MINUTES
BROWN COUNTY HOUSING AUTHORITY
Monday, April 20, 2015, 3:00 p.m.
City Hall, 100 N. Jefferson Street, Room 604
Green Bay, WI 54301

MEMBERS: Tom Diedrick—Chair, Ann Hartman—Vice Chair, Corday Goddard, and Adam DeKeyser

MEMBERS EXCUSED: Sup. Andy Nicholson and Ann Hartman

OTHERS PRESENT: Robyn Hallet, Kim Flom, Stephanie Schmutzer, Patrick Leifker, Nicole Tiedt, Sadie DiNatale, Wendy Townsend, and Ted Matkom

APPROVAL OF MINUTES:

1. Approval of the minutes from the March 16, 2015 meeting of the Brown County Housing Authority.

C. Corday made a motion to approve the minutes from the March 16, 2015, meeting of the Brown County Housing Authority. A. DeKeyser seconded. Motion carried.

COMMUNICATIONS:

None

REPORTS:

2. Report on Housing Choice Voucher Rental Assistance Program:

A. Preliminary Applicants
P. Leifker reported that ICS collected 129 preliminary applications for March of 2015.

B. Unit Count
P. Leifker stated that the unit count was 2,820 for March of 2015.

C. Housing Assistance Payments Expenses
P. Leifker indicated the HAP expenses were $1,067,539 for March of 2015.

B. Housing Quality Standard Inspection Compliance
P. Leifker reported that 363 inspections were conducted in March; 178 units passed the first evaluation, 69 passed re-evaluation, 72 failed, and there were 44 no-shows.

P. Leifker stated that in consideration of the financial reports, ICS is still working on preparing this data. ICS is still in the process of getting their temporary finance staff on board so updated numbers can be expected at the May meeting.

C. Family Self-Sufficiency Program (client count, escrow accounts, graduates, participation levels, new contracts, homeownership)
N. Tiedt reported that there were 73 active participants for March of 2015. Regarding participation levels there were 42 participants in level one, 14 participants in level two, 12 participants in level three, and five participants in level four. There were two new contracts signed in March of 2015. There were two graduations in March of 2015. For

escrow accounts, there are 37 open accounts. There are 58 homeowners on the program.

D. VASH Reports (active VASH, new VASH)
N. Tiedt reported that there were a total of 27 active VASH voucher holders, which includes 8 Brown County VASH vouchers. There were three new VASH Voucher recipients.

C. Corday asked about the three new VASH Voucher recipients. N. Tiedt clarified that there have been three additional VASH recipients in each of the last three months (to include the 8 Brown County VASH and 19 Racine/Appleton port-in VASH). R. Hallet asked for clarification that of the 21 Tenant Based VASH, 8 are used thus far. P. Leifker confirmed this is correct but that there are people allocated to the remaining Vouchers it is just a matter of leasing them up – many are looking for units, waiting on inspection or paperwork, etc.

E. Langan Investigations Criminal Background Screening and Fraud Investigations
P. Leifker reported that in March of 2015, there were five new investigations assigned, six previous investigations closed, and four investigations remain active. There were 132 new applications sent over to Langan for background checks in which 130 were approved and two was denied.

The charts of fraud investigations by municipality and the initial applications by municipality were displayed. The quarterly denial report was also displayed by P. Leifker, portraying four denials by Langan (possession and battery) which ICS did not catch due to not having access to the websites in which their charges were reported.

A. DeKeyser inquired about ICS missing the four denials that Langan had made. P. Leifker explained that the investigative resources ICS can legally access are not all encompassing; it therefore must be expected that certain cases will go uncaught. For this reason, ICS utilizes Langan & Associates to mitigate this risk and to catch what they cannot access. P. Leifker went on to explain that Langan was originally hired for this specific purpose and to assess whether any approved cases that should have been denials were in or out of ICS's control. It has since been realized that there are not many cases being approved by ICS that should be denied. The cases that are being denied by Langan are out of ICS's control.

C. Goddard asked if the cost of contracting with Langan & Associates is worth the few catches that are made. P. Leifker stated that in his opinion using Langan & Associates is worthwhile. The BCHA and ICS are one of the few PHA's that do utilize a third party criminal investigation service provider and although HUD does not require this, they do recommend it. T. Diedrick additionally stated that in the long term using Langan & Associates is a great investment.

