# MINUTES
# BROWN COUNTY HOUSING AUTHORITY
# ANNUAL MEETING
# Monday, May 19, 2014, 3:00 p.m.
# City Hall, 100 N. Jefferson Street, Room 604
# Green Bay, WI 54301

**MEMBERS PRESENT:** Tom Diedrick–Chair, Ann Hartman–Vice Chair, Sup. Andy Nicholson, Corday Goddard, and Adam DeKeyser

**OTHERS PRESENT:** Robyn Hallet, Kim Flom, Stephanie Schmutzer, Matt Roberts, Patrick Leifker, Nicole Tiedt, and Yvette Tice

**APPROVAL OF MINUTES:**

1. Approval of the minutes from the April 21, 2014, meeting of the Brown County Housing Authority.

A. Hartman made a motion to approve the minutes of the April 21, 2014, meeting of the Brown County Housing Authority. C. Goddard seconded. Motion carried.

**ELECTION OF OFFICERS:**

R. Hallet explained that in the past the BCHA did a rotation of officers since all were experienced commissioners. It is the decision of the BCHA if they would like to set up a rotation this year.

T. Diedrick explained that the rotation would be such that the vice-chair would take over the chair for two years and another person is elected as vice-chair and in this way everyone would have an opportunity to serve as chair and vice-chair for two years.

T. Diedrick said we could open it up for nominations or continue with the current officers. He stated he feels it's important that a rotation schedule be set up so all have a chance to serve as officers.

A. Nicholson made a motion to nominate T. Diedrick as chair. C. Goddard seconded the motion.

T. Diedrick turned over the chairmanship to R. Hallet, who acknowledged the nomination for T. Diedrick as Chair. She asked twice more for any further nominations. Being none, she asked for approval. Motion carried.

T. Diedrick called for nominations for the vice-chair. A. Nicholson made a motion to nominate A. Hartman as Vice-Chair. A. DeKeyser seconded. T. Diedrick called twice more for any more nominations. Being none, he called for a motion to approve. Motion carried.

T. Diedrick suggested that a month before the next election we should discuss setting up a rotation.

**COMMUNICATIONS:**

2. Letter from HUD dated April 29, 2014, of final SEMAP score for 2013

R. Hallet explained that the anticipated SEMAP score was brought forward a few months ago and we've now received a response from HUD regarding the final score, which is as was anticipated at 100 percent, putting BCHA at a High Performer status. R. Hallet and T. Diedrick thanked and congratulated ICS and their staff for all their efforts to achieve this status.

A. Nicholson asked what High Performer means and if this was in regards to enrollments.

R. Hallet explained that a Housing Authority's SEMAP score will place them either at Troubled, Sub-Standard, Standard or High Performer Status. She responded that it is overall and referenced the agenda attachment which itemizes all of the scoring indicators

3. Letter from HAI Group from approximately May 9,2014, regarding dividends received

R. Hallet explained that we received a dividend of $564.70 from our insurance company.

A motion was made by A. Nicholson to receive and place on file. A. DeKeyser seconded. Motion carried.

4. Letter from HUD dated May 8, 2014 regarding Transition of Net Restricted Assets to HUD-held Program Reserves

R. Hallet stated that as was explained in previous meetings, HUD is now requiring any PHA-held reserves to be transitioned back to HUD to be kept in HUD-held reserves. When PHAs need the money, they must request it from HUD.

A. Nicholson asked why we have to give our reserves to HUD. S. Schmutzer responded that Congress is requiring it. R. Hallet stated that she believes it may have become formal at the January passing of the appropriations act, but this has been discussed for quite some time now.

R. Hallet clarified that PHAs are being informed that the money is still theirs and just being held by HUD, but she suspects that in the future PHAs who don't use their funds may have it redistributed.

S. Schmutzer agreed that likely HUD will reduce funding disbursements until all PHAs are down to the recommended reserve balance of a month and a half of expenses. She stated that BCHA should not lose anything because we have worked hard in the past year to keep our reserves down and get our unit count up, so we should be in a good position.

A. Nicholson asked where the reserves come from.

S. Schmutzer explained that HUD calculates our monthly HAP funding based on our monthly unit count and there is a quarterly adjustment based on HUD's calculation of our monthly HAP needs. They estimate our funding needs for the year and any amounts not used will be retained in HUD-held reserves.

