

WINNEBAGO COUNTY HOUSING AUTHORITY MINUTES

Tuesday, December 13, 2011

Marian Manor, 3:00 P.M.

COMMISSIONERS PRESENT: Mike Norton, Chairman
Rebecca Hackett, Vice Chairman
Richard Schallert
Scott Waterworth
Karen Keller

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 3:03 p.m.
 - 2.) Chairman Norton directed the Commissioners to review the minutes of the regularly scheduled Board Meeting held on November 01, 2011. There being no questions or comments, Mr. Waterworth moved, seconded by Ms. Keller, to approve the minutes of the November 01, 2011 meeting. Motion carried 5-0.
 - 3.) **Finance –**
 - a.) **Accounts Payable**

Chairman Norton inquired if there were any questions pertaining to the October and November accounts payable reports. Ms. van Houwelingen explained that the payment to Housing Insurance Services was for property and liability insurance on some of the properties.
 - b.) **2012 Public Housing Budget – River Cities, Housing Choice Vouchers, CBRFs & COCC**

Ms. van Houwelingen reviewed the operating budgets for fiscal year ending December 31, 2012 for River Cities, the Housing Choice Voucher program, the CBRFs and the COCC. The Public Housing Program budget was presented at the previous meeting. For Foxview and Riverside (River Cities LLC) budgets now include a calculation for a vacancy allowance which will decrease income. The Gross Rent Potential is the amount of income that would be expected if every unit was rented every day. The vacancy allowance amount reflects the expected lost dollars due to vacancies which is estimated at 3%. The net operating Income before Depreciation shows a loss for 2011 for both Foxview & Riverside because of the vacancies sustained during renovations. River Cities still owes the COCC for some management fees for 2011. The 2011 Revised budgets are for a 12 month period. Due to the current fiscal year being 18 months for the remaining budgets, it will be a bit confusing when trying to compare this year's numbers to next year's proposed budget. It is still not known what HUD will be paying the HA for an admin fee. So, the figure in the budget is a best estimate based on what is known today. One of the Voucher program staff is out on extended medical leave and using vacation and sick leave. Other staff members are covering her duties. So, the wages for the additional staff coverage are also being assessed to that program causing an increase in salaries. Ms. van Houwelingen pointed out that Summit Group Home is charged for trash collection, but Greenfield is not because the City of Neenah doesn't charge for the trash pick-up. A rent increase is needed, especially at Greenfield Group Home, as expenses are

expected to exceed income. Discussions have started regarding refinancing the Summit and Greenfield Group Homes. Silvercrest Group Home in Neenah also needs to have a rate increase to avoid an operating loss. The HA tries to only charge enough rent to break even and have a little money in reserves to take care of needed repairs and replacements. Ms. van Houwelingen pointed out that any potential developer fees the COCC may earn are not reflected in the budget. There will be no rental income from the Ceape Clinic in 2012. The only tenant currently at the Ceape Clinic has been asked to vacate the property by the end on 2011. The cost of repairing items at the building is cost prohibitive and the OHA has decided not to commit to improvements.

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

a.) Assisted Housing

i. River Cities Redevelopment

▪ Riverside – Garages, Landscape, Drainage

Mr. Masterson distributed and reviewed an engineering and architectural drawing of the garages at Riverside. The drawing includes drainage plans. The plans will go to the Village of Winneconne Board on December 22, 2011 and construction will start in 2012. The river view may be impaired at Riverside due to possible riverfront development.

▪ Foxview – Lobby/Entry/Office Re-design Over Budget

Mr. Masterson reported that the design plan for the kitchen, office, lobby and entry came in at \$160,000. The plan is over budget and will need to be reviewed and changed. A River Cities Final Improvements Strategy chart was distributed and reviewed. There is \$195,000 that needs to be spent yet to maximize the developer fee and spend all of the tax credit money. The chart outlines these purchases.

Chairman Norton requested pictures or a drawing at the next meeting of what the plans are for the garages at Foxview. 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.

▪ Occupancy Challenges

Mr. Masterson reported there are currently 6 or 7 vacancies at Riverside. Masterson believes that a shuttle van is needed for Foxview and Riverside to entice more people to move to those locations. The van could be shared between the two locations and be used to take residents to the local grocery store, doctor appointments, etc.

b.) Public Housing

Masterson stated there is not much new to report. The Menasha 40 three-bedroom units still need to be remodeled. There are a total of 12 units left to finish.

c.) Housing Choice Voucher Program

Masterson reported that all port-ins have now been absorbed to help bring numbers back up. The WCHAs authorized number of vouchers is 413. Masterson responded to questions regarding the voucher program and voucher waiting list. The HA is hesitant to issue the maximum number of vouchers at this time because some vouchers may be needed to house displaced tenants at Court Tower when renovations begin. The Court Tower deal may be able to close about three months sooner than expected. The \$1.2 million that was not expected until late February 2012 has now become available because additional tax credits were turned back in to WHEDA enabling them to fully fund the Authority's \$10 million tax credit application.

d.) Home/NSP/HCRI – NAID Application

Masterson reported that a total of 17 projects were done with NSP money. Ten of the deals were for Habitat for Humanity properties. Of the seven other properties purchased, six have been rehabbed and sold. Program income from the sale of properties must be spent to purchase more properties. Some HUD financed houses that have gone into foreclosure are now available to us for purchase at a good price. The Authority is just waiting for its NAID number from HUD to be able to submit offers to purchase. Masterson responded to additional questions regarding the NSP program.