R. Hallet stated that if the BCHA ever gets to the point where certain financial cuts are needed, this may be an area to look at as third party investigative services are not required by HUD. This can be evaluated in the future if necessary.

P. Leifker then reported on the Active Case Breakdown and End of Participation Breakdown.

Lastly, N. Tiedt briefly discussed the summary of ICS's Customer Service Survey.

T. Diedrick asked about port outs as indicated on the End of Participation Breakdown and A. DeKeyser followed up this question by asking how the current port outs compare to last year's. P. Leifker stated that the port outs have decreased from last year. He stated the 376 indicated is the number of port outs billed during the first quarter, which is about 125 per month. This is down from approximately 150-170 last quarter. He stated it has continually decreased, most likely due to port outs being absorbed. He further clarified that the pattern observed is that there are more port outs when we are issuing new vouchers. R. Hallet explained that N. Tiedt would be reporting the customer service reports going forward due to some reassignment of responsibilities among ICS staff.

OLD BUSINESS:

3. Discussion and possible action regarding a request from Gorman & Company to use Project Based Vouchers at their proposed development.

R. Hallet introduced this agenda item stating that it was carried over from last month so that A. Nicholson may be included in the conversation. Unfortunately, A. Nicholson was unable to attend this month's meeting as well. R. Hallet introduced T. Matkom from Gorman & Company and W. Townsend from the Economic Development Department.

T. Matkom stated that Gorman & Company is currently pursuing a development opportunity in downtown Green Bay at 201 W. Walnut. Architecturally, the site is historically relevant. This is an important aspect of the project as WHEDA tax credits will be used to restore the site to its original merit. Considering these tax credits would be utilized, the project's subsidy is factored into the construction costs. This will allow management to charge reduced rents, below Green Bay's average fair market rent, once operational.

T. Matkom stated that after the WHEDA tax credits are factored in, the project still runs approximately $300,000 short. Thus, Gorman & Company have decided to approach the BCHA to Project Base the units that would be at 30 percent Median Income. By receiving the Project Based Vouchers, Gorman & Company will be able to acquire more financing which reduces the financial gap. This also helps promote the BCHA's mission in providing low income housing in an increasingly sought out area to live.

T. Matkom stated that the announcement of the WHEDA tax credits would be made in a few days. Further, T. Matkom stated that a large component of this project is targeted toward Veterans. Thirty percent of units would be targeted toward this demographic to help reduce chronic homelessness for Veterans.

C. Goddard asked about the type of units that would be potentially subsidized through Project Based Vouchers. T. Matkom replied that the subsidized units would be a mix of one, two, and three-bedroom units—there has to be this variance in unit types to meet fair housing requirements.

T. Diedrick asked, in regards to the unit's design, if the building will be accessible. T. Matkom replied that there will be elevators that access all units. WHEDA additionally requires that all units need to be visitable and 20 percent of all units have to be fully accessible. Because of the open floor plan that the building currently exhibits, the units can be constructed in any which way without much difficulty. This allows Gorman & Company to make each unit accessible without running into any previously existing structures/walls that might inhibit accessibility.

C. Goddard asked what is needed from the Authority. R. Hallet stated that at this time agreement is needed to offer Gorman & Company the Project Based Vouchers. In addition, the

Authority should decide whether to request a formal, written proposal from Gorman & Company for the Project Based Vouchers.

T. Diedrick asked A. DeKeyser if his previous concerns from March's meeting were still relevant. A. DeKeyser stated that they were not after the additional data that R. Hallet supplied at the March meeting. R. Hallet reiterated the data shared in March stating that the census tract in which the project is proposed currently has 55 vouchers so increasing the number of units by 10 Project Based Vouchers would not drastically increase the total percentage of units for the area. In fact, this census tract 8 would still be under the average voucher concentration percentage for Green Bay. Some of the highest areas of concentration do not include downtown and thus this reputation can be considered somewhat of a misnomer. If the Authority wishes to work on deconcentration efforts, it would be wise to focus on the census tracts that statistically show the greatest concentration of vouchers.

R. Hallet went on to explain that if the Authority decides to approve these Project Based Vouchers, an AHAP agreement would have to be signed before construction on the project begins. Once the construction is finished and an occupancy permit has been issued, then the actual HAP contract would be signed.

