MINUTES
BROWN COUNTY HOUSING AUTHORITY
Monday, May 16, 2016, 3:30 p.m.
City Hall, 100 N. Jefferson Street, Room 604
Green Bay, WI 54301

MEMBERS PRESENT: Ann Hartman – Chair, Tom Deidrick (by phone), Corday Goddard (arrived at 3:54pm), and Andy Williams

MEMBERS ABSENT: Andy Nicholson

OTHERS PRESENT: R. Hallet, M. Roberts, M. Reed Kadow, Stephanie Schmutzer, Margret Young

APPROVAL OF MINUTES:

1. Approval of the minutes from the March 21, 2016, meeting of the Brown County Housing Authority.

A motion was made by A. Williams and seconded by A. Hartman to approve the minutes from the March 21, 2016, Brown County Housing Authority meeting. Motion carried.

COMMUNICATIONS:

2. Letter from HUD dated April 1, 2016, regarding Exclusion of the Use of Arrest Records in Housing Decisions.

R. Hallet explained a PIH Notice, 2015-19, was released by HUD to indicate PHA'S can no longer rely solely on arrest records in the determination of denial or termination from programs. She stated the staff will look into if the Admin Plan is in compliance with this new regulation.

A. Williams inquired if this letter could be passed onto the Public Safety Committee of Brown County, since this Committee deals directly with the Drug Task Force, who reports on such arrests throughout the community. His hope is that this will reinforce the idea that an arrest is not a conviction. R. Hallet agreed she could look into sharing this with them.

T. Deidrick asked for clarification that if an applicant is charged with a crime, if the PHA must refrain from taking an action on that until a verdict has been reached. R. Hallet confirmed that is correct. She had asked HUD for clarification on a situation in which an applicant has an arrest but does not yet have a conviction when their name reaches the top of the waiting list, must the PHA accept them if they are otherwise eligible. The response from HUD was yes, and then if the conviction is later substantiated then the PHA must terminate the assistance. M. Roberts added that the PHA could then issue an overpayment along with the termination.

3. Letter from HUD dated May 5, 2016 regarding UPCS-V Demonstration.

R. Hallet reminded the Authority that as was explained a few months ago, HUD is exploring changing how inspections on HCV units are conducted. Currently PHAs are required to follow the Housing Quality Standards (HQS) inspections but HUD is looking at changing to Uniform Physical Conditions Standards – Voucher (UPCS-V) instead. The letter indicates HUD is now

accepting comments for how the demonstration should take place and is accepting applications from PHAs interested in participating in the Demonstration.

As a late communication, R. Hallet announced that the Authority received a letter from HUD with the results of the SEMAP score. Due to the effort of ICS, the BCHA scored a 96 percent, as a High Performer status once again. R. Hallet congratulated ICS and thanked their team for all their efforts and hard work.

REPORTS:

4. Report on Housing Choice Voucher Rental Assistance Program:

   A. Preliminary Applications
   M. Reed-Kadow reported that for the month of April there were 213 preliminary applications.

   B. Unit Count
   The unit count for the month of April was 3,201.

   C. Housing Assistance Payments Expenses
   The HAP expenses amounted to $1,319,782.

   D. Housing Quality Standard Inspection Compliance
   There were a total of 364 inspections, of which 202 passed the initial inspection, 60 passed the reevaluation, 62 resulted in a fail, and 40 were no-shows.

   A. Hartman inquired if this is an unusual number of no-shows for this month and what the reasons were. M. Reed-Kadow explained there are a variety of reasons for this such as miscommunication between tenant and landlord. M. Roberts explained this is not an unusual number of no-shows. He explained currently ICS is performing more inspections, more letters are going out, and the time of the year are factors contributing to the number of no-shows. The ICS staff has been researching the reasons and factors behind no-shows but it is too hard to tell at this point. M. Roberts explained he has encountered many cases in which the client has simply forgotten about the inspection.

   E. Program Activity/52681B (administrative costs, portability activity, SEMAP)
   M. Roberts stated that this month there were 195 port outs with an associated HAP expense of $170,820.07. The administrative expenses for ICS were underspent by $14,413.44. The FSS program was underspent by $3,693.99.

   F. Family Self-Sufficiency Program (client count, participation levels, new contracts, graduates, escrow accounts, and homeownership)
   M. Reed-Kadow reported that 78 participants are currently enrolled in the FSS program. Of that number, 53 participants are at level one, eight are at level two, nine are at level three, and eight are at level four. There were five new contracts established, one graduate, and zero terminations for the month of April.

   M. Reed-Kadow concluded the FSS report by stating that there are currently 31 escrow accounts. There are 55 homeowners.

   M. Reed-Kadow relayed a success story of one of the participants: This participant is set to graduate in June by completing all of the goals she had set for herself, graduating with honors, finding a job in her field, and starting the first steps toward

homeownership. The future graduate will leave with an escrow account of $12,000 which accrued over her five- year span in the program. She plans on dividing up this money to use in part for a downpayment on a home and the rest for other expenses.

