MINUTES
BROWN COUNTY HOUSING AUTHORITY
Thursday, March 20, 2014, 12:00 p.m.
Integrated Community Solutions, 2605 S Oneida St, Suite 106
Green Bay, WI 54304

MEMBERS PRESENT: Tom Diedrick–Chair, Corday Goddard

MEMBERS ABSENT: Ann Hartman–Vice Chair

MEMBERS EXCUSED: Sup. Andy Nicholson and Adam DeKeyser

OTHERS PRESENT: Robyn Hallet, Stephanie Schmutzer, Charles Androsky, Nicole Tiedt, Lori DeGrave, Matt Roberts, David Wouters, Kelly Runge, Randy Gast, Lynn Green

T. Diedrick expressed the Brown County Housing Authority's (BCHA) gratitude and enthusiasm for the joint meeting between the BCHA and the Integrated Community Solutions (ICS) Board of Directors and staff. R. Gast, Chair of the ICS Board, expressed similar thanks on the part of ICS and stated his enthusiasm for the joint work that the BCHA and ICS could accomplish together.

APPROVAL OF MINUTES:

1. Approval of the minutes from the February 17, 2014, meeting of the Brown County Housing Authority

Due to a lack of quorum, approval of the minutes from the February 17, 2014 meeting was postponed.

COMMUNICATIONS:

R. Hallet informed the Authority that the vacant Planning and Development Director position had been filled. Kimberly Flom will assume duties in April, and it is the hope that she will be able to attend the April BCHA meeting.

REPORTS:

2. Report on Housing Choice Voucher Rental Assistance Program:

   A. Preliminary Applications
   N. Tiedt reported that ICS had collected 120 preliminary applications for the month of February 2014.

   B. Unit Count
   It was explained by N. Tiedt that the Unit Count for the month of February 2014 was 2,860.

   C. Housing Assistance Payments Expenses
   N. Tiedt informed that HAP expenses for February 2014 were $1,131,666.

   D. Housing Quality Standard Inspection Compliance
   M. Roberts reported that there had been 400 HQS inspections during the month of February 2014. Of this total, 240 had passed the first inspection, 74 passed a re-inspection, and 86 failed.

At this point M. Roberts explained that historically the inspection information presented to the BCHA did not include no-shows, however no-shows are important to track because they use just as much resources of staff time, gas to drive to the inspections, letters and postage to

schedule and reschedule them, etc. Historically they have remained at 5%. Going forward, ICS will include no-show information to give a complete picture of the inspection department's efforts.

T. Diedrick explained for the sake of the ICS Board members that ICS had previously charged fees for re-inspections. However, the Department of Housing and Urban Development (HUD) had informed ICS that this was not permitted.

L. Green inquired as to what HUD's reasoning was for not permitting the practice of charging for re-inspections. R. Hallet explained that the regulations stipulate that property owners cannot be charged a fee for re-inspections. M. Roberts expounded on this by stating that locally we interpreted that to mean the first re-inspection and that it was permissible to charge for second or third re-inspections. HUD has since clarified for us that the regulations cover all re-inspection. T. Diedrick stated that this practice had incentivized property owners to better maintain their properties and make necessary repairs without the need for multiple reinspections.

R. Gast expressed that this is an issue worth exploring. It appears to be common sense. This may be an issue to bring to legislators and lawmakers. The combined efforts of the BCHA and ICS Board may be able to influence current regulation.

T. Diedrick stated that this concern had been explained to a representative of Reed Ribble's office. R. Hallet explained that there had been discussion of requesting a waiver from HUD that would allow for the charging of secondary re-inspections. The issue is still being explored.

M. Roberts continued the overview of inspection reports with the March breakdown of fail items. He explained that due to frost-heave, a relatively high incidence of door defects was present on the report. This is to be expected during the winter thaw.

E. Program Activity/52681B (administrative costs, portability activity, SEMAP)

   M. Roberts reported that for the month of February 2014, there were 273 port-outs, with an associated HAP expense of $220,033. ICS was under-spent by the amount of $8,462.89 and FSS was underspent by $881.87. This amount was influenced by February being a short month, thus creating less expense.