R. Hallet then requested a review of the timeline stating that the first order of business would be Gorman & Company hearing back from WHEDA in a few days. T. Matkom then stated that from there, their company would proceed with ensuring that the historic designation comes through which is expected to be reached at the end of April. Then, beginning in May, the next step would be to precede to the design stages ensuring that the building's historic features are preserved and other design elements are approved. The entire project is expected to close at the end of the year.

R. Hallet asked if the historic designation approval piece of the process is essential to the project's success. T. Matkom confirmed that the designation is critical but would not end the project if it is initially denied as there is an appeals process that can be taken up.

R. Hallet asked a follow up question regarding whether the WHEDA tax credits would be on hold until historic designation could be guaranteed. T. Matkom stated that WHEDA provides a year's time for the awardees to figure everything out so there would be some time if an appeals process was needed.

W. Townsend additionally commented that the Economic Development Department would also work with Gorman & Company to set an additional timeline with deadlines. Thus, they would also be able to provide updates to the Authority along the way.

C. Goddard made a motion to commit to providing the project based vouchers contingent on Gorman & Company providing a formal proposal. A. DeKeyser seconded the motion. Motion carried.

NEW BUSINESS:

4. Discussion and approval to the revision of Chapter 16 (Program Administration) of the Administrative Plan.

P. Leifker began the discussion stating that he and R. Hallet had had some previous conversations regarding Utility Allowances, specifically as it relates to air conditioning. Regulations currently allow for air conditioning allowance at the PHA's discretion. The policy previously stated that the BCHA would provide an air conditioning allowance for central air or a

portable air conditioner in the unit. However in practice, this proved difficult to follow. The proposed revision would be to remove the portable air conditioner from the policy for the reason that it is very difficult to substantiate and verify the existence of a portable air conditioner. The portable air condition would have to be verified physically during an inspection; however annual inspections done in winter months would not be able to confirm a portable air conditioner. So, from a consistency standpoint, ICS is unable to catch all of the potential allowances.

C. Goddard asked for confirmation stating that this policy does not require a landlord to provide central air, rather it provides an allowance if they have central air. P. Leifker confirmed this and explained that if there is central air, the client's utility allowance is higher to account for the additional expense. P. Leifker stated that there are other allowances, such as 'other electric' which catches some of the incidentals which are not specifically listed in the utility allowance chart, so it's not as though it's a completely uncovered cost, it just will no longer be explicitly identified in the Administrative plan.

R. Hallet stated that because it is so difficult to verify, these allowances have not been applied consistently. P. Leifker added that this is one of the reasons this topic has been brought up—because practice and policy have not been lining up, which was identified in the OIG audit which is underway. From a consistency standpoint it was discussed that removing this language would be the best route to take to correct this discrepancy.

A. DeKeyser made a motion to approve the revision made to Chapter 16 of the Administrative Plan. C. Goddard seconded the motion. Motion carried.

5. Review and approval of proposed Utility Allowances for Housing Choice Voucher Program, effective July 2015.

P. Leifker stated that the entire utility allowance schedule is updated annually and is due this July. P. Leifker briefly pointed out some notable information stating that the biggest change from 2014 to now is in terms of changes in the price of oil. As gas prices have plummeted the price per gallon has dropped significantly from last year. This has affected the utility allowances.

C. Goddard made a motion to approve the proposed Utility Allowances. A. DeKeyser seconded the motion. Motion carried.

6. Discussion and possible action regarding the Request for Proposals for Administration of the Housing Choice Voucher Program.

T. Diedrick commented that this next agenda item has the potential to go into closed session, if necessary.

R. Hallet began the discussion stating that staff has been setting up the structure for the 2015 HCV Request for Proposals. To display to the Authority, a timeline was put together as was the Notice of Intent to Release.

In regards to the timeline, R. Hallet stated that if the Notice of Intent to Release is approved today that notice would be published on May 1, 2015, to give potential contractors a heads up to get information together. The RFP draft is then expected to be brought to the May BCHA meeting for suggestions and possible revisions. Any suggestions made to the RFP at that time would be added into the RFP by staff. The RFP would then be brought back to the Authority at the June meeting for approval. If approved the RFP would be officially published on June 22, 2015, with a due date deadline of July 31, 2015. Questions would be due from potential

contractors on July 3, 2015, and an addendum to answer all questions would be issued a couple weeks after that (July 13, 2015). Between the August and September meeting an RFP committee would review and decide upon a recommendation for a contractor. Action to accept a new contractor or renew ICS's contract would be made at the September BCHA meeting. The new contract would begin on January 1, 2016.