**REPORTS:**

5. Report on Housing Choice Voucher Rental Assistance Program:

   A. Preliminary Applications
      P. Leifker reported that there were a total of 132 Preliminary Applications collected during the month of April.

   B. Unit Count
      P. Leifker stated that the Unit Count for the month of April 2014 was 2,889.

   C. Housing Assistance Payments Expenses
      As reported by P. Leifker, Housing Assistance Payments Expenses for the month of April 2014 were $1,140,129.

   D. Housing Quality Standard Inspection Compliance

P. Leifker reported on the Housing Quality Standard Inspection Compliance report. In the month of April 2014, there were 376 inspections conducted, 204 of which passed on first inspection. Upon re-evaluation, 79 passed inspection and 74 failed. There were 19 no-shows during this time.

A. Hartman inquired as to the definition of a "no-show." P. Leifker reiterated that neither the client nor the landlord is at the inspection at the appointed time, the inspector attempts calling but is unable to reach anyone. R. Hallet stated that this has always been tracked by ICS but hadn't previously been included on these reports, but in order to show the whole picture, the no-shows are now included. A. Hartman inquired if no-shows are failures. M. Roberts clarified that is not the case; no-shows are their own category. He further explained that inspections are attempted earlier than required to allow for this, so if there is a no-show, it can be rescheduled before it affects the HAP payment.

E. Program Activity/52681B (administrative costs, portability activity, SEMAP)
Y. Tice reported that there were 284 port-out vouchers in the month of April 2014, with an associated HAP expense of $224,462. ICS was overspent by $1,336. She reminded the Authority that as part of the agreement ICS would return any overage, so ICS actually received $8,460 less than previous months. The Family Self-Sufficiency administrative funding was under-budget by $1,204.

F. Family Self-Sufficiency Program (client count, escrow accounts, graduates, new contracts, homeownership)
N. Tiedt reported that in the month of April 2014, there were 66 Family Self Sufficiency clients, 28 clients with escrow accounts, zero graduates, and one new contract. There were 62 homeowners participating in the Homeownership program.

G. VASH Reports (active VASH, new VASH)
N. Tiedt explained that there were 19 VASH participants in the month of April 2014. During this time there was one new VASH client.

H. Langan Investigations Criminal Background Screening and Fraud Investigations
P. Leifker reported that there were two new Langan Investigations assigned for the month of April 2014. Three previous investigations were closed and one was still active. There were 176 new applications sent for background checks, of which 174 were approved; two were denied.

P. Leifker also pointed out the charts for preliminary application by municipality and fraud investigations by municipality.

A. Hartman inquired if ICS believes there is less fraud now that the word is getting out. P. Leifker responded that he believes that referrals are more accurate and valid, along with a better internal process to follow up on fraud referrals. Furthermore, Jim from Langan has sat in on a briefing and said that ICS is very thorough in the information provided to new clients about fraud.

T. Diedrick said years ago, fraud was much worse; we've gotten better about informing clients up front about the dangers of fraud, so the numbers of fraud investigations has gone down significantly. He also stated few PHAs do investigations to the extent we do.

A. DeKeyser inquired as to the status of our previous discussion about charging fines. R. Hallet explained that it was put on hold while other time sensitive projects were finished.

She stated most of the needed information would come from ICS, but she could assist in compiling the data and sending it to HUD.

T. Diedrick asked if this would require changes to federal regulations, to which R. Hallet responded that the intent was for the BCHA to request a waiver from HUD. If HUD doesn't approve a waiver, she suggested we could then send that same data to legislators to encourage them to explore changing the statutory requirements. She stated she and ICS staff could work together to get started on this process.

**OLD BUSINESS:**
None

**NEW BUSINESS**:
6. Discussion and follow up regarding potential supportive housing project.

K. Flom explained that staff had met with the developer interested in this project. She explained that his company does a wide range of projects. He's looking at a few sites and is going to run some proforma numbers. We informed him that if he wishes to come before the BCHA to pursue such a project, he would need to provide data from a market study. She explained that he is exploring a few projects, some of which would not involve the BCHA. She further stated that this particular company has a specialty in restoring historic buildings and can creatively layer financing; they have a good track record.

