MINUTES
BROWN COUNTY HOUSING AUTHORITY
Monday, January 18, 2016, 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, Tom Deidrick (via phone), Corday Goddard, and Andy Williams

OTHERS PRESENT: Lori DeGrave, Robyn Hallet, Pat Leifker, Casey Murphy, Mackenzie Reed-Kadow, Stephanie Schmutzer

APPROVAL OF MINUTES:

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

C. Goddard made a motion to approve the minutes from the November 16, 2015, meeting of the Brown County Housing Authority, seconded by T. Deidrick. Motion carried.

COMMUNICATIONS:
None

REPORTS:

2. Report on Housing Choice Voucher Rental Assistance Program:
   A. Preliminary Applications
      P. Leifker reported that for the month of December there were 177 preliminary applications.

   B. Unit Count
      The unit count for the month of December was 3,040.

   C. Housing Assistance Payments Expenses
      The HAP expenses amounted to $1,204,115.

   D. Housing Quality Standard Inspection Compliance
      There were a total of 311 inspections, of which 163 passed the initial inspection, 71 passed the reevaluation, 35 resulted in a fail, and 42 were no-shows.

   E. Program Activity/52681B (administrative costs, portability activity, SEMAP)
      P. Leifker stated that for the month of December there were 170 port outs with an associated HAP expense of $140,732. ICS was overspent by $16,544.00 but collectively ICS is still underspent for the year. The FSS program was overspent by $1,024 in December.

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

M. Reed-Kadow stated that 77 participants are currently enrolled in the FSS program. Of that number, 51 participants are at level one, six are in level two, 10 are in level three, and 10 are in level four. One new contact was established for the month of December. There were two graduates and zero terminations for the month of December. There are currently 31 escrow accounts, with a total of $4,800 deposited. She stated that the largest of the amounts deposited was $650. There are currently 58 homeowners in the program.

G. VASH Reports (active VASH, and new VASH)
P. Leifker stated that there are no new clients for the month of December. Currently, there are 26 participants in the VASH program.

H. Langan Investigations Criminal Background Screening and Fraud Investigations
P. Leifker stated that for the month of December there were two new investigations assigned, two previous investigations were closed, and eight investigations are still active. There were 241 applications processed; of that number, 238 were approved and three were denied. P. Leifker summarized the Initial Applications by Municipality and Fraud Investigation by Municipality charts.

I. Quarterly Langan Denials report
P. Leifker reported on the fourth quarter report of the program denials. He explained that the table provided shows if ICS itself or Langan Associates had denied an applicant, including the reason that ICS missed the denials. P. Leifker clarified that this is solely due to the fact that Langan Associates has access to vital websites that ICS does not have. There were a total of seven such denials.

J. Quarterly Active Cases Breakdown
P. Leifker stated that the largest portion of the active participants in the program, by percentage, is the elderly or disabled population, at 53 percent. The second highest percentage, at 37 percent, is the demographic of non-elderly/ disabled people that generate income. The third highest percentage, at seven percent, represents non-elderly/disabled with no earned income and with dependents. And finally the fourth and last demographic, at three percent, represents non-elderly/disabled with no earned income and no dependents.

K. Quarterly End of Participation
P. Leifker stated that this quarterly report provides a breakdown of the terminations for the fourth quarter, in which there were a total of 96. He mentioned that the majority of the terminations were due to family obligation violations, accounting for 43 percent of the total terminations. The second largest factor was due to voluntary termination, at 26 percent. The third largest factor was due to zero assistance/over income, at 9 percent. The fourth largest factor was due to the passing away of a client, seven percent.

L. Quarterly Customer Service Satisfaction
L. DeGrave stated that for the customer service report for quarter four, 97 percent of the customers rated ICS's service as either excellent or very good.

R. Hallet interjected that past ICS surveys were much more detailed, covering areas such as cleanliness, knowledge of staff, resources available and overall experience. She inquired to the Authority members if the shortened summary of surveys was sufficient enough for a quarterly report. In past surveys the results between the differing categories were consistent. T. Deidrick expressed his satisfaction toward the shortened quarterly reports. In the case of a significant change in any category, it will be reported to the Authority. P. Leifker stated that all of the previously mentioned detailed reports will be incorporated into the ICS annual report. There was general agreement toward this course of action.

3. Report on use of Administrative Reserves and HCV lease up.

P. Leifker stated that this report was at the request of the BCHA after allowing ICS to spend reserve funds for an ongoing lease project. He allowed the Authority to analyze the numbers of the Administrative Reserves and HCV lease up report. He indicated that the first two tables showed the number of clients that have been pulled from the waiting list since the month of May. The third table indicated the number of clients that are currently on the waiting list as of January 1st. He stated that ICS has invoiced the total additional cost of the additional work fees to the Authority, which totaled $16,123.55.

OLD BUSINESS:

4. Discussion and possible action regarding request from a BCHA downpayment loan recipient

R. Hallet reminded Commissioners that she sent an email with documents pertaining to this issue a few weeks earlier and explained that there has been a recent development. There is now an accepted offer on the home. The homebuyer is not eligible to assume the mortgage of the BCHA since the home will not be owner occupied, leaving the situation regarding the repayment of the BCHA loan in question. The sales price and associated closing costs has left no residual funds left to repay the BCHA loan. R. Hallet opened up discussion and decision on possible action for the Authority members.

