Menasha Forty Family Renovations**

Mr. Masterson reported that Home Depot sent in a price change for the windows which will cause a delay. After taking the new price into consideration, Home Depot may no longer be the lowest bidder for the project. The Authority had a meeting with the city of Menasha resulting in a determination that the Authority properties have insufficient side-yard setback to build attached garages. So, the Authority has put building garages on hold for the time being. The City of Menasha has been cooperative and patient with deleting the garage plans and adding modifications for a half bath and removing the wall separating the living room and kitchen.

ii. **Public Housing Assessment Sub-System (PHAS) Report – FASS & MASS**

Mr. Masterson reported that the resident survey assessment went away and the Authority will no longer be submitting a MASS certification. The Milwaukee HUD office will schedule a visit and a team will come up to go through administration of the waiting list, rent calculations, income verifications, lease enforcement and the rest. Masterson also explained that this is not an official scoring year for PHAS, because it is a transition year to evaluation by Asset Management Project (AMP), not the Authority as a whole. Some internal audits were done to see how the Authority is doing and where adjustments need to be made. Building inspection data is still not showing up in standard reports, but can be found in specific searches. Ten points from RASS, which no longer exists, has been put into MASS. FASS, which is the financial assessment, is the only thing that will be submitted. Ms. van Houwelingen explained that the 2008 audited financials have still not been submitted due to computer issues at HUD. The 2009 un-audited financials are due by September 12, 2009. However, HUD is again changing the format in which it must be submitted.

**c.) Assisted Housing****i. River Cities LLC****▪ Great Lakes Tax Credit Commitment & Fee Submission**

Mr. Masterson reported that an initial \$32,000 reservation fee had already been sent in for the Foxview/Riverside tax credit deal as well as another \$16,000. A final \$16,000 will need to be sent in September. Brad will be meeting with Great Lakes Capital soon to confirm there are sufficient funds to follow-through on their commitment. A loan application was sent in today for stimulus derived TCAP money. The TCAP money will be used to make up the difference between what the Authority will be getting for the tax credits and what the Authority originally thought it could get months ago when it applied for the credits. The Authority doesn't want to walk away from this deal due to a gap in financing. Winnebago County has been supportive regarding helping the Authority get a new mortgage loan, as permanent financing must be in place to comply with IRS rules. There has been some juggling of the funding source and the timing of the loan to accommodate other borrowing the county is scheduling. County Executive, Mark Harris, and Finance Director, Charles Orenstein, have both been helpful and supportive, but the proposed financing will still need committee support and full County Board approval. The Authority will go to the County Board meeting in September and should have its answer before the WHEDA Sept. 30, 2009 deadline. The Authority will need a phase one environmental study, possibly a lead study and other due diligence as Great Lakes may require.

**▪ Pursuit of Elderly Only Designation**

Mr. Masterson explained that 13% of the residents at Foxview and 26% of Riverside's residents are not elderly. If the WCHA gets the Elderly-only designation, these residents will be required to relocate. However, they will be assisted in the transition and can expect to access vacancies in other properties owned by the Authority or utilize a Housing Choice Voucher to subsidize a non-Authority owned rental. Strong consideration will be given to going smoke-free in conjunction with the designation and renovations.

**▪ Lease Compliance Follow-up**

Mr. Masterson stated that the family of a resident who has not been lease compliant is now involved in the situation. The tenant was served a termination notice for the same violations he has been warned and written up for previously.

**d.) Housing Vouchers****i. HUD Waiver to Expedite Reduction in Payment Standard Approved**

Mr. Masterson explained that HUD approved the Authority's waiver application to reduce the payment standard for the Voucher Program. A copy of the approval letter was included in the commissioner's packets. The Authority insisted HUD take a second look after an initial rejection and HUD has now agreed that the HA will run short of money and may need to lower the payment standard. The numbers now seem to indicate that the payment standard may only need to go to 95%. A letter will be sent to all tenants announcing the change if it is determined necessary. Presumably, payment standards will be raised back up to 100% in January 2010. Ms. van Houwelingen added that HUD has now recognized that they didn't count the mid-month payments from January thru June 2009. The HA is not in this boat alone. Many agencies are fighting these same battles. A purge of the waiting list, as HUD requires, is in process. The waiting list had over 1100 applications and 662 purge letters were sent out. Of the

letters that were sent, 255 applicants responded and the 407 that did not respond are being inactivated.

