

WINNEBAGO COUNTY HOUSING AUTHORITY MINUTES

Tuesday, November 01, 2011

Marian Manor, 3:00 P.M.

COMMISSIONERS PRESENT: Mike Norton, Chairman
Richard Schallert
Scott Waterworth
Karen Keller (Arrived during meeting)

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

OTHERS PRESENT: None

- 1.) Chairman Norton called the meeting to order at 3:06 p.m.
- 2.) Chairman Norton directed the Commissioners to review the minutes of the regularly scheduled Board Meeting held on September 27, 2011. Masterson responded to questions regarding the Community Center that is included in the proposed River Crossing Highlands apartment building. It is Masterson's experience that seniors who reside in a building other than the apartment building where the community center is located may not feel as welcome and are therefore are reluctant to participate at the community center. Masterson believes senior centers in neutral locations are typically more successful. There being no further questions or comments, Mr. Schallert moved, seconded by Mr. Waterworth, to approve the minutes of the September 27, 2011 meeting. Motion carried 3-0.
- 3.) **Finance –**
 - a.) **Accounts Payable**

Chairman Norton inquired if there were any questions pertaining to the September accounts payable report. Ms. van Houwelingen noted that the total payables were high due to a large payment to PROBuild in the amount of \$486,298.56 for materials for the Mainview renovation.
 - b.) **2012 Public Housing Budget**

Ms. van Houwelingen reviewed the operating budget for fiscal year ending December 31, 2012. The budget prepared for this meeting is for the Public Housing program only. The remaining budgets will be presented at the next board meeting. Operating Subsidy calculations for 2012 for Public Housing were due into HUD this last Friday and HUD Milwaukee requires a Board Resolution on the budgets. The resolution will be presented later in the meeting. Due to the current fiscal year being 18 months, it will be a bit confusing when trying to compare this year's numbers to next year's proposed budget. Ms. van Houwelingen pointed out that the budgets now include a calculation for a vacancy allowance which will decrease income. Salaries and benefits change notably but offset each other with changes in compensation, retirement and medical insurance in compliance with Wisconsin Act 10 and local discretion. Ms. van Houwelingen continued on to explain that the "Total Non-Routine Expenditures" is up proactively to avoid any potential HUD recapture of program reserve funds that were set-aside for the Menasha renovations. Masterson explained that HUD's actual rules came out and based on that information of the \$1 million at risk for the WCHA, HUD will take \$183,000. Their recapture is limited to one year of Operating Fund subsidy and HUD's offset will simply occur by not providing any subsidy for 2012. Thus the Authority will have to

draw on reserves to cover operating costs during the year. Small housing authorities like the WCHA have fungibility, the authority to move money between capital costs and operating costs without any justification to HUD. It has been the contention of many in the housing industry that HUD cannot legally recapture that money. If a class action suit were brought against HUD on behalf of small housing authorities, Masterson would not be averse to joining in the suit. However, if Congress passes a law requiring HUD to recapture the money despite fungibility, as they are expected to do, a challenge would be difficult. The reserves of the Oshkosh Housing Authority were less than 4 months operations and it wasn't penalized by the recapture provisions.

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

Masterson reviewed the Quarterly Occupancy Report that was included in the packets. The numbers include the units that are currently vacant due to the renovation projects. Regarding the waiting lists, Masterson reported that the number of applicants on the waiting lists breaks down as follows: 250 on the Family Units waiting list; 201 on the Cumberland Court waiting list; 877 on the Section 8 waiting list; 22 on the Court Tower waiting list; 106 on the Mainview waiting list; 14 on the Marian Manor waiting list and 3 each on the Foxview and Riverside waiting lists. Commissioners were reminded that most applicants are on more than one waiting list.

a.) Assisted Housing

i. River Cities Redevelopment

▪ **Riverside Landscape and Parking Plans**

Mr. Masterson received the plans today for the new east entrance at Riverside. The landscape plans have not yet been received. There look to be no serious approvals needed for the parking plans. Hopefully the slabs for the garages can be poured yet this year.

▪ **Leasing**

Mr. Masterson reported that a current tenant is being moved into the 2-bedroom unit at Riverside with a Section 8 voucher as a reasonable accommodation. Once the tenant takes possession of the unit, all units at both Foxview and Riverside will then be tax credit qualified.

▪ **Preparations for Final Cost Certification**

Mr. Masterson reported that a representative from Stratford Capital will be coming to inspect Foxview and Riverside to see how the renovations turned out. Final costs need to be documented by the end of the year. All tenant files need to be reviewed as well.

The City of Omro expressed interest in closing off the end of Main Street by Foxview. A proposal will be sent to the City of Omro to create a civic walkway to the park. Masterson is looking into the possibility of getting some financial help through the State of Wisconsin's Main Street Program. Tentative plans call for a one way tenant's entrance into the city garage structure on the east side and a one way exit out of the garage on the west side relegating the street to a walkway. The right of way could then be used for community events such as a Farmer's Market.

b.) Housing Choice Voucher Program

i. Staffing Adjustments

Masterson reported that Operations Manager, Lee Franzen, and one of the Compliance Managers, "CB" Hoskins, have stepped up to help cover the duties of an

employee out with a serious medical condition. They will be doing all of the Section 8 inspections, while trying to complete their regular assignments, for at least the remainder of the year.

