

WINNEBAGO COUNTY HOUSING AUTHORITY MINUTES

Tuesday, August 27, 2013

Court Tower

3:00 P.M.

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

STAFF PRESENT: Brad Masterson, Executive 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 July 23, 2013. There being no questions or comments, Ms. Hackett moved, seconded by Ms. Beahm, to approve the minutes of the July 23, 2013 meeting as presented. Motion carried 4-0.

3.) **Finance –**

a.) Accounts Payable

Chairman Norton inquired if there were any questions pertaining to the June accounts payable report. There being no questions or comments, the board proceeded to the Report of the Executive Director.

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

Masterson stated that the House and the Senate are still about \$2 billion apart on working out a housing programs budget and the outlook is very poor. There is a peaceful demonstration planned at the Houdini Plaza for the end of the Wisconsin Association of Housing Authorities (WAHA) Annual Conference to support adequate funding for Vouchers and Public Housing. Masterson wrote the President of WAHA and did some preliminary work in an effort to develop a state-wide public listening session for elected federal officials when they come back to Wisconsin in October. The cost to WAHA to put this together was significant and there doesn't seem to be anyone on the state board willing to take the lead.

Masterson reported that an elderly woman slipped and fell last winter on her way to the beauty salon at Mainview. The family has filed a personal injury notice of a pending lawsuit. The Authority's insurance company had been negotiating the claim but apparently has not been able to reach a settlement. While Mainview is an Oshkosh Housing Authority property, the WCHA was named in the suit.

The tentative date for the 40th Anniversary celebration has been moved from October 2013 to spring 2014. The celebration may be scheduled to coincide with the Gallery Walk

downtown. Masterson is working on an agenda and guest list for the event. Past and present board members, past scholarship winners and the participants from the Authority's Home Buyer program are among the list of invitees. Educational sessions will be held to inform the public about what the Authority does and hors d'oeuvres will be served. Open Houses are also anticipated for Court Tower and Mainview.

Masterson reported on a Mainview issue stating that purchasing the adjacent Jefferson Street property has become a complicated issue. The property is currently vacant which would save the Authority relocation expenses. However, the owner also has a property right next to the one the Authority wants and the owner wants to sell both or neither. This second property has fourteen bedrooms and the units are all full. Relocation costs could be very high to empty the building, but current tenants could also be given vouchers eliminating any cash outlays beyond moving costs. One use for the other property was shared with the planning department who reported need for locating a program. The Authority does have the ability take the Jefferson Street property under eminent domain, but this would be a last resort measure and is certain to be resisted by the owner.

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 subsidy like Foxview and Riverside or the Authority could accept 86 tenant-based vouchers. Ms. van Houwelingen went to a RAD training with Tom Landgraf of Dimension Development. Thirty-two of the Old Menasha 40 units have been renovated. Eight of the Menasha 40 units and the newer 46 Winnebago County Family units haven't been significantly improved yet. HUD does not want newly renovated public housing units moved to the RAD program. If the Authority decides to apply for RAD for the 86 Winnebago County units, it will need to be done before the end of September to avoid serious funding losses. Court Tower and Mainview may not be allowed into RAD due to the extensive renovations.

Annual Agency Plan meetings will be held at the buildings on September 10th & 11th. A few changes to the Agency Plan are being proposed. First is the addition of a "Moving to Work" requirement for Cumberland Court residency. Second is the intent to file a RAD Program application. The Authority can turn RAD down after the fact if the numbers aren't good. The Authority also intends to eliminate the Transitional Housing Program preference. Lastly, to continue with developing Lenox Lofts using 4% tax credits and Housing Authority issued bonds. The Agency Plan requires a 45 day comment period.

Masterson reviewed that the Central Offices have yet to be moved to the Lenox north building, but the retail developer is still interested in developing the northwest section. There is another new developer interested in the Lenox factory building for development of housing. A residential design that generates sufficient improvement proceeds and still cash flows without 9% tax credits must be firmed up before the retailer will commit. The Authority can't relocate offices until the retailers' desires are satisfied or abandoned.

The air handler at Marian Manor, that serves the activity room/kitchen where the meal site is held, dates back to 1981. The condenser will no longer hold refrigerant and won't cool that area. The air conditioner that serves the TV lounge is also from the 1980's, but is still functioning for the moment. The roof on the west wing of the building also leaks quite a bit. However, the City will likely refuse to issue a building permit for the work until the screening is done for the exposed duct work dating back to the 2008 renovations. There is \$200,000 in capital reserves held by M&I Bank. The Authority will request some of this money to make the necessary repairs to the roof and ventilation system. Hopefully, M&I

will be agreeable to spending the money. The problem will be that the area of concern is really not Marian Manor, but is an area occupied by the Housing Authority offices. The estimated cost of the repairs is about \$100,000, \$60,000 for the air handlers, \$20,000 for the roof repairs and \$20,000 for the duct work screening that still needs to be done on the east wing.

a.) Public Housing –

- **Sixth St. Duplex Renovations**

Masterson reported that the Sixth Street renovations are proceeding very well. When completed, three households from Manitowoc Road will be invited to move-in so renovations can begin on the Manitowoc Road units over the winter. Depending on how Mainview renovations flow, the hope is to finish up the Sixth Street units by the end of this year. The HVAC design at Mainview is being changed because a better place for equipment was found. So, the third floor renovations are being held up a little. Tenth floor renovations are also moving slow because of the decision to finish off the 13 foot ceilings by having them plastered.

