

# WINNEBAGO COUNTY HOUSING AUTHORITY MINUTES

Wednesday, July 24, 2012

Marian Manor

3:00 P.M.

COMMISSIONERS PRESENT: Mike Norton, Chairman  
Scott Waterworth  
Richard Schallert

STAFF PRESENT: Brad Masterson, Executive Director  
Su van Houwelingen, Deputy Director  
Lee Franzen, Operations Manager  
Kim Lynch, Executive Assistant

OTHERS PRESENT: None

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- 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 26, 2012. There being no questions or comments, Mr. Watterworth moved, seconded by Mr. Schallert, to approve the minutes of the June 26, 2012 meeting. Motion carried 3-0.

3.) **Finance –**

**a.) Accounts Payable**

Chairman Norton inquired if there were any questions pertaining to the June accounts payable report. Masterson noted that the program names; Marian Manor (MM), Housing Authority General Fund and River Cities Redevelopment (RCR) are on the top of the pages indicating which program paid the invoices. Masterson & van Houwelingen responded to various questions regarding the accounts payable. The payment to BelPro Fire Specialists in the amount of \$1,186.17 is for the annual fire systems service and inspection contract for Foxview and Riverside.

**b.) Quarterly Occupancy Report**

Masterson presented the Quarterly Occupancy Report and responded to questions. The report covers the time period 04/01/2012 to 06/30/2012 for both the OHA and WCHA programs. During that time, Foxview had an occupancy rate of 97.423%. Riverside's occupancy rate was 98.937%. As of the date of the Board meeting both buildings are fully occupied. Masterson noted that the Menasha – 40 Units is showing an occupancy rate of 97.123%, but there are six units off line for modernization so it only shows 34 units for that project. The overall occupancy rate for all programs is 94.4% as of 06/30/2012. Masterson and van Houwelingen responded to questions regarding maintenance coverage for the different units.

**c.) Municipal Derivatives Class Action Suit**

Masterson stated notification was received of a Class Action Suit that was filed on behalf of numerous state, local, and municipal governments and their agencies (Plaintiffs) against several entities involved in Bond transactions from January 1, 1992 through August 18, 2011. The Oshkosh Housing Authority is among the plaintiffs that could receive money in a settlement. The suit alleges, among other things, that the Defendants violated federal antitrust laws by conspiring to fix, maintain or stabilize the price of municipal derivatives and by rigging bids and allocating customers and markets for municipal derivatives. Listed among the Defendants are AIG Financial Products Corp.; GE Funding Capital Market Services, Inc.; Genworth Financial Inc.; JP Morgan Chase & Co.; Bear, Stearns & Co., Inc.; Lehman Brothers

Inc.; Merrill Lynch & Co. Inc.; Morgan Stanley; Wachovia Bank N.A.; Piper Jaffray & Co.; and Bank of America N.A.

Municipal derivatives are used to invest the proceeds of municipal bonds. Because municipal bonds commonly fund multi-year public works projects, most of their proceeds cannot be spent immediately, and must be invested to earn interest until they can be used. As a result of the alleged price fixing, the plaintiffs were deprived of extra money they otherwise would have received from their municipal bond investments that could have spent on their projects.

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

**a.) Assisted Housing**

**i. River Cities Redevelopment**

▪ IRS 8609's Executed and Filed

Mr. Masterson stated that the IRS 8609 Forms have been completed and sent in.

▪ Final Major Stratford Submission

Ms. van Houwelingen still needs to present a financial report showing three consecutive months of positive cash flow. The June financials are needed to complete the report. Stratford will not release the final \$1 million until they receive the report.

▪ Garages

Mr. Masterson reported there is now an exhibit that states the Riverside garage aprons are not in the right of way and are not subject to the revocation of "Privilege in the Street".

Mr. Masterson stated more information has been learned regarding the issue of the Riverside property possibly being on an Indian burial site. The Authority has a case number on what was found when the building was originally built and an assessment of it. A plan will need to be in place before excavation begins as to what steps will be taken if anything else is found during excavation for the Riverside garages. If more remains are encountered, the tribe will be contacted as well as an archeologist/ anthropologist from the state.

Lease terms with the City of Omro for the Omro garage have not yet been finalized. The lease will probably be for a percentage of the rent increase approved by WHEDA as a result of garages being offered. The rent increase is expected to be in the neighborhood of \$30 - \$35 per month per unit.

**b.) Public Housing – Menasha Storage Units Rentals**

Mr. Masterson stated pricing for renting storage units has been researched. The Authority is on the waiting list for a variety of different sized storage units. The units need to be used to store the materials needed to finish the rehab on the Menasha 40 units. Masterson responded to questions about the storage units.