- 6.) Mr. Masterson presented Resolution 562-09. This resolution approves the Section Eight Management Assessment System (SEMAP) Certification. Ms. Hackett moved, seconded by Ms. Maehl to approve Resolution 562-09. Motion carried 5-1.
- 7.) Mr. Masterson presented Resolution 563-09. This resolution approves River Cities, LLC construction loan borrowing. Ms. Hackett moved, seconded by Ms. Maehl to approve Resolution 563-09. Motion carried 4-0 with one commissioner absent during the vote.
- 8.) Mr. Masterson presented Resolution 564-09. This resolution approves contract awards for professional services to Schwab Realty, Berry Appraisal Services and Community Housing Coordinators. After noting the correction of the meeting date at the end of the resolution, Ms. Maehl moved, seconded by Ms. Keller to approve Resolution 564-09. Motion carried 5-0.
- 9.) Mr. Masterson presented Resolution 565-09. This resolution approves the Section 3 Policy Update. Mr. Masterson explained that the Section 3 Policy encourages the Authority and contractors to hire low or very low income residents at training wages to help provide job training, employment and other opportunities. After noting a correction on page 1, paragraph A, of the policy to state “. . . Act for 1968 . . .” instead of 1668, Ms. Maehl moved, seconded by Mr. Schallert to approve Resolution 565-09. Motion carried 5-0.
- 10.) **Discussion**

**a.) National, State & Local News Related to Affordable Housing**

Mr. Masterson distributed a chart from NAHRO showing the status of FY 2010 Appropriations for selected HUD programs. Masterson pointed out that the funding for Capital Funds is going down, but in light of a second stimulus award last year the retreat is modest and reasonable. SEVRA had a hearing and when congress comes back into session this fall, Masterson expects they will probably get something passed.

The NSP contracts have finally been offered, executed and returned to the state. The state also agreed that, for NSP purposes, the WCHA would not be a local government, but a non-profit. Masterson reported pushing hard for that policy which now permits each individual project to be environmentally assessed without having to contract for a County-wide environmental assessment of the NSP program impact. The WHEDA conference has been scheduled for October and several staff members are scheduled to attend.

Mr. Masterson informed the Board that the Salvation Army is doing a Community Needs Assessment and he has been providing data and opinion to their consultant.

**b.) Redevelopment Timetable**

Mr. Masterson distributed and explained a flow chart showing the timetable for the many redevelopment projects. He spoke to keeping the Force Account Support Team (FAST) busy with improvements and demonstrating the significant administrative funds anticipated to support all the work. Masterson further explained the need for two new positions, that of a construction manager and a finance manager. As shovel-ready deadlines near, he sought and got approval to advertise both positions so the Authorities can begin screening talent and be ready to hire as the projects come to fruition. Masterson expressed a willingness to lead and administer all the renovations, but indicated a strong interest in a leave of absence sometime in 2009 or 2010 before becoming engulfed in the multi-year projects. He said, the two new management positions and shifting Ms. van Houwelingen's responsibilities would cover the interim period and aid succession planning. Commissioners agreed a joint meeting should be scheduled with both Boards to explore and consider any extended leave.

- 11.) There being no further business or discussion, Chairman Norton called for a motion to adjourn. Mr. Schallert moved, seconded by Ms. Keller to adjourn the meeting. Motion carried 5-0. The Meeting adjourned at 5:25 p.m.

Respectfully submitted,

BRAD J. MASTERSON  
Executive Director  
Winnebago County Housing Authority

---

APPROVED