

OSHKOSH / WINNEBAGO COUNTY HOUSING AUTHORITY

JOINT MEETING MINUTES

Monday, January 27, 2014

Court Tower

3:30 P.M.

COMMISSIONERS PRESENT: Braxton Patterson, Vice Chairman - OHA
Sean Fitzgerald - OHA
Megan Leitz - OHA

Mike Norton, Chairman - WCHA
Rebecca Hackett, Vice Chairman - WCHA
Tina Beahm - WCHA
Scott Waterworth – WCHA
Frank Frassetto - WCHA

STAFF PRESENT: Brad Masterson, Outgoing Executive Director
Susan van Houwelingen, Acting Executive Director
Lee Franzen, Operations Manager
Kim Lynch, Executive Assistant

OTHERS PRESENT: None

1) **Call to Order: Roll Call**

Vice Chairman Patterson of the Oshkosh Housing Authority Board called the joint meeting to order at 3:37 p.m. Ms. van Houwelingen introduced the new Winnebago County Board Commissioner, Frank Frassetto. Mr. Frassetto provided a brief summary of his background to those present.

2) **Joint Minutes of the OHA/WCHA of December 23, 2013**

Vice Chairman Patterson directed the Commissioners of both boards to review the minutes of both the open and closed sessions of the Joint Board Meeting of the Oshkosh Housing Authority (OHA) and Winnebago County Housing Authority (WCHA) boards held on December 23, 2013. There being no questions or comments from the OHA board, Mr. Fitzgerald moved, seconded by Ms. Leitz, to approve the minutes of the December 23, 2013 meeting as presented on behalf of the OHA board. Motion carried 3-0. There being no questions or comments from the WCHA board, Ms. Hackett moved, seconded by Mr. Watterworth, to approve the minutes of the December 23, 2013 meeting as presented on behalf of the WCHA board. Motion carried 5-0.

3) **Finance**

a.) **Accounts Payable**

Vice Chairman Patterson inquired if there were any questions pertaining to the December accounts payable report. Ms. van Houwelingen provided a brief summary of the report layout and how bills are paid. The Authority is switching the majority of its accounts to Bank First National from BMO Harris Bank. Marian Manor LLC accounts will remain at BMO Harris since BMO Harris is the equity partner with OHA for Marian Manor. Investments will remain at BMO Harris until such time it is determined that the agency can get a better rate elsewhere. Ms. van Houwelingen will be meeting with someone who handles investments for Bank First National to discuss options and rates.

Masterson and van Houwelingen responded to questions about the accounts payable. Regarding the invoices from Gartman Mechanical for work done at Mainview, an agreement is still being negotiated. It is the Authority's contention that there are credits (deducts) missing for work that has been removed from the original Gartman contract. The original contract was priced out as a design-build project. Therefore, the Authority is not agreeing to some of the new charges being billed and the lack of deducts showing. More detailed information is being requested from Gartman before the invoices can be approved. A payment in the amount of \$13,635.43 to an individual is a payout of the balance in an escrow account to a Family Self-Sufficiency (FSS) Program participant who graduated recently from the program. The FSS Program was summarized. The payment to Straight Shot in the amount of \$2,410.00 is for equipment such as dart machines, foosball table and video games for the new game room at Court Tower.

b.) Occupancy Report

Ms. van Houwelingen reviewed the quarterly occupancy report as of 01/27/2014. The report shows Court Tower 1 is 98% occupied. Phase II is currently 100% occupied. Cumberland Court currently has only one vacancy. Mainview's occupancy rate is 87% primarily due to vacant units that are being renovated. Twelve of the fourteen vacant units at Mainview are off line for renovations. Marian Manor is 97% occupied with four vacancies due to tenants who have moved back to Court Tower as of December 31, 2013. All four of the units will be leased on February 1, 2013. The Oshkosh Scattered site units will be fully occupied by February 7, 2014. The 86 Winnebago County Family units currently have four vacancies, three of which are vacant due to renovations. The two vacancies at Riverside will be leased by January 20, 2014. The Housing Authority's programs have an overall occupancy rate of 96%. Ms. van Houwelingen responded to questions regarding the housing inventory and occupancy. The Authority is considering selling some of the larger four and five bedroom units that it currently owns and acquiring smaller units in areas that are under-represented.