Mr. Masterson also reported that the DWD employment complaint filed against the Authority has been resolved. When the Authority presented its documentation regarding the issues, the claimant was satisfied with the information and dropped the complaint.

ii. FSS Coordinator Recruitment

Masterson reported that the \$69,000 grant that was awarded to the WCHA to hire a Coordinator to administer the Family Self-Sufficiency (FSS) Program is a renewable grant. The HA needs to start the position as soon as possible and is currently advertising for applicants. The grant became available October 1, 2011. Masterson and van Houwelingen responded to questions about the Section 8 and the FSS program.

c.) Home/NSP/HCRI - Reassessment

Masterson explained that the foreclosure properties purchased under the NSP Program cost an average of \$50,000 to \$70,000 each. Another \$30,000 to \$50,000 each was spent to rehab several of the properties. Due to the current state of the economy, these properties are only appraising out at \$70,000 to \$80,000 at most. So, the HA is not getting its full investment back out of each deal. Losses were expected and are allowed, but the extent of the losses requires evaluating other strategies. One option would be to buy rental property and fix it up with the proceeds thereby retaining apartments to rent affordably. As those properties wouldn't be sold, the Authority wouldn't be able to re-cycle sale proceeds as it does now. Both strategies have benefits and deficits and a mix of the two may make sense.

Also, Mary Bach has been providing Homebuyer service to Calumet County as well. With the cuts in HOME funding it will be difficult for Calumet County to sustain their small scale Homebuyer program. They have inquired as to whether or not the WCHA would be interested in helping Calumet County run their program. Unfortunately, after looking at some possible options, the WCHA will not be in a position to oblige. As it is, Mary Bach may have to cut the number of hours she puts in for the WCHA. Unless things change substantially, it will get to a point where it will no longer be cost effective for Mary to continue to do the program after all her costs are considered. Masterson responded to additional questions regarding the Homebuyer Program.

Ms. van Houwelingen informed the Commissioners that an eviction process will be started for one of the WCHA's family units in Oshkosh. There has been a habitual problem with unpaid rent and utilities as well as damages to the unit. The mediation and court process was reviewed.

5.) Resolution 596-11: Approve 2012 Public Housing Operating Budget

This resolution approves the 2012 Public Housing Operating Budget. Masterson explained that this is a standard HUD Form required for budget approval by the board. A correction was noted on the income section of the budget. Under "Insurance Proceeds", the 2012 budget should be zero (0), not \$94,722. After noting the correction and all questions were answered, Ms. Keller moved, seconded by Mr. Schallert, to approve Resolution 596-11. Motion carried 4-0.

6.) Discussion:

a.) Federal Appropriations Update

Mr. Masterson states the situation is not good and that housing will be hurt. It's only a question of how much. It is the position of Appropriations Committee and the Republican legislators that the Super Committee should go after all unobligated fund balances in Capital Fund and

operating reserves, discontinue funding Community Development Block Grant and drop the Hope VI program. All discretionary money is at risk. The HOME Program is being cut by almost \$1 billion. The OHA & WCHA have developed a good reputation at the HUD office in Milwaukee for our planning and foresight in developing resources outside of HUD.

b.) Firearms Policy in Light of Conceal Carry

Masterson reviewed the current firearms policy which requires that residents report that they have firearms, transport their firearms in a case or with trigger locks and store them in their apartment in a locked case or with trigger locks. If signs are posted prohibiting concealed firearms in the buildings it would be difficult at best to enforce that policy. However, the population that the HA generally serves is more at risk of being exploited or intimidated. The Authority's insurance company has been contacted for their input on the issue. The statute includes language that defines weapons as more than just firearms. It includes knives as well which nearly all residents have and are transported as people move in or out. A decision also needs to be made as to what the personnel policy will be. The issue is still in flux and is being worked through. Possible options and their consequences were discussed.

A tenant in one of the buildings began talking to other tenants regarding his opposition to the elderly/near elderly designation for Court Tower and his desire to create a Resident Advisory Council. Masterson met with the tenant and explained the reason behind the designation request as well as the regulations pertinent to Resident Advisory Councils.

Masterson reported that First Sterling Financial out of Manhasset, NY has been selected as the Equity Investor for Phase 1 of Tower Redevelopment. First Sterling has requested a \$5 million aggregate on the liability insurance instead of the usual \$2 million the HA usually carries. This will only cost the HA another \$1800 per year for the additional \$3 million of coverage. Masterson responded to questions pertaining to the Court Tower tax credit deal.

Chairman Norton requested to include a discussion on the December agenda regarding changing the day of the week that the WCHA Board meets.

- 7.) There being no further business, Chairman Norton called for a motion to adjourn. Ms. Keller moved, seconded by Mr. Schallert to adjourn the meeting. Motion carried 4-0. The meeting was adjourned at 4:14 p.m.

Respectfully submitted,

BRAD J. MASTERSON
Executive Director
Winnebago County Housing Authority

APPROVED