e.) Agency Office Relocation Prospects

Masterson presented some pictures and an architectural site plan of a property that could potentially be used to build the 62 replacement units lost in the Mainview and Court Tower rehab projects as well as house the COCC. The entire block could be purchased with tax credits and the COCC would just pay rent to the LLC that would be created for the tax credit deal. Then the COCC would not have to lay out \$300,000 - \$400,000 minimum of its own money for a new office site. There would be plenty of room to house maintenance and create storage space for tenants as well. The HA will need to control the property by February 2, 2012 when a tax credit application will need to be sent in. The current owner has agreed to hold off on any additional remodeling until the OHA has an answer on the tax credit application. The Authority should have an answer on the application by April 15, 2012. An offer to purchase would be made contingent upon getting the tax credits. The replacement units would be considered rehab and not new construction because they are replacing units lost in the rehab. The units would also be designated for disabled residents which would qualify as a Special Needs Project. So, the tax credit application should score very well.

There is concern that there may not be enough money available for Phase 2 of the Court Tower rehab because the flood tax credits have now gone away shrinking the available pool of money by about 60%. If the Authority applies for tax credits for an RCAC (Residential Care Apartment Complex) for 25 units, it would give the application an additional 18 points. An RCAC designation would allow the Authority to provide services to tenants for such things as meals, housekeeping, personal care, etc. The Authority would contract with an agency such as Clarity Care to provide the services. Masterson responded to questions about the tax credit process.

f.) Redevelopment Plan 2012 & 2013

Mr. Masterson distributed & reviewed a Redevelopment Timetable chart showing all of the projects the HA will be involved in through 2013 as well as the potential developer fees the COCC stands to earn on those deals. Masterson explained that Mainview is having code approval challenges. The forty-six newer WCHA Family Units will still need some attention. The last challenge is rehabbing and refinancing Cumberland Court. A balloon payment on the current loan will be due in 2013. The New Issue Bond Program (NIBP) has officially been extended into the 2012. However, the consensus is that the money will be gone by July. A new market study, needs assessment and rent comps still need to be done. If the new market study supports a high enough rent to cover the improvements, an application will need to be submitted in the first quarter of 2012. If the market study doesn't support a rent of at least \$100 more than current rents, the NIBP will not work and a 2013 tax credit application will be sent in for Cumberland Court.

Mr. Waterworth was excused at this time to attend to another commitment.

5.) Resolution 597-11: Adopt Annually Revised Utility Allowance Schedules

This resolution adopts the annually revised utility allowance schedules. Ms. van Houwelingen explained the purpose of the utility allowance and how it is used. After questions were

addressed, Ms. Hackett moved, seconded by Mr. Schallert, to approve Resolution 597-11. Motion carried 4-0.

6.) **Resolution 598-11: Approve 2012 Operating Budgets**

This resolution approves the 2012 Operating Budgets. Ms. van Houwelingen stated that these are the budgets that were reviewed earlier in the meeting. There being no further questions, Ms. Hackett moved, seconded by Ms. Keller, to approve Resolution 598-11. Motion carried 4-0.

7.) **Resolution 599-11: Write-off of Doubtful Accounts**

This resolution approves the end of the fiscal year write-off of doubtful accounts from vacated tenants. Ms. van Houwelingen explained that this is done annually and is a HUD & GAAP accounting requirement. The debts written off will still be pursued via TRIP. After questions were addressed, Ms. Hackett moved, seconded by Mr. Schallert, to approve Resolution 599-11. Motion carried 4-0.

6.) **Discussion & Adjournment:**

Mr. Masterson wanted to make the Board aware that he received an e-mail from Dominion Management objecting to a response he sent to an e-mail received from HUD regarding usage of the SAVE System. Dominion Management is also known locally as "Winnebago County Housing" which many people confuse with Winnebago County Housing **Authority**. HUD also was confusing the WCHA with Dominion Management's "Winnebago County Housing" and Masterson proceeded to set the record straight in a manner Dominion didn't appreciate.

Mr. Masterson reported that requests were just received from the National Low Income Housing Coalition and the Oshkosh Seniors Center for monetary donations to help support their programs.

A notification was distributed about an upcoming Resource Fair and Commissioner Training on February 14 & 15, 2012 in Las Vegas through the Nelrod Consortium. PHADA is also holding a Commissioner's Conference in Fort Lauderdale, FL in January. Masterson responded to questions regarding the trainings and the companies presenting them.

Ms. van Houwelingen responded to questions about the smoking policy at Foxview and Riverside stating smoking is not allowed in the buildings.

Chairman Norton inquired about the subject of merit pay. Masterson reviewed the merit process that was approved by the OHA Board and acknowledged Mr. Norton's request to have the WCHA Board participate in the reviews and merit pay decision of management. Because staff didn't get their merit pay until June 2012, a merit pay proposal for staff will be brought to the OHA board sometime during the first quarter of 2012.

Ms. Lynch explained that the Housing Authority Insurance Group (HAIG) is offering a \$5,000 Term Life Insurance policy to commissioners and full-time employees of the Authority. HAIG provides property and liability insurance on some of our properties. The coverage was summarized and a sign-up sheet was distributed to those commissioners who would like to participate in the coverage.

It was noted that, due to scheduling conflicts, the next meeting would be held on January 31, 2012. There being no further business, Chairman Norton called for a motion to adjourn. Ms. Keller moved, seconded by Ms. Hackett to adjourn the meeting. Motion carried 4-0. The meeting was adjourned at 4:55 p.m.

Respectfully submitted,

BRAD J. MASTERSON
Executive Director
Winnebago County Housing Authority

APPROVED