4) Report of the Executive Director

a) Public Housing Program and Properties

▪ **Mainview Renovations Update – Drawings for Common Areas in Theater**

Ms. van Houwelingen distributed and reviewed architectural drawings of the proposed atrium design for the first through third floors in the theater section at Mainview as well as the proposed Theater Room and Community Room. The drawings indicate placement of solar tubes that will be installed to bring in natural day light. Twenty solar tubes will be needed for this design. Twelve will go through two stories and the other eight will go through one story. The company Brighter Concepts has submitted pricing for the solar tubes of about \$30,000. The drawings show a fire place and waterfall on the first floor. A Home Theater room is currently proposed on the third floor in a room that used to be the laundry room when the building was a hotel. Since the Authority has owned the building, the room has been used for cold storage. New Community Room plans call for removing part of a wall to open up the room a bit. After renovations at Mainview are complete, there will be 17 two-bedroom units and 87 one-bedroom units.

▪ **Court Tower**

○ **Units leased on December 31, 2013**

Ms. van Houwelingen reported that Phase 1 was completed and fully leased in June 2013. The Phase 2 units were completed in December and all of those units were lease by end of day on December 31, 2013.

- **Staff effort**

Ms. van Houwelingen stated that the staff worked long and hard to get all of the units leased by the end of the year. Staff did a phenomenal job.

- **Punch list**

Ms. van Houwelingen reported that Court Tower staff is working with McGann on the punch list. Having worked with McGann Construction in the past, the Authority doesn't have any concerns about the work getting completed properly.

- **Final draw meeting**

Ms. van Houwelingen stated the final draw meeting was held on January 8, 2014 with the McGann Construction staff and Dimension IV, the architect. The Authority agreed to hold the final draw for Phase 2 until all of the punch list items are finished. Dimension Development will prepare the final draw request paperwork and the cost certification.

- **Condominium Association change from Brad to Lee**

Ms. van Houwelingen reported that Court Tower has one condo association representing Tower 1 and Tower 2. Mr. Masterson is the condo representative for Tower 1 and Ms. van Houwelingen is the condo representative for Tower 2. Due to Masterson's retirement, Lee Franzen will take over for Brad Masterson as the condo representative effective February 1, 2014. First Sterling, as the Special Member of the Association, has approved the change. There is an Oshkosh Housing Authority resolution later in the meeting to approve Franzen's appointment. Masterson and van Houwelingen responded to questions regarding Court Tower. Court Tower is Public Housing and has a local preference for people 62 years of age and older.

Masterson stated that the Authority should get additional money from First Sterling for having all of the units leased by the end of December 2013. Also, thanks to Dimension Development, the Daily Reporter – WI Construction News & Bids, a construction industry publication, is giving the Authority a Top Project Award in May for the Tower Redevelopment project. NAHRO also has a merit award that the Authority could apply for, but there is an application fee required.

- **Lenox Lofts Redevelopment – Note Renewal and Appraisal**

Ms. van Houwelingen stated that Wisconsin Bank & Trust holds a \$500,000 note on the Lenox property that came due December 27, 2013. The bank has agreed to renew the note at a 4.25% interest rate. The needed appraisal was done and came in at \$800,000. Dimension Development will have the Historic designation application for Lenox completed and sent in by Friday, January 31, 2014. At the beginning of February van Houwelingen wants to start working with Dimension on acquiring Historic Tax Credits as well.

- **Rental Assistance Demonstration (RAD) – Update**

Ms. van Houwelingen reported that the Authority hosted a RAD update meeting/training at Court Tower last Friday. Jay Wright from C. Ray Baker & Associates conducted the training. HUD has been contracting with this company to help with the RAD program. RAD essentially removes public housing units from the Public Housing Program. The program would either convert those Public Housing units to a project-based subsidy like Foxview and Riverside or the Authority could accept tenant-based vouchers for the converted units. Even though converting to RAD has its risks, it still appears to be less risky than remaining in public housing. Most of the multi-family inventory belongs to

private property management firms with substantially more pressure to bear on congress. Many of the Public Housing burdens would be eliminated under RAD such as community service obligations, Davis Bacon obligations and PHAS inspections. Once the units are converted to RAD, they will be eligible for annual rent adjustments. Units applying for RAD conversion do not have to have rehab needs as was originally thought making the units the Authority has already renovated good candidates for RAD. The application process to convert to RAD will be a fairly drawn out process and the Authority will still be able to back out if it is decided that this is not in the best interest of the Agency.

Scheduling did not allow enough time to get the RAD applications submitted by December 31, 2013. Jay Wright has offered to intercede on the Authority's behalf and try to get funds through HUD for technical assistance which would allow the Authority to hire Jay to help prepare the RAD applications. Operating subsidy money can also be used to cover the costs of applying and converting to RAD.

Masterson reported that there are about 115,000 units on the RAD conversion waiting list in excess of the 60,000 that HUD originally approved for conversion. There will likely be another bill in 2014 that will add more units to the number approved for conversion. Also, under RAD, the antenna income at Mainview would come back to the Authority and not be tied to that property alone. This will help cover overall costs and provide more flexibility for projects. The benefits identified make it worthwhile for the Authority to submit a RAD application and get on the waiting list.