R. Hallet moved on to discuss the next piece of information which was the Notice of Intent to Release. A description, some key dates, eligibility factors, and the selection process were conveyed in the notice. R. Hallet asked T. Diedrick if from his experience, the Notice appeared to be an appropriate length. T. Diedrick replied that it may be lengthier than others he has seen but the more information provided to contractors, the better.

A. DeKeyser stated that the only question he had was in the "overview" section of the notice. The notice stated that "the BCHA is considering options for the administration of the HCV Program and related programs including direct administration by the BCHA". The question is in regards to the end of the sentence: "including direct administration by the BCHA". R. Hallet stated that in 2012, the BCHA looked at taking the administration in house. This was information carried over from that time that could be removed if desired by the Authority.

C. Goddard asked if the BCHA was considering submitting a proposal for this RFP as well. R. Hallet said that this could potentially be considered a conflict of interest; however, in 2012, the County Board of Supervisors did recommend it as the avenue to be taken if the Authority would still want to consider administering the program in house.

T. Diedrick stated that at this time he did not believe that this was what the Authority was looking to do, however this may be an avenue to evaluate.

R. Hallet discussed and passed out some information that summarized the issues considered in 2012, as it related to taking the program in house. The reasons summarized included legal responsibility and accountability, fiscal viability, financial stability of ICS, and salary inequity among some other miscellaneous reasons (transparency, risk control, complaints, etc.).

Statements by R. Hallet, S. Schmutzer, and T. Diedrick explained that the issues in 2012, are no longer applicable. A. DeKeyser agreed.

R. Hallet additionally mentioned that the 2012, reasons to take the program in house/go out for RFP could easily precipitate if another contractor is chosen. These are all risks that have to be taken into consideration when going out for RFP.

T. Diedrick stated that an official RFP process was never completed in the past for these purposes. Thus, the BCHA has improved in such a way that the Authority now has a much clearer idea of what is wanted from an HCV Administrative contractor and how to manage an effective relationship with said contractor.

T. Diedrick additionally commented on the RFP/contract structure as it relates to when the Authority would need to go out for RFP for HCV Administration next. S. Schmutzer stated that she will be hearing back from HUD soon to find out how many years in between RFP's are required. S. Schmutzer stated that she would let the Authority know once she finds out. S. Schmutzer further explained that HUD does not want PHA's to continue to extend contracts; HUD prefers that we go out for RFP every so often.

R. Hallet asked for final thoughts on whether to entertain the idea of taking the program in house. If this is being considered, staff would have to begin preparation for a proposal to submit ourselves.

C. Goddard asked if it was in the realm of possibility to take the program in house. R. Hallet stated that yes it was in the realm of possibility but as the relationship with ICS is much improved from 2012, there is less motivation to go forward with this as it would be a significant change when the current structure has already proven successful.

The Authority came to an agreement to not consider taking the program in house as it would be a considerable amount of work when the structure already works well the way it is.

Moving on, R. Hallet asked if there were any current issues with ICS that should be addressed on the forefront of the new contract. No issues were addressed at the time.

R. Hallet then asked the commissioners a series of questions regarding the RFP. First, R. Hallet asked if the Authority would like language requiring the contractor to have a liaison person to work between the BCHA and the contractor. S. Schmutzer stated that currently, BCHA's relationship with the contractor is very close as it is. The Authority agreed that a liaison person was not necessary but they should continue to hold joint board meetings with the contractor.

R. Hallet then asked if the RFP should have language that states that the contractor is required to have a board of directors and if so, would the contractor have to be not-for-profit. A. DeKeyser stated that there would be some benefits to restricting eligibility to non-profits because they would already have an active board of directors. S. Schmutzer stated that in all her years of RFP's there has never been a restriction of business vs. non-profits. A. DeKeyser then stated that instead of having a requirement, perhaps a preference should be mentioned for the board and the contractor should have to identify whether they are for-profit or not-for-profit. The Authority agreed.

The next point brought up by R. Hallet was in regards to how much BCHA involvement and oversight would be needed. In the past when there was concern with contractor management a lot of involvement was called for but now, as these situations have been rectified, this may no longer be necessary. R. Hallet proposed to refine the language in the RFP to aim for an option with less BCHA involvement. The BCHA would then restrict itself to high level management involvement at the BCHA's discretion. The Authority agreed.

