MINUTES
BROWN COUNTY HOUSING AUTHORITY
Monday, June 15, 2015, 3:00 p.m.
City Hall, 100 N. Jefferson Street, Room 604
Green Bay, WI 54301

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

OTHERS PRESENT: Robyn Hallet, Pat Leifker, Matt Roberts, Nicole Tiedt, and Stephanie Schmutzer, and Kim Flom.

APPROVAL OF MINUTES:

1. Approval of the minutes from the May 18, 2015, meeting of the Brown County Housing Authority.

A. Hartman made a motion to approve the minutes from the May 18, 2015, meeting of the Brown County Housing Authority, which was seconded by T. Deidrick. Motion carried.

2. Approval of the minutes from the June 1, 2015, special meeting of the Brown County Housing Authority.

A. DeKeyser pointed out that the minutes from June 1, 2015 had a mistake: on the seventh paragraph of page 4, it should state 31 instead of 80 potential port out vouchers. A. Nicholson motioned to amend the minutes from June 1, 2015, which was seconded by C. Goddard. Motion carried.

COMMUNICATIONS:

3. Letter from HUD dated May 26, 2015, with information regarding how the proposed fee formula from the HCV Program Administrative Fee Study would affect the BCHA.

R. Hallet explained that under the administrative fees study period, fees under the existing formula had been significantly smaller than the recommended or proposed amount. The same goes for the projected fee amount for the calendar year 2014.

A. Hartman asked when the proposed administrative fee formula will go into effect. R. Hallet responded that HUD will put in a proposed rule sometime this fall. A final ruling on the plan can be anticipated sometime late this year or early next year. A. DeKeyser asked if the fees under proposed formula are prorated. R. Hallet answered yes.

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

4. Letter from HUD dated May 29, 2015, regarding Rent Reasonableness Review.

R. Hallet explained that BCHA was selected to participate in a rent reasonableness review. Although the letter indicates it would be conducted onsite, HUD has determined that the review will now be administered remotely. BCHA will have to send the needed documents via email to HUD. She added that the HUD Contact stated that the review is not meant to find errors in BCHA practices regarding rent reasonableness, but rather to enhance the program.

C. Goddard asked if the repercussions of failure in right practice would fall upon BCHA or the landlords. R. Hallet replied that it is dependent upon the situation, but ultimately the responsibility would fall upon the shoulders of the BCHA.

A. Nicholson inquired if they would be looking for errors. R. Hallet stated that in the course of the review, if they find errors, they will report them to the BCHA.

A. Nicholson asked when the review will be conducted. R. Hallet replied that being a remote review, it doesn't seem as though the deadline is very strict; however, the reviewer has asked for two lists containing tenant information by July 2nd. She added that this might be an indication that the review will be conducted the month of July or August. The review should take approximately four to six weeks.

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

REPORTS:

5. Report on Housing Choice Voucher Rental Assistance Program:

A. Preliminary Applications
P. Leifker stated that for the month of May, ICS had 139 preliminary applications.

B. Unit Count
P. Leifker stated that for the month of May, ICS had a unit count of 2,794.

C. Housing Assistance Payments Expenses
P. Leifker stated that the HAP expense for the month of May totaled $1,075,966

D. Housing Quality Standard Inspection Compliance
P. Leifker stated that for the month of May 376 inspections were carried out. From that number 167 passed the initial inspection, 73 passed the reevaluation, 88 resulted in a fail, and 39 were a no show

E. Program Activity/52681B (administrative costs, portability activity, SEMAP)
P. Leifker explains that for the month of May, ICS had 108 portable vouchers with an associate HAP expense of $103,713. He added that the Administrative fees were under-spent by $11,920.87and FSS Admin was under-spent by $1,921.43.

F. Family Self-Sufficiency Program (client count, escrow accounts, graduates, participation levels, new contracts, homeownership)
N. Tiedt stated that for the month of May, a total of 73 applicants were enrolled in this program. The participation levels for this month accounted for 40 at level one, 12 at level two, 16 or 22 percent at level three, which is a correction to the numbers displayed on the chart, and five percent at level four. She added that ICS had two new contracts signed and zero graduates for the month of May. ICS had 38 families with escrow accounts with a total of $5,714 deposited. Fifty-six home ownership clients were enrolled into the homeownership program.

R. Hallet asked if N. Tiedt could share a graduate story, even though there was no graduate for the month of May. N. Tiedt described a former participant who was a single female working as a CNA, with very low hours. Through the process of working in the FSS program, the client found a new full-time job in the health care field, allowing her to

support her own housing expenses. She graduated from the program on January 1, 2015.

G. VASH Reports (active VASH, new VASH)
N. Tiedt reported that there was only one new VASH client, creating a total of 30 active VASH clients.