▪ **Housing Choice Voucher Program and Family Self-Sufficiency**

Ms. van Houwelingen reported that there was a graduation recently from the Family Self-Sufficiency (FSS) Program. As discussed during the Accounts Payable report, the graduating participant was awarded a check for the money that was put in an escrow account for her while she participated in the program.

○ **Current # of vouchers under contract**

Ms. van Houwelingen stated that the Authority's Annual Contributions Contract (ACC) gives authority to issue 413 vouchers. There are currently 344 vouchers under contract, ten of which are port-outs. The Authority's target is to get 360 vouchers issued. Program funding is not sufficient to support issuing all 413 vouchers. To review, every year the Authority is allocated a "budget authority" that is used to make HAP payments to landlords. HUD releases only a portion of that money every month. If more money is needed than what HUD released for that month, the Authority can use its reserve money to cover the HAP payments. Once the reserve money is depleted, if more money is needed and as long as the Authority does not go over its "budget authority" the additional money can be requested from HUD. Up until now, van Houwelingen has monitored the voucher funds and submitted the monthly Voucher Management System (VMS) reporting. These duties will be turned over to the program manager, accountant and Mr. Franzen to handle.

▪ **HUD/Congress budget**

Congress will be increasing administrative funding for the Voucher Program from 69% to about 75%. Operating Subsidy will also be increased in 2014. Capital Fund allocations will remain level.

- **Winnebago County Scattered Sites**

Ms. van Houwelingen reported that Winnebago County Scattered site renovations are still ongoing. The Sixth Street units are almost done. Renovations on the Manitowoc Road units will be next. The FAST crew is working on both the family unit renovations and the Mainview renovations. Ms. van Houwelingen responded to questions and defined what Asset Management Projects (AMPs) are and how all of the units are grouped.

b) Assisted Housing Program

- **Cumberland Court Applications for LIHTC & Update**

- **Plans/Ideas for Rehab**

Ms. van Houwelingen distributed drawings of what the Cumberland property looks like now and what it will look like after the proposed renovations. Cumberland Court was built in 1972. The Authority purchased the property in 1992 at the City's and WHEDA's request. The complex is made up of 48 two-bedroom and 24 three-bedroom units. Cumberland renovations will be split into two phases so that two tax credit applications can be submitted. The Authority is more likely to receive two smaller awards than one large award. The new plans include garages and a community room which will house offices, a kitchen/dinette area and meeting rooms. The Authority is considering implementing a work requirement to be eligible to live at the property. Criteria are still being developed. Ms. van Houwelingen and Masterson responded to questions about the Cumberland Court property.

- **OHA – Sole member of CCHC – Guaranty Agreement**

If tax credits are awarded, the Oshkosh Housing Authority will need to enter into guarantee agreements. In essence the Authority will agree to be financially responsible for the Cumberland Court property.

c) Agency(s) Matters

- **Recent Press Coverage**

Masterson distributed a letter to the boards outlining his views on merit pay and recent press coverage. The Housing Authority is not a government. Masterson requested the board review the letter and consider the information. Commissioners offered their comments on recent press coverage. Much of the recent press coverage lacked proper context and a substantial amount of information was omitted in the coverage.

- **Met with Oshkosh City Manager**

Ms. van Houwelingen and Mr. Masterson recently met with the City Manager. Plans for Cumberland Court as well as the Authority's relationship with the City and the County were discussed. The meeting went quite well. Ms. van Houwelingen wants the Authority to do more marketing to help the community acquire a better understanding of the Authority and the positive impact for the City and County. Marketing options were summarized.

- **Board of Commissioner Training Suggestions**

Ms. van Houwelingen distributed a summary of Wisconsin's Open Meetings Law prepared by Attorney Tony Renning of Davis & Kuelthau, S.C. As part of the Authority's Commissioner training, it was suggested that Attorney Renning could come and do a presentation to the Boards and answer questions about open meetings procedures.

The commissioners were asked to review the material over the next month and let van Houwelingen know if they were interested in a presentation. Over the course of the next several months, staff members will attend the board meetings and provide a summary of what their job entails. Public Housing Asset Manager, Justin Mitchell, will speak at the February meetings. Justin also runs the Home Buyer program.

- **2014 Board Schedule**

Ms. van Houwelingen presented a Board meeting schedule for 2014 for each board.

- **Landlord Tenant Law changes required to PH Lease**

Ms. van Houwelingen reported that, due to changes in landlord tenant law, a new Public Housing lease will be presented to the Boards for their approval in February. Tenants will receive a 30 day notice of the changes in the lease. Ms. van Houwelingen responded to questions regarding tenant/landlord responsibilities in bedbug situations.