F. Family Self-Sufficiency Program (client count, escrow accounts, graduates, new contracts, homeownership)

   N. Tiedt explained that for the month of February 2014 there were 76 FSS clients. There were 29 escrow accounts opened, and zero graduates. There were two new contracts.

   R. Gast expressed that the FSS graduations were a very positive and uplifting event to witness, and encouraged those present to attend them.

   N. Tiedt reported that there were 64 Homeownership Clients for the month of February.

G. VASH Reports (active VASH, new VASH)

   N. Tiedt explained that there were 20 active VASH clients for the month of February 2014. Of these, two were new.

H. Langan Investigations Criminal Background Screening and Fraud Investigations

   N. Tiedt reported that during the same month, there were two new investigations assigned, one previous investigation was closed, and two were still active. There were

101 new applications processed. Of these 97 were approved, 4 were denied. All of these fraud investigations were done within the City of Green Bay. Of the initial applications, 75 were done within the City of Green Bay, eight within Howard, six within De Pere, five within Allouez, three within Ashwaubenon, two within Suamico, one within Denmark, one within Oneida, and one within Seymour.

OLD BUSINESS:
None

NEW BUSINESS:
3. Approval of revisions to Chapter 4 (Applications, Waiting List and Tenant Selection) of Administrative Plan

T. Diedrick suggested that approval of the revisions to Chapter 4 be tabled until a later meeting date when a quorum could be reached.

INFORMATIONAL:
4. Status of Brown County Housing Authority and Integrated Community Solutions 2014 Agreement

M. Roberts presented information on the ICS/BCHA 2014 Agreement in the form of an Expectation Summary. The summary gave an overview of ICS's 2014 plan for improved customer service and increased efficiency. He highlighted a few points in the summary: A customer complaint log is now in use to monitor levels of satisfaction. Because of organizational changes, ICS phone issues have decreased due to decreased activity within the system, so no current action is needed in regards to the phone system. M. Roberts then outlined basic objectives that the BCHA and ICS Board will work toward accomplishing. ICS goals are to improve customer service, increase efficiency, and eliminate incidents of fraud. M. Roberts expressed the hope that this set of goals would provide a framework for future joint actions. He encouraged both bodies to familiarize themselves with the informational packets presented, as they represented the collaborative work of both BCHA and ICS officials.

R. Gast inquired if the BCHA received information on tenant terminations. R. Hallet replied that she receives this information from ICS quarterly; however, it has not been presented at BCHA meetings. Another report she receives quarterly is the breakdown of the status of tenants, indicating the percentage of elderly/disabled, those employed, those with minor children, etc. She inquired if the BCHA Commissioners would like to see these reports. Diedrick replied that could be put on agenda quarterly, as well as to include the year end information from 2013 and the first quarter 2014 information on the April agenda. The information could also help to correct inaccurate public perception about voucher recipients, as data on recipients indicates that approximately half of recipients are elderly or disabled. R. Hallet stated that this percentage usually does not change drastically from quarter to quarter.

T. Diedrick presented several issues of concern to both entities. Items of future consideration and discussion include Housing Choice Voucher funding and other budgetary matters. The Housing Choice Voucher program is dependent on annual Federal funding appropriations, and as such is subject to change with each yearly budget. Mutual consideration should be given to the level of 2015 funding. Additionally, both the BCHA and ICS should consider the level of 2014 reserve funding kept on hand, which could impact budgetary and funding decisions.

S. Schmutzer explained that HUD had already started the process of analyzing PHA's reserve amounts. The data has been collected, and HUD is currently calculating the amount of funds they will recapture from PHAs with a large reserve balance.

R. Gast stated that in large part HUD's practice is counterproductive. Housing entities like the BCHA and ICS are penalized for being efficient and setting aside reserve funds. The current

system incentivizes housing entities to spend money, not use it frugally or save it. T. Diedrick stated that if we were aware of HUD's calculations process, we could gauge the best reserve fund level. R. Gast stated that it sounded like HUD already had collected the data. He encouraged both ICS and BCHA staff to work together collaboratively and dynamically to preserve the funding levels.