- **Resolving Declaration of Trust Issue for South Park Ave Property**

Masterson stated that 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, the Authority's has learned far more about the Special Applications Center (SAC) control of units in the PIC database. 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. If the Authority can prove that HUD was "made whole", SAC has now agreed to sign off on the sale of the property and remove it from the WCHA's inventory. The Authority did file a Deed of Trust and can also show when the Authority informed the City's consultant about the Deed of Trust. The City presumably did not get title insurance and relied on a Letter Report.

b.) Housing Choice Voucher Program – Intakes & Briefings

Masterson stated that both the disabled and non-disabled waiting list lotteries have been run. Roughly sixty applicants from each lottery are being invited to intake meetings. There have been about 13 households tentatively approved at this point, but no briefings have been scheduled.

c.) Assisted Housing

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

Masterson distributed and reviewed the landscaping plan for Riverside. The plan calls for a French drain system to help protect the patios from flooding. The FAST crew along with other maintenance staff will build decorative walls. There has been some difficulty with getting the excavator on site.

There has been no progress regarding purchasing the property to the south of Foxview for parking space.

5.) **Agency Management Transitions Process and Schedule**

Masterson distributed and reviewed an updated Redevelopment Timetable. The chart indicates when various projects are scheduled through the end of 2015 and the developer fees the COCC will earn from the projects. Masterson would like to see an Affordable Housing Trust Fund set up to acquire, develop and rehab additional affordable housing in the area. Some of the earned developer money from the Court Tower project would be put into the fund as a match to entice the community to put funds into the trust which could then be tapped periodically to buy foreclosures or distressed single family or duplex properties, fix them up and either sell them or rent them out to low income families at a rate they could afford. This effort would also keep the FAST crew busy after the major building renovations are complete.

A spreadsheet of tasks that Masterson wants to see completed from now through his retirement was also reviewed. These tasks include defining the search parameters for a new executive director, approving the capital fund and getting it submitted, complete the annual plan, define the rules for the RCAC units and finish up the informal reviews and hearings that are pending. A few months after retiring, Masterson is willing to assist the Authority to finish the scheduled property re-development activities underway or scheduled as an independent contractor.

Masterson presented an outline of qualification parameters and advertising examples for the position of Executive Director. The commissioners will review the information and provide their feedback to Masterson by Tuesday, September 3, 2013. It was agreed that a Search Committee be formed to advertise, collect resumes and conduct interviews for the position of Executive Director of the Oshkosh & Winnebago County Housing Authority. The Search Committee will consist of two commissioners from each housing authority board and Mr. Masterson. Representatives from both the City of Oshkosh and Winnebago County will be invited to participate in the process and/or offer their input. The remaining commissioners are also welcome to sit in on the process. However, the five-member Search Committee will be the only voting members for selecting the final candidate. After some discussion, Mike Norton and Scott Waterworth were selected as representatives from the WCHA Board. Claude Benedict and Sean Fitzgerald were selected to represent the Oshkosh Housing Authority Board on the Search Committee. At this time an outside consultant was not deemed necessary.

6.) **Resolution 623-13: Adopt Capital Fund Annual Statement 501-13**

Masterson stated the Authority must fill out several forms and certifications annually for the Capital Fund Program. Masterson directed the commissioners' attention to the HUD-52840-A form, which is part of today's Resolution 623-13, and the accompanying spreadsheet. Every year when the Authority agrees to a new Capital Fund amendment, it adds another year to the affordable housing obligation. If the Authority converts to the RAD Program, the 15- year obligation to keep the property as affordable housing goes away and gives the Authority more flexibility for use of the property. The spreadsheet shows how the capital fund money will be spent. Among some of the items capital fund money is slated for are \$90,000 for Phase 4 Scattered Site renovation expenses, \$10,000 for administration and \$8,937 for development activities. Masterson responded to questions regarding the Capital Fund Program. After all questions were addressed, Ms. Hackett moved, seconded by Ms. Beahm to approve Resolution 623-13. Motion was carried 4-0.

7.) **Discussion**

Masterson stated the reporter from the Northwestern has almost completed his article on the funding cuts and background on the Housing Authority. The Commissioners were reminded of the upcoming WAHA Conference and to turn in their registration forms if they plan to attend. Another commissioner is still being sought for the WCHA Board.

8.) **Adjournment:**

There being no further business, Chairman Norton called for a motion to adjourn. Ms. Hackett moved, seconded by Mr. Waterworth to adjourn the meeting. Motion carried 4-0. The meeting was adjourned at 4:29 p.m.

Respectfully submitted,

Brad Masterson
Executive Director
Winnebago County Housing Authority

APPROVED