

# WINNEBAGO COUNTY HOUSING AUTHORITY MINUTES

Tuesday, July 23, 2013

Court Tower

3:00 P.M.

COMMISSIONERS PRESENT: Rebecca Hackett, Vice Chairman  
Tina Beahm  
Scott Waterworth

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.) Vice Chairman Hackett called the meeting to order at 3:03 p.m.
- 2.) Vice Chairman Hackett directed the Commissioners to review the minutes of the regularly scheduled Board Meeting held on Jun 26, 2013. There being no questions or comments, Mr. Waterworth moved, seconded by Ms. Beahm, to approve the minutes of the June 26, 2013 meeting as presented. Motion carried 3-0.

3.) **Finance –**

**a.) Accounts Payable**

Vice Chairman Hackett inquired if there were any questions pertaining to the June accounts payable report. Masterson and van Houwelingen responded to questions regarding the report. There are again some \$50 payments for packing fees that the Court Tower residents are entitled to claim for moving expenses due to the renovations. There are several payments to WPS because each building/property is billed separately.

**b.) Quarterly Financials**

Ms. van Houwelingen stated that the financials reflect activity through June 30, 2013. River Cities Redevelopment is cash flowing because occupancy is staying stable. There is currently \$24,573.14 in Operating Income. River Cities is now an LLC which is a for profit entity. Riverside is over budget on the garages, so it will consume additional earned developer fee. An Operating Cost Adjustment Factor (OCAF) was approved for Foxview and Riverside which translates into an additional \$10,000 a year in HAP (Housing Assistance Payment) revenue from HUD. The two-bedroom unit at Riverside is not part of the subsidy calculation. Overall, the properties are doing well.

The Public Housing Statement shows \$61,518 in Operating Income before depreciation. van Houwelingen explained that PUM stands for Per Unit Month. It was noted that some numbers under the Year-to-Date Budget may seem off by quite a bit, but that's because this is only six months' worth of budget numbers. For example, the quarterly financials show total rental revenue budgeted of \$104,620. Over \$200,000 was actually budgeted for the full twelve month period.

The \$558,473.62 of Total Current Assets for the Local Fund that is reflected on the Net Position sheet, also known as the Balance Sheet, includes cash in the bank, investments and cash receivables on the books. This is all non-federal money.

As a result of a training attended in May, van Houwelingen prepared and presented a revised budget for the Voucher Program that reflects only the 69% of admin dollars that the Authority will receive. This budget separates the two funding streams, HAP money and Admin money. Quarterly financials do not give a clear picture of the program's current status. It shows the HAP income coming in, but does not clearly show the administrative loss versus the HAP. The \$40,250 in FSS Fees under Operating Revenue is grant money that funds the Family Self Sufficiency Coordinator position for the Voucher Program. There has only been \$24,959 in expenses for that position year to date. The Authority has earned \$9,560 from Fraud Recovery so far this year that will go toward Admin money and another \$9,560 that gets credited to HUD for HAP. The equity balance of \$142,633 the Authority had at the beginning of the year is being used to cover current HAP payment deficits. There will not be enough funding to issue all 413 authorized vouchers.

Masterson and van Houwelingen responded to additional questions regarding the quarterly financials.

**c.) Quarterly Occupancy Report**

Masterson and van Houwelingen reviewed the quarterly occupancy report. The report shows the old Court Tower property as well as the new Court Tower Phase I property. Phase II is under construction. Phase I has 51 units and Phase II will have 53 units. Mainview's occupancy rate is 74.78% due to the renovations there. The Winnebago County Housing Authority's programs have an overall occupancy rate of just over 96%. Masterson and van Houwelingen responded to questions regarding the Occupancy Report.

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

Masterson summarized the Rental Assistance Demonstration (RAD) program. RAD essentially removes public housing units from the Public Housing Program. The program would either convert the 86 Scattered Site Public Housing units to a project based voucher program like Foxview and Riverside or the Authority could accept 86 tenant-based vouchers. HUD has tried to streamline the process to encourage more applications. HUD currently has approval to convert 60,000 units and is seeking approval for 200,000 units. Public Housing funding is on shaky ground at this time and no progress has been made. Sequestration suggests that public housing funding will continue to be hit hard. Rents will not be based on Fair Market Rent (FMR). Rents will be capped at what the Authority now gets for rent. The average combined HUD and tenant portions for rent in the Scattered Site Units total \$508 a month which is about \$226 short of current market rent. The Authority will not get more money for rent, but the money will be at less risk. Rents at Court Tower and Mainview are only \$80 less than FMR. If a RAD application is submitted by September 30, 2013, the Authority can apply based on 2012 rents. If the application is sent in after September 30<sup>th</sup>, rents would be based on 2013 calculations that take into consideration sequestration which lowers the rent subsidy. Options continue to be explored. Masterson responded to questions regarding the RAD program.

Masterson stated that this is the time of year when the Authority is required to go into the PIC data base to certify that the Authority actually has all of the units that are listed in PIC so that HUD can do their subsidy calculations. Last year the City of Oshkosh took

possession of the South Park units under Eminent Domain. HUD had advised the Authority that because it was losing only one home which is less than 5% of the public housing inventory, it was considered a de minimis reduction that did not require anything more than the Milwaukee office's approval. Since then, more has been learned about the Special Applications Center (SAC). The Authority cannot get a unit out of the PIC inventory without SAC Approval. The Authority is working with the City attorney and HUD to resolve this complicated issue.