The next point R. Hallet introduced was whether the BCHA would like to dictate the software used by the contractor (currently ICS uses HAPPY). The original language suggests that the BCHA would own the software which the contractor would use. R. Hallet suggested this may become burdensome and instead the contractor should retain the software. T. Diedrick asked if we would still have direct access to the software in which R. Hallet replied that the Authority would. The Authority was in favor of the contractor owning the software.

As it relates to the software topic, R. Hallet asked if the Authority cared to dictate the type of software the contractor was expected to use, for instance, require the use of HAPPY. It was agreed that the Authority would indicate that there was a strong preference for the continued use of HAPPY, but the contractor would be able to use whatever type of software they would like as long as it meets program requirements.

The next point of discussion introduced by R. Hallet was whether the contractor or the BCHA should retain contracting services with Langan & Associates. The original RFP language states that the BCHA would contract with Langan directly. The proposed language would allow the

contractor to contract with Langan or with another private investigator, provided they have similar qualifications and connections to local policing authority. T. Diedrick asked if the BCHA would still subsidize the investigative service above a certain amount. R. Hallet reiterated that currently BCHA has an agreement with ICS that BCHA would pay for investigative costs that exceed the agreed upon threshold. Discussion took place regarding whether or not to include language regarding this in the contract, but it was agreed that contractors may not be competitive in this line item if they knew the BCHA would pay over a certain amount. It was agreed that the existing agreement with ICS regarding this would cease with a new contract and could be renegotiated with the awarded contractor. The Authority agreed with the proposed language that the contractor should contract with an investigator of similar qualities and standards as Langan but not necessarily Langan & Associates.

R. Hallet then introduced the next point of discussion which was regarding the contract period. Currently the contract period is for a total of six years and it is divided into three phases. The first phase is 3 years, the second phase is an optional two years extension, and the third phase is an optional one year extension. C. Goddard stated that at a previous meeting he thought it was stated that RFP's should go out every five years. A. DeKeyser stated that he remembered that conversation but wasn't sure if it was in regards to this specific type of RFP. S. Schmutzer stated that she has inquired with HUD and is waiting to hear back.

The final point as introduced by R. Hallet was in regards to language requesting the contractor to submit an Operational Plan within 60 days of the start of the new contract. R. Hallet asked if this seemed appropriate to the Authority. C. Goddard asked if it was generally understood what all needed to go into an Operational Plan. S. DiNatale read the current language in the RFP of what would be required in the requested Operational Plan. The Authority agreed upon the current language as is.

R. Hallet stated that those discussion points concludes what she needed to address and asked if there was anything else that should be discussed regarding the RFP. T. Diedrick stated that the contractor having a local office was important; the Authority had no other concerns at the time.

INFORMATIONAL:

7. Status of Audit by Office of Inspector General

R. Hallet discussed survey results of the OIG Audit. Two components did not pass the survey phase and it has been confirmed that they have proceeded to the audit phase. The two components were File Reviews and Administrative Expenses. The Auditor has to review a total of 90 files. The audit is expected to be completed at the end of September.

T. Diedrick asked if there was any formal records review process in place. P. Leifker stated that ICS has two staff members that perform record reviews on a monthly basis. On average, eight to ten files are reviewed a month. R. Hallet stated that HUD requires five percent of files to be reviewed a month. R. Hallet additionally stated that she reviews files once a month as well. (It was later found that the five percent is inaccurate; instead a program of BCHA's size needs to review a minimum of 38 files per year. On average, ICS reviews 60-80 per year, so the minimum is being met.)

BILLS:

S. Schmutzer reported the current and last month's check listings. S. Schmutzer stated that there was one overpayment as the BCHA intercepting some debt after the previous tenant had paid it back.

A motion was made to approve the bills of February and March, 2015, by A. DeKeyser which was seconded by C. Goddard. Motion carried.

FINANCIAL REPORT:
S. Schmutzer reported that since it's still early in the year, there isn't much to report. There will be a report next month regarding the tax interceptions.

STAFF REPORT:
8. Date of next meeting: May 18, 2015.

R. Hallet stated that the next BCHA meeting is May 18, 2015. C. Goddard stated that he will be unable to attend the May meeting.

R. Hallet stated she intended to provide an update regarding points learned at the WAHA conference, but for the sake of time, this can wait for next month.

Lastly, R. Hallet passed out City Hall parking pass renewal forms.

Meeting adjourned at 4:49 pm.

sd:rah