**c.) Housing Choice Voucher Program – Court Tower Transfers**

Mr. Masterson reported the Authority is still holding several vouchers for use by Court Tower tenants that need to be relocated when construction begins. HUD has not given approval for the relocation plan yet. The Special Applications Center (SAC) application has not been sent in yet because the details are still being finalized. A relocation meeting with Court Tower residents is being held tomorrow. A voucher briefing has been tentatively set up for August 3, 2012 for those residents who request a voucher. Masterson & van Houwelingen responded to questions regarding vouchers and the Court Tower rehab.

**d.) Regional CDBG Update – Three Counties Yet to Consider**

Mr. Masterson stated that Brown County has passed the draft plan without any changes last week. The draft version that was circulated now needs to be passed by Winnebago County as well. It's on the agenda for the next Winnebago County Board meeting. The State prefers that money be spent on owner occupied rehab projects. Masterson disagrees with that focus and plans to push for distribution via the school districts to use for helping the homeless families they identify. There is an all-day meeting scheduled for August 15, 2012 in Brown County to start working out the details of the program.

**e.) Rental Housing Demonstration Program**

Masterson explained that the Rental Assistance Demonstration (RAD) program is a demonstration program designed to test the conversion of public housing and other HUD-assisted housing to long-term, project-based Section 8 rental assistance. The purpose of the program is to enable property owners to access debt and equity markets and to test how property is affected by increased housing choices for residents after conversion. Under RAD, the public housing properties would be taken out of inventory and converted to either to project-based Section 8 vouchers (PBV) or project-based rental assistance (PBRA) Section 8 housing assistance payment contracts such as those administered by WHEDA Multi-Family. An independent firm conducted a study of the program at the request of industry groups such as Housing Authority Insurance Group (HAIG), NAHRO and PHADA. The study is somewhat skewed toward larger housing authorities. Preliminary results do not show that the program would be of much benefit to the Oshkosh or Winnebago County Housing Authority. HUD would need to make some serious positive commitments to funding to make the program work.

Before proceeding to the resolutions, Chairman Norton inquired about the progress in finding a new resident commissioner for the Board. Masterson stated he is in the process of interviewing prospective candidates. A recommendation should be ready to go to Mark Harris by the end of next week.

**5.) Resolution 607-12: Adopt Revised Admission and Continued Occupancy (ACOP) and Voucher Administrative Plan Regarding Denial of Admission for Drug Related, Violent and/or Other Criminal Activity.**

Mr. Masterson presented Resolution 607-12 which would approve the revision of Chapter 2, "Eligibility for Admission" of the ACOP. The changes would allow minor offenses to be judged less harshly than they are under the current policy. Masterson stated the new policy would more closely follow community standards. Current sanctions exceeds those typical of the courts. After the changes to Chapter 2 of the ACOP were reviewed and discussed, Mr. Schallert moved, seconded by Mr. Waterworth to approve Resolution 607-12. Motion carried 3-0.

**6.) Resolution 608-12: Adopt Increased Security Deposits for New Admission to Public Housing.**

Mr. Masterson presented Resolution 608-12 which would approve increased security deposits for new admissions to public housing. Masterson reviewed the resolution stating that frequently current security deposit amounts were insufficient to cover damages. Tenants will continue to be allowed to pay the security deposit in installments to ease the financial burden on low income families. Foxview and Riverside are exempt from these proposed limits because they are under different regulations. The change only applies to public housing units. After a brief discussion, Mr. Watterworth moved, seconded by Mr. Schallert to approve Resolution 608-12. Motion carried 3-0.

7.) **Discussion – Implementation of Increased Flat Rents for Public Housing**

Masterson explained that HUD's invention of flat rents was an effort to decrease paperwork because it required a re-exam only be done once every three years instead of annually. Flat rent amounts were last set in 2006. The upcoming Annual Agency Plan will include the intention to increase flat rents by probably a minimum of \$100 per month.

Mr. Masterson informed the Board of the passing of Joan Lauby who was the Section 8 inspector for the Authority until her illness last fall. The Authority staff planted a tree dedicated to her memory at the Menasha office.

Masterson reported that one employee was taken to the hospital, but was able to return the following day without new restrictions. Another employee has aggravated a previous injury and is currently on light duty work. The employee that suffered a finger injury is now back to regular duty.

8.) **Adjournment:**

There being no further business, Chairman Norton called for a motion to adjourn. Mr. Watterworth moved, seconded by Mr. Schallert to adjourn the meeting. Motion carried 3-0. The meeting was adjourned at 4:00 p.m.

Respectfully submitted,

BRAD J. MASTERSON  
Executive Director  
Winnebago County Housing Authority

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APPROVED