When the City bought the South Park property, Clarity Care asked the Authority for help covering their expenses for helping tenants move from the property. The Authority sent \$2,300 at that time. During a recent meeting regarding the RCAC units at Court Tower, Clarity Care again inquired if any further financial assistance may be forthcoming for other transitional costs they endured.

**a.) Public Housing –**

- **Scattered Site Renovations Update Manitowoc Road Materials**

Masterson reported that the 2011 capital fund money, amounting to \$30,000, needed to be obligated. The materials for the Manitowoc Road units had not yet been purchased. So, all of the flooring, \$24,000, and the cabinets for two units were ordered to get the money obligated. The remaining materials will probably be obligated soon to avoid price increases. The additional materials can be stored at Lenox Lofts.

- **Insurance update**

Mr. Franzen stated the insurance policies through Housing Authority Insurance Group (HAIG) will be renewed in October with a slight increase of \$1,600. There was a \$423 increase on the River Cities policy. The Authority did not have to send out for bids because HAIG is a consortium for housing authorities with a HUD procurement waiver.

**b.) Housing Choice Voucher Program - Lotteries**

Masterson stated the disabled waiting list lottery was finally run successfully with HAB's assistance. The disabled lottery ranked the lucky 58 applicants, about 1 for every four disabled eligible applicants. A lottery will also be run for the non-disabled waiting list. Fifty-eight applicants from that list will also be pulled for processing. It is now mandatory for landlords to receive their HAP payments via ACH. There were 22 landlords that had not responded with their banking information by the deadline and a second request was sent to those landlords. A notice was also sent out with the July HAP payments stating that as of August 1, 2013, if the landlord has not provided their information, they will need to come to the Housing Authority office to pick up their check. Checks will not be mailed. Inspection options were discussed. Ms. van Houwelingen explained that the Authority is entitled to take a management fee of \$10 per unit. There was \$57,000 budgeted for the Section 8 management fee, but it isn't being taken due to the drastic cuts in program funding. The Happy Software on-line application process is still being worked through. Masterson and van Houwelingen responded to questions regarding the voucher program.

**c.) Assisted Housing**

- **Garage Finishing Touches / Re-grading and Landscaping**

Masterson reported that he has had time to re-approach the owner of the property to the south of Foxview. The Authority would like to acquire the property and get the garage slab poured before it gets too cold. WCHA doesn't want to pursue a variance for the site until acquisition is clear. Less of the Authority's earned

developer fee will be spent on the Omro garages than was spent on the garages at Riverside. The only thing that needs to be done yet at Riverside is the landscaping. A Civil Engineer is going out to help with a plan to set new grades at the interior of the property higher than they are out on the street so everything drains toward the street. Masterson has not seen the plans yet. Authority staff will most likely be doing the work as part of a team building day. The other new elderly property in Winneconne is having their open house today.

**d.) HOME & HCRI Contracts Offered / Regional CDBG Funding Finalized**

Masterson announced that contracts have been received for the \$310,800 in HOME funds and \$75,600 in HCRI money that was awarded to the Authority for the Home Buyer Program. It was determined that a resolution will not be necessary to accept the award.

The State was here to audit the HOME and NSP programs. Overall the audit went fine, but there are a few items that need to be corrected. Unfortunately, Mary Bach may not be able to help us with this due to health issues. The Authority will request an extension to delay some corrections until she recovers.

**5.) Resolution 622-13: Approve 2013/2014 HCRI & HOME Contracts with DOA Bureau of Housing**

Masterson stated this resolution was not needed and no action was taken regarding the resolution.

**6.) Discussion**

Masterson stated there are a couple of staff members that need to be compensated for the extra work that they have taken on, but compensation hasn't been adjusted yet. A reporter from The Northwestern is coming back to do a story on the \$200,000 in public housing funding that has been lost due to the sequestration. The Authority had joined in a lawsuit against HUD regarding the reserve money that was recouped from several housing authorities. The Winnebago County Housing Authority had about \$186,000 in reserves that was going to be used to fix up the Menasha family units that HUD took back. The court has ruled that all of the plaintiffs can be consolidated under one suite, but each plaintiff needs to pay filing fees. This will not cost the Authority any additional money though. The attorneys originally attracted enough plaintiffs to cover this un-budgeted expense. Masterson responded to questions regarding the lawsuit.

Ms. van Houwelingen and Masterson commented on the article that ran in The Northwestern regarding Court Tower. Masterson was contacted by a blogger regarding phones and air conditioning at Court Tower. The contractors accidentally cut phone lines while working. As soon as the error was discovered and materials were acquired, the lines were repaired. Phones were back on line about a week before the blogger contacted Masterson. Air conditioning should be turned on tomorrow. Contractors didn't get the air handler on the roof in time to get it hooked up by the time the heat wave started. Tenants were invited a week in advance to spend time at Marian Manor or Mainview to cool off. The units at Court Tower have never been air conditioned unless tenants purchased their own window air conditioner. Someone sent an email of a pseudo article to The Northwestern and to the Winnebago County Emergency Services Coordinator that exaggerated the Court Tower situation. Several people in the community dropped off fans and offered to provide transportation to cooling places for any tenant needing a ride.

Ms. van Houwelingen reminded the commissioners of the upcoming WAHA 2013 Conference that will be held September 16-19, 2013 in Appleton.

7.) **Adjournment:**

There being no further business, Vice Chairman Hackett called for a motion to adjourn. Mr. Waterworth moved, seconded by Ms. Beahm to adjourn the meeting. Motion carried 3-0. The meeting was adjourned at 4:20 p.m.

Respectfully submitted,

Brad Masterson  
Executive Director  
Winnebago County Housing Authority

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APPROVED