R. Hallet reiterated that if he does want to pursue Project Based Vouchers, BCHA would have to select a developer via a competitive process of an RFP, so he would be required to submit a specific proposal with details at that time.

A. Nicholson inquired about the extent of research done by this developer. K. Flom explained that he sounds to really know his business but he didn't yet have market study backup to validate the type of supportive housing needed. A. Nicholson asked how he believes there's a need in Green Bay. K. Flom explained that WHEDA has a map that is put together for tax credit purposes which indicate areas of need in the State. Developers who do projects in the areas of need get bonus points in their tax credit applications, so this developer knows there is a need in Green Bay based on this map. She further stated that he seems very sensitive to building a project that fits with the needs and vision of the community.

7. Discussion and possible approval of Request for Proposals to Project Base Vouchers for rural housing.

R. Hallet stated she has created a draft RFP for this project which was discussed last month. It includes a brief explanation of Project Based Vouchers and what type of housing would be eligible, specifying rural housing using the Census Bureau's definition of rural housing. It states the information that must be provided with the proposals, as well as the rating criteria. Such criteria must be spelled out in the administrative plan; the items listed on the draft are the only criteria currently included in the admin plan, so she plans to bring a revision of this chapter of the admin plan forward in the future to allow for consideration of other criteria. She created an application form and then described the exhibits included. She has created a list of people to ask to serve on the selection panel. T. Diedrick recommended including community member on the panel, perhaps from the Aging & Disability Resource Center or NEW Curative.

T. Diedrick stressed that the hardcopy distributed is only a draft form.

R. Hallet indicated she would like to be able to proceed with the process of publishing the RFP without waiting until the next meeting. It was agreed that Commissioners could begin reviewing this draft; R. Hallet would track any further changes made to the RFP and provide it to Commissioners for review before it is published.

A. DeKeyser made a motion to approve the RFP subject to review of the final version by Commissioners, who will have at least five business days to review it before it is published. A separate document will also be provided listing the names of the individuals on the evaluation panel. C. Goddard seconded. Motion carried.

8. Approval to renew agreement with Catholic Charities for reimbursement of pre and post homeownership counseling for Housing Choice Voucher Homebuyers.

T. Diedrick explained we have two such agreements: one with NeighborWorks Green Bay, and this one with Catholic Charities, which began a few years ago, allowing clients a choice of agencies for homeownership counseling.

R. Hallet stated that there haven't been any HCV homebuyers lately therefore neither NeighborWorks nor Catholic Charities have sought reimbursement lately.

N. Tiedt stated that information provided from ICS informs potential homebuyer clients of the option of either agency.

C. Goddard made a motion to approve the agreement with Catholic Charities, followed by a second from A. Hartman. Motion carried.

9. Authorization to apply for FFY 2014 Family Self Sufficiency Coordinator funding

R. Hallet explained that each year PHAs have an opportunity to apply for renewal funding for the Family Self Sufficiency Coordinators. ICS coordinates the process and has been preparing the application.

A motion for approval to apply for Family Self Sufficiency Coordinator funding was made by C. Goddard and seconded by A. Hartman. Motion carried.

10. Discussion and possible action to approve addendum to Integrated Community Solutions' 2014 budget

R. Hallet reminded Commissioners that new this year is review and approval of ICS's budget, which was initiated because of the new payment structure. The Authority approved ICS's budget in November, at which time it was based on anticipated HUD funding; now that the funding has come in higher than anticipated, ICS would like to reincorporate into their budget some of the items that had to be removed in order to balance the budget.

M. Roberts explained that the initial budget was created on a 68 percent funding proration. Funding is now at 74 percent, which equate to $153,000 more funding than anticipated. He stated that the agreement was that if funding came in higher, it would be split with 50 percent going back to the $105,000 reserves BCHA previously agreed to be used toward administration and 50 percent going back to ICS to offset some of the concessions they put into the budget. For example, all ICS staff was required to take five furlough days by the middle of the year, and another five days in the second half of the year. ICS is now proposing that they will not use the $105,000 in the reserve account and in return ICS staff wouldn't have to take their second week of furlough and staff would be provided with a payoff to compensate for the first week of furlough, which would equate to about

$25,800. The remaining $25,000 would be added back to reserve, along with the $105,000 from reserve that they don't need to use. The other changes ICS made in order to reduce costs, such the 401(k) match reduction, would remain in place.