- **By Laws of the Agency**

Ms. van Houwelingen noted that a copy of the By Laws of the Housing Authority of the City of Oshkosh, Wisconsin were included in the packets for the Oshkosh commissioners perusal. The By Laws were never updated after the Authority's split from the City in 2006. Article IV of the By Laws needs to be changed because the Agreement for Services between the Authority and the City of Oshkosh no longer exists. Nothing needs to change in the By Laws of the Housing Authority of the County of Winnebago.

On a side note, the Authority received a thank you note from WI Fair Housing for the \$100 donation that the Authority sent to them.

5.) **Convene in Closed Session Under Wis. Stat. § 19.85(1)(c) to consider promotion, compensation package and other personnel matters. Roll call.**

Mr. Fitzgerald motioned that the OHA open meeting be adjourned and a closed session be opened under Wis. Stat. § 19.85(1)(c). The motion was seconded by Ms. Leitz. Motion was carried 3-0. Ms. Hackett moved to adjourn the WCHA open meeting and reconvene in closed session under Wis. Stat. § 19.85(1)(c). The motion was seconded by Mr. Frassetto. Motion carried 5-0. Roll call was taken and the meetings were moved into closed session at 5:15 p.m.

6.) **Reconvene in Open Session Under Wis. Stat. § 19.85(2) – Roll Call**

At 6:00 p.m., the boards voted unanimously to adjourn the closed session and to reconvene its meeting in open session. Ms. Leitz of the Oshkosh Housing Authority Board moved, seconded by Mr. Fitzgerald, to adjourn the closed session and reconvene in open session. Motion carried 3-0. Mr. Norton of the Winnebago County Housing Authority moved, seconded by Mr. Frassetto, to adjourn the closed session and reconvene in open session. Motion carried 5-0. Roll Call was taken.

In closed session discussions, it was agreed by the Board as to the amount to offer Ms. van Houwelingen as a starting salary for the position of Executive Director with step increases to be discussed annually. Ms. van Houwelingen accepted the offered amount.

7.) **OHA Resolutions**

a.) **974-14: Approve Hire of Executive Director to Replace Retiring Executive Director**

This resolution approves the recommendation of the hiring committee to hire Susan van Houwelingen as the new Executive Director and Secretary of the Oshkosh Housing Authority effective February 1, 2014 replacing retiring Executive Director, Brad Masterson.

Ms. van Houwelingen and the Board having agreed to a salary package, Ms. Leitz moved, seconded by Mr. Fitzgerald, to approve Resolution 974-14. Motion was carried 3-0.

b.) 975-14: Approve Appointment of Director of Court Tower Condo Association

This resolution approves the appointment of Lee Franzen, Operations Manager, to replace retiring Executive Director, Brad Masterson, to the Court Tower Condominium Association Board of Directors. There being no further questions, Mr. Fitzgerald moved, seconded by Ms. Leitz, to approve Resolution 975-14. Motion was carried 3-0.

8.) WCHA Resolutions

a.) 633-14: Confirm New Executive Director

This resolution confirms the Oshkosh Housing Authority Board of Commissioners' appointment of Susan van Houwelingen as Executive Director effective February 1, 2014. Under the Agreement for Services between the Housing Authority of the City of Oshkosh and the Winnebago County Housing Authority, van Houwelingen shall serve as the Executive Director and Secretary of the Winnebago County Housing Authority. Technically, all staff, including the Executive Director, are employees of the Oshkosh Housing Authority only. The Agreement for Services between the Housing Authority of the City of Oshkosh and the Winnebago County Housing Authority authorizes Oshkosh Housing Authority staff to conduct business on behalf of the Winnebago County Housing Authority. After all questions were addressed, Ms. Hackett moved, seconded by Ms. Beahm to approve Resolution 633-14. Motion was carried 5-0.

9.) Adjournment & Court Tower Tour

Before adjourning, based on its closed session discussions, van Houwelingen was instructed to pay out unused vacation leave to Masterson that was earned in 2012 and 2013 and awarded in January 2013 and 2014 respectively.

There being no further business for the Oshkosh Housing Authority, Vice Chairman Patterson called for a motion to adjourn the OHA Board. Mr. Fitzgerald so moved, seconded by Ms. Leitz. Motion carried 3-0. The OHA meeting adjourned at 6:30 p.m.

Having completed their Agenda, Chairman Norton called for a motion to adjourn the meeting of the Winnebago County Housing Authority Board. Ms. Hackett so moved, seconded by Mr. Waterworth. Motion carried 5-0. The meeting adjourned at 6:30 p.m.

Respectfully submitted,

Susan van Houwelingen
Executive Director
Oshkosh Housing Authority &
Winnebago County Housing Authority

APPROVED _____