S. Schmutzer clarified that early projections indicated that funding levels would decrease about $400,000. R. Gast outlined ICS's cost-saving initiatives, including furloughs. This allowed for HUD re-allocations to be about 6% over initial projections. S. Schmutzer explained that HUD has begun the practice of holding all reserves, as opposed to dispersing them to PHAs. This has led to minor payables complications within the BCHA.

T. Diedrick stated that this is an issue of importance and should be monitored by both entities. R. Gast said that the funding recapture will be a critical issue. T. Diedrick agreed, and opined that the BCHA is an above-average housing authority because it has worked so hard to monitor the amount it has in reserves and maximizing the amount of funding. R. Gast reiterated the difficulties of monitoring these issues, and stated the potential benefits to be gained.

R. Hallet thanked the ICS staff for working diligently on the issues outlined on the BCHA/ICS 2014 Agreement. R. Gast inquired if there was still the potential for a Request for Proposal (RFP). R. Hallet explained that an RFP was agreed upon when the January 2014, Agreement, which is for two years, was authorized. T. Diedrick stated that there was large potential with the joint cooperation between the two entities, including for an RFP. R. Gast agreed and stated ICS's readiness for an RFP when the process began.

5. Unaudited Financials

S. Schmutzer gave an update on the Unaudited Financials, as compared to when this was presented last month, which was just preliminary. She cautioned that these numbers were still subject to change. A new format is being utilized for ease of use, which breaks the information into sections. Furthermore, as per the ICS/BCHA agreement, she and Yvette, from ICS, are reviewing numbers more frequently, monthly or quarterly, which prevents some of the issues that come up with numbers not matching at the end of the year; they can stay on top of issues and work through them more easily. Gast stated that this process made sense, because it would allow for correction of error on a more timely basis.

BILLS:
T. Diedrick stated the difficulty of approving the meeting's bills due to a lack of quorum.

S. Schmutzer explained that one bill in particular was in need of attention. A former BCHA client had left the program with unpaid debt. Per the usual process in this situation, the BCHA had used the Tax Return Intercept Program (TRIP) to collect the funds owed, a sum of $809.00. However, due to a bankruptcy declaration, the sum had been discharged so the amount intercepted is now due back to the former participant. HUD regulation stipulates that those who declare bankruptcy are able to recapture funds obtained by housing authorities. As such, the BCHA now owed the sum of $809.00 to the former participant.

R. Gast stated that this regulation may be another issue for legislators. Typically taxes and government assessments are non-dischargeable. Why are funds which are rightfully owed to housing authorities dischargeable by bankruptcy declarations? Perhaps they should be exempt from bankruptcy protection. It might be beneficial to attempt to influence legislation in this area.

S. Schmutzer explained the recipient has been entered into HUD's national database, and is unlikely to receive housing assistance in the future.

T. Diedrick stated that this month's bills appeared to be standard, and that he would not have a problem signing them. Formal approval could wait until a quorum could be reached.

FINANCIAL REPORT:
S. Schmutzer reported that HUD appropriations for BCHA programs had been higher than expected. Other than that, the previous month's financial report was not unusual.

STAFF REPORT:
T. Diedrick thanked the ICS Board and staff for their joint participation. Things are going very well between their respective staff and the two organizations have a strong relationship.

R. Gast thanked the BCHA and stated ICS's enthusiasm for mutual cooperation and coming up with creative solutions toward accomplishing mutual goals.

C. Androsky explained that BCHA and ICS staff would be receiving 2014 Conflict of Interest Waiver forms. Those who have direct or indirect interest in rental property within Brown County while serving in BCHA or ICS capacity may constitute as having a conflict of interest. The Waiver forms would be signed and collected.

T. Diedrick thanked the participants and adjourned the meeting.

Meeting adjourned at 12:53pm

ca:rah:jd