H. Langan Investigations Criminal Background Screening and Fraud Investigations
P. Leifker stated that for the month of May, there were six new investigations assigned, six previous investigations closed, and three are still active. ICS sent in 278 new applications, 274 were approved, and four were denied. All of the fraud investigations processed was from Green Bay. He added that the majority of initial applications were also from Green Bay, totaling 79 percent.

A. DeKeyser questioned the port outs. He noted that in January there were 130 and we're now down to 108 and asked if this was this due to absorption. P. Leifker replied, yes, in general this is the case, although there is some natural attrition with that as well. He also commented that up until now we haven't been pulling as aggressively from our waiting list so our port numbers were decreased from what they had been at the end of last year.

6. Report on use of Administrative Reserves and HCV lease up.
P. Leifker handed out some documents that illustrated this information. He stated that in May ICS issued 252 vouchers, of which 45 indicated they wanted to port outs. In June 447 clients were pulled off the waiting list. There were 259 TIFs returned and are thus in process and ICS is waiting for the return of 144. So far 44 of the TIFs were returned by the post office, which means the client's application is closed for not having updated ICS with their address. For the end of June and early July there are 420 available spots open for briefings. He concluded by explaining the breakdown of the 72 application that are currently on the waiting list.

A. Hartman asked if ineligibility meant that the applicants were no longer on the waiting list. P. Leifker replied by clarifying that out of the 72 applicant eight were found ineligible due background checks.

In regards to usage of administrative reserves P. Leifker stated that thus far overtime had only been given to one housing specialist because she works on the front end processes of processing the applications and TIFs. The overtime costs amounted to $52.05 for the one pay period thus far.

A. DeKeyser asked for clarification regarding the 72 applications on the waiting list. P. Leifker clarified that those are the number of applications on the waiting list currently, after 447 were pulled off. HUD had recommended ICS issue 400 vouchers; knowing the success rate, ICS pulled all applications, totaling 447, from the waiting list. Originally HUD recommended, based off the two-year forecasting tool, that ICS issues vouchers in the numbers of 400 in May, 400 in June, 300 in July. This will continue to be reevaluated as the month's progress, but ICS is concerned with having enough applications on the waiting list to pull this amount each month. P. Leifker commented that in only 12 days we received 72 applications, plus 58 more that were missing documentation, so there could be 150 to 200 applications on the waiting list when the next pull is made.

P. Leifker asked if there are any additional items or suggestions that the Authority would like ICS to address or enhance on this monthly report.

A. Hartman asked if ICS has seen anything unusual with the numbers or applications so far. P. Leifker replied that it has been the same success rate, but staff will be working on increasing the success rate so vouchers can be utilized sooner and thus help the funding situation.

A. Nicholson motioned to receive and place on file, which was seconded by. C. Goddard. Motion carried.

P. Leifker explained the 2-year forecasting tool from HUD. He explained this is the tool that ICS and HUD use when looking at funding projections. He explained the Funding Proration Levels are inputted into the chart at the actual levels, which are 100 percent for HAP and 75 percent for Administrative Fee. Next, to the right on the chart is the Program Projection Variables, which include ICS's success rate of 75 percent and annual turnover, or attrition, rate of 14.5 percent. From HUD's evaluation, these numbers are consistent with other housing authorities. He added that the column below, Time from Issuance to HAP Effective Date, is essentially a breakdown of the 75 percent success rate figure, which shows the timing of lease up. This helps to project the number of vouchers to be issued the following month.

P. Leifker went on to explain the next section: in the middle is 12/31 total HAP reserves and HAP reserves as a percentage of the ABA. We started the year at 24.1 percent. With the current projections, it is decreased to 18.6.

He stated that the second page of the forecasting tool combines current and projected numbers to create blueprint for future funding. Column I shows the estimated attrition based off the attrition percentage entered on the first page. On Column J, leased units, the numbers increase based off the success rate entered on page one. Column L shows the average PUC or per unit cost, which is the average cost per client. As that number increases, the total cost spent on vouchers also increases.

A. Hartman asked if all these numbers are current, P. Leifker replied affirmatively, stating that this is the most recent worksheet that staff has worked with HUD on, to confirm the numbers are all current and accurate.

OLD BUSINESS:

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

R. Hallet stated that since the last meeting, there have been changes made to the RFP. She stated that it would be in the interest of the Authority to have a lawyer review the contract. A lawyer previously used by the Authority has recently retired. A recommendation was made by the retired attorney, in which R. Hallet is waiting to receive a response.