R. Hallet clarified that the reimbursement for the first week of furlough would not take place until the end of the year, provided that funding continued at the higher proration.

M. Roberts also requested an allowance for training. All training at ICS had been frozen, but 80 percent of ICS staff has been with the organization for only two years, and training is important to ensure a high quality program. He doesn't have numbers, as he hasn't looked into specific training yet, but is just requesting the opportunity at this point.

A. Nicholson inquired of the purpose of the furloughs. T. Diedrick reiterated it was a cost savings measure. He inquired where the extra funding has come from. T. Diedrick repeated that the proration was expected to be at 68 percent but it came in at 74 percent, resulting in $153,000 extra funding over what was included in the budget. M. Roberts clarified that ICS used the 68 percent for a conservative budget. A. Nicholson inquired if this has ever happened before where Congress gave more money than anticipated. M. Roberts responded that this is the lowest proration he had ever seen. R. Hallet echoed that, stating that she had recently seen a chart illustrating the proration change over the years, including a significant drop in this year's funding. Previously the proration was generally in the 90 percent range.

A motion was made by A. DeKeyser, seconded by C. Goddard to eliminate the second five-day furlough requirement from the ICS budget. Motion carried.

In regards to the second five-day furlough, S. Schmutzer indicated that the Authority could approve it now, but that staff would watch the funding and provide an update at a meeting before it actually gets paid back, to ensure that funding remains at an appropriate level to allow for the reimbursement. M. Roberts expressed that his motivation for requesting the approval now is for staff morale; after much staff turnover, he'd like to retain staff by informing them that this has been approved.

C. Goddard made a motion to approve the reimbursement for the first set of furlough days, pending continued funding levels, to be reviewed by staff at the end of October and brought back to the Authority for final approval in November. A second was made by A. DeKeyser. Motion carried.

A. DeKeyser made a motion approving training to be added back to the ICS budget pending ICS's submission of budgets for training to R. Hallet for approval, seconded by A. Hartman. Motion carried.

M. Roberts expressed his appreciation to the Authority for approving these adjustments to the budget as well as for the opportunity from the original budget discussions to use the reserves, if it became necessary.

11. Approval of revisions to Chapter 10 (Moving with Continued Assistance and Portability) of Administrative Plan

P. Leifker explained the request for the revision is simply to strike the line stating that vouchers would be issued for 120 days for port out vouchers. This reduces the amount of time a client could hold an open BCHA voucher in another county, encouraging them to lease up in a unit, or for the receiving PHA to absorb the client rather than bill us for them. This change allows ICS to issue the voucher for 60 to 90 days.

A motion was made by A. Hartman, seconded by C. Goddard to approve the revision to Chapter 10. Motion carried.

**INFORMATIONAL:**
12. Update on VASH Project Based Voucher opportunity

R. Hallet reminded the Authority that approval was given at the last meeting to proceed with an application for VASH Project Based Vouchers, which would be suitable for the Veteran housing project in development by Cardinal Capital. She contacted Cardinal Capital, who agreed to proceed with the submission of the application and stated that more in-depth discussions would take place if we are in fact awarded these vouchers. She further explained that she was successful in getting the required letter of support from the VA and thus has submitted the application to HUD for the VASH Project Based Vouchers. HUD anticipates the awards being made in the beginning of August.

**BILLS:**
S. Schmutzer explained the three bills for this month.

A. Nicholson made a motion to approve the bills, seconded by C. Goddard. Motion carried.

**FINANCIAL REPORT:**
There was no discussion on the financial report.

**STAFF REPORT:**
13. Date of next meeting: To be discussed

R. Hallet explained that staff looked ahead and did not see any issues needing discussion at the June meeting; furthermore, R. Hallet will not be available the date of the June meeting. She is therefore proposing to cancel the June meeting. If any time sensitive items come up that necessitate a meeting, a special meeting can be scheduled.

A motion was made by C. Goddard, seconded by A. DeKeyser to adjourn the meeting at 3:58 p.m. Motion carried.

rah:jd