A. Nicholson inquired about the available options. R. Hallet explained that she sees three courses of action: forgiveness of the loan, a signature loan with the family, or requiring the family to pay off what is possible of the loan before the sale of the home. S. Schmutzer explained that the signature loan is a payment agreement with no collateral. She further explained that the family would be able to make payments toward reducing the loan. The BCHA may not receive the full $20,000 that was previously loaned through this agreement; however, further action to gain the full repayment amount would be difficult since the family is moving out of the state. R. Hallet clarified that the home was purchased in 2008 for almost $120,000 and is currently being sold for $93,000 showing depreciation due to the market changes. Around $20,000 was put into the home by the family for renovations of the property. The family qualifies as elderly and disabled and is currently in the processing of moving to the drier climate of Utah to be around their college bound son and for health reasons. The expenses incurred that are mentioned above leave limited options for repaying the loan.

A. Hartman inquired about whether or not caution was expressed to the family about such costly renovations on the property when the loan was given. R. Hallet explained that the family was enrolled in the HCV Homeownership Program; therefore the home

must meet the requirements of the Housing Quality Standards Inspection. She further explained that the common occurrence is that a home is sold in a condition that does not meet the HQS Inspection requirements. An extension was provided to the family in order to meet the fore mentioned requirements after they purchased the home. There was also difficulty selling the property in the current market state. Renovations were made to make the home more appealing. R. Hallet clarified that the head of the household stressed that the changes made to the property were needed, and not just cosmetic. A. Hartman inquired that a loan was given when the extensive repairs were known. S. Schmutzer clarified that the loan is a deferred loan. Usually payments are made when the home is sold or the person no longer lives in the home. The loan can be passed down to a child that qualifies. S. Schmutzer further explained that this loan in particular has to be repaid since the family is moving out of the home. R. Hallet clarified that the loan program, at the time, was to encourage and provide incentive for families buying properties outside the City of Green Bay. This is the only situation of inability of repayment to be made in the loan program. Other families currently on this program are not to the point of repayment needing to be made.

C. Goddard inquired about the status of the funds once the loan is paid off. S. Schmutzer explained that the funds go back into the loan program to be reused as a loan to another family. C. Goddard stated that since the loan is not going to be repaid the funds will not be available to another family. R. Hallet concurred.

A. Nicholson expressed support to the option of using a signature loan to regain some of the funds that were loaned out to the family. A. Williams added that when the payment plan is set up with the family, a provision could be added for a non-dischargeable policy in the case of a bankruptcy. S. Schmutzer expressed concern about the ability to add such a policy; legal counsel would need to verify if this were possible. A. Williams expressed the payment plan would remain flexible due to the cooperation that the family has shown. This would be a long term repayment, but the Authority would still receive some money from the loan. S. Schmutzer clarified that the loan program is currently not heavily utilized and there are funds available at the moment that can be used for other loans. She expressed that a write off of the property is another viable option. A. Williams inquired about if the funds for the program get replenished over time or if the funds were set aside for this program. S. Schmutzer explained that the Authority lends out the money to be returned and then lent out again. A. Williams stated that the purchasing power of the money from the loan decreases overtime. He also stated the option of the son of the family assuming an amount of the debt in the future.

C. Goddard expressed his concern on forgiving the debt since other participants under the program could assume forgiveness of a similar debt would be given automatically. He conveyed support to the signature loan with the non-dischargeable policy since an amount of the loan given would be repaid even in a bankruptcy. R. Hallet indicated another option is a write off of a portion of the loan. S. Schmutzer explained that a repayment agreement could be made for perhaps $10,000 and if that amount is repaid within a pre-determined period of five years, for example, the remaining $10,000 of the loan can be written off. This is different from a signature loan since it is not for the entire amount. Ultimately it is the decision of the Authority for what course of action must be taken. A. Hartman indicated that the repayment agreement of $50 per month for five years would only amount to $3,000.

A. Williams explained that the Authority can work with the family regarding the terms of the signature loan. There is the option of waiting until the college bound son is able to pay off the debt, after graduation and he has obtained full-time work status. This would alleviate the pressure off of the elderly parents. The Authority would wait until he has graduated college and is employed in full-time work to set a dollar amount for repayment. The son would assume the debt of the parents.

A. Nicholson made a motion to enter into a signature loan of $20,000 with the family for $50 a month, with a non-dischargeable clause, or a deferment to the son as an option for the form of repayment for the downpayment loan. Motion was seconded by C. Goddard. Motion carried.

NEW BUSINESS:
None

INFORMATIONAL:
5. Review of Public Housing Basics section of Lead the Way training.

R. Hallet presented the Public Housing Basics section of the Lead the Way training to the Authority and opened up for discussion. The members took the quiz of the Public Housing Basics together. There was general agreement toward continuing the training and discussing one segment per meeting in the future.

BILLS:
S. Schmutzer allowed the Authority members to analyze the bills for this month. She explained that there are additional funds coming in from the fraud cases that are being processed by VandeCastle Law.

A motion was made by A. Nicholson to approve the bills for this month. C. Goddard seconded the motion. Motion carried.

FINANCIAL REPORT:
S. Schmutzer stated that she still working on the year-end report to make sure that the numbers align with the ICS audit. TRIP is going through now and the Authority will receive money at the end of the month. A. Nicholson made a motion to approve the financials for this month. C. Goddard seconded the motion. Motion carried.

STAFF REPORT:
6. Date of next meeting: February 15, 2016.

The BCHA meeting for January 18, 2016, adjourned at 3:50 pm.

CM:RH:JD