She reviewed a bullet point summary of the changes. The highlights include:
Updated the baseline number of vouchers, replaced references to "ICS" with "current administrator", updated the SEMAP score, updated the contract terms to a total of ten years, added emphasis on referral to the Admin Plan for further questions, removed language for pricing to be submitted separately, clarified funding for FSS, made changes for consistency in referring to protected classes, added contractor requirement to submit a preliminary budget, added emphasis for contractor's experience administering a similarly sized program, updated requirements for submission of financial statements to be for the past three years, made changes to the price scoring, removed pricing chart, added a check box to allow consent to check references, added the type of organization of the contractor, removed language regarding arrest and incarceration matching, incorporated expectations from the 2014 agreement into the contract, added language for other investigation services, removed reference to a liaison

person, incorporated the obligations from the 2014 agreement, removed language regarding return of contractor's for profit information, removed approval for salary compensation level, clarified 60 days for submission of audited information, modified language regarding method of payment, removed reference to a joint reserve, changed timing of submitting of financials reporting, clarified notice to terminate contract, and removed 2013 contract and replaced it with a template contract.

R. Hallet stated that if there are no further suggestions, this is the RFP that will be published on June 22. She also stated that although the template of the contract is included in the RFP, the contract could later be amended based on changes suggested once an attorney review is.

A. Nicholson asked if there are any areas of concern in the contract. R. Hallet replied that she has reviewed it thoroughly but one area in which she does need further clarification from an attorney is whether there is a need to reference the various components of the Housing Choice Vouchers, such as FSS, Projected Based Voucher, VASH, etc.

A. Nicholson asked what the Authority has done in the past regarding RFPs. R. Hallet stated that RFPs hadn't been done in the past. T. Deidrick clarified that the Authority had done an RFP once and had collected about 5 or 6 proposals at that time.

A. Nicholson asked if this RFP will be published nationally. R. Hallet explained that the RFP is being posted through Brown County's Onvia online service and she will also directly provide the RFP to a list of contractors to whom she sent the Intent to Release RFP.

A. Nicholson asked for the names of the companies the Intent had been emailed to. R. Hallet replied she could email it to the Commissioners. A. Nicholson asked if the companies were local or nationwide. R. Hallet stated that there are both local and nationwide potential contractors.

T. Deidrick suggested an amendment to the RFP could be published with any changes to the contract after an attorney reviews it.

R. Hallet clarified that the RFP itself does reference the supplemental programs (such as FSS, VASH, etc.). However, it is the contract that does not.

T. Deidrick made a motion to approve the RFP with the changes noted today as well as to include that there may be an amendment later which was seconded by C. Goddard.

There was discussion regarding the possibility of an amendment and changes to the contract. R. Hallet stated that there is already language in the RFP that allows for some flexibility in wording of the contract. She added that questions from contractors will be collected through July 3rd, and the answers will be provided in the form of an amendment by the 13th. The responses to the RFP are due by the 31st. Motion carried.

NEW BUSINESS:

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

R. Hallet explained that the Authority has an annual contract with Catholic Charities. Catholic Charities is licensed through NeighborWorks® America to provide homeownership counseling. Prior to contract with Catholic Charities the only other provider of homeownership counseling was NeighborWorks® Green Bay.

A. Nicholson motioned to approve.

C. Goddard asked if any other organizations have been interested in providing the same service. R. Hallet stated that no other organization has approached the Authority for providing this service.

A DeKeyser asked if there is a reason that the contract is only for a year at a time. R. Hallet replied that she is unsure of the reasoning behind the one year contract. T. Deidrick stated that he thinks it was a request made by Catholic Charities.

A. DeKeyser seconded the motion. Motion carried.

NFORMATIONAL:
9. Status of Audit by Office of Inspector General

R. Hallet explained that the OIG audit will be ending early due to the lack of errors found. The final report will be provided at the next meeting.

A. Nicholson motioned to receive and place on file, which was seconded by T. Deidrick. Motion carried.

BILLS:
S. Schmutzer explained that the Authority had received monies from TRIP; however, one of the clients collected on had filed bankruptcy, so we have to return the amount collected on them. Other expenses included small claims actions and file reviews by VandeCastle Law Firm.

T. Deidrick motioned to approve the bills. C. Goddard seconded the motion. Motion carried.

FINANCIAL REPORT:
S. Schmutzer stated there is nothing significant to address. Aside from the normal budget information, she added profit and loss schedules. This is to help the Authority asses its financials compared to the previous year.

A. Nicholson motioned to receive and place on file, which was seconded by T. Deidrick. Motion carried.

STAFF REPORT:
10. Date of next meeting: August 17, 2015

R. Hallet stated that the meeting for July 16, 2015 is cancelled.

R. Hallet added an additional communication that came in recently. A letter was received from HUD on June 10th, stating that the proration for the Admin Fee has been changed from 74 percent to 79 percent. There are a variety of options of how to handle this additional funding, and the options will be forthcoming.

A. Nicholson motioned to adjourn the meeting, which was seconded by A. DeKeyser. Meeting was adjourned on June 6, 2015, at 3:54 pm.

ZW:RAH:JD