G. VASH Reports (new VASH and active VASH)
M. Reed-Kadow stated that there are no new VASH clients for the month of April. Currently, there are 28 participants in the VASH program.

H. Langan Investigations Criminal Background Screening and Fraud Investigations
M. Reed-Kadow stated that for the month of April there were 12 new investigations assigned, 10 previous investigations were closed, and 10 investigations are still active. There were 111 applications processed; of that number, 107 were approved and four were denied. M. Reed-Kadow summarized the Initial Applications by Municipality and Fraud Investigation by Municipality charts.

I. Quarterly Langan Denials report
M. Reed-Kadow explained the reasons for the denials were for disorderly conduct and battery and disorderly conduct. ICS initially wasn't aware of these charges, but Langan denied them because one of the charges was under another name on a website ICS does not have access to. The other was on a website ICS does not have access to.

J. Quarterly Active Cases Breakdown
M. Reed-Kadow explained 50 percent of HCV participants have a head of household that is elderly or disabled, 38 percent the head of household is not elderly or disabled but has earned income, nine percent the head of household is not elderly or disabled, does not have earned income, but has dependents in the household and three percent is not elderly or disabled does not have earned income or dependents.

K. Quarterly End of Participation
M. Reed-Kadow explained there were 77 total terminations in this quarter of 2016. The top three reasons for termination were voluntary termination, violation of family obligations for the program or termination due to zero assistance.

L. Quarterly Customer Service Satisfaction
M. Reed-Kadow explained 77 percent rated the services of ICS as excellent, 17 percent rated very good, three percent rated at good, zero percent rated it fair, and three percent rated the services at poor.

OLD BUSINESS:

5. Discussion of any joint goals of BCHA and ICS.

A. Reducing costs related to port out vouchers.

R. Hallet explained this item was tabled from the March BCHA at A. Nicholson's request, then carried over from the April meeting at which there was no quorum. She opened the meeting up for discussion on possible courses of action. A. Hartman expressed her concern about the applicants who acquire a voucher and then use the voucher in another city. Giving vouchers to communities in need is not a concern, however being required to keep the vouchers on the list for an extended period of time is a burden. She asked for clarification on how long it takes for another PHA to absorb the voucher and accept financial obligation. S. Schmutzer explained it depends on what the PHA wants to do with their utilization numbers. M. Reed-Kadow explained it

is extremely difficult to predict when a PHA will absorb an outside voucher since each PHA is so different. R. Hallet explained there is no time limit for a PHA to absorb, as it entirely depends if they have vouchers available. A. Hartman inquired about the timeframe of a voucher being used after a recipient has left the county. There was general agreement that there are port out participants for which BCHA is being billed for their voucher more than three years after they have moved. A. Hartman stated the other PHA should accept the outside voucher after so much time has passed. S. Schmutzer explained the PHA may not have the ability to absorb the outside voucher due to their current numbers. There may be housing stock available in that location, but the PHA doesn't have the ability to provide the participant with their own voucher due to their allotted number of vouchers. A. Hartman expressed the recipients should then be required to return to the jurisdiction of their original PHA until they can receive a voucher in their desired location.

M. Roberts stated in the article brought forth by A. Hartman from a previous meeting, there should be limitations on how long a voucher can be utilized. This is a very complex situation because the ability to absorb vouchers varies for each PHA. A. Williams stated there is a discrepancy that is unseen in the HUD reports since the funding for the program is going to Brown County it then sometimes is ported somewhere else. A. Hartman expressed her concern that the program is being taken advantage of in a way that was unforeseen in its conception. It is much easier these days for applicants to figure out which PHA has available vouchers because of the internet. M. Roberts expressed that it would be beneficial if HUD could identify which PHAs have the financial ability to absorb versus those that are only able to bill.

R. Hallet explained since this is a federal law only the representatives in Congress can affect the matter. A. Hartman inquired on how many PHA's face a similar problem. M. Roberts explained, through his discussions, he knows for sure that the PHAs of Cheyanne, Wyoming and Grand Forks, North Dakota are also dealing with this issue. A. Hartman expressed her concern that the original bill has not been amended to address this issue. R. Hallet explained HUD has made adjustments to how the billing of the vouchers takes place, which indicates that HUD is aware of and looking at the problem to find an equitable solution. However, not enough time has passed that to indicate if these changes have made any real difference for the Authority.

A. Williams stated that when a participant ports out, we lose contact with that client, therefore, we lose the proactive control that our PHA takes over the participant's behavior on the program. S. Schmutzer echoed that with port out clients, there is no ability to go those who commit fraudulent activities. T. Deidrick stated HUD may see the funding as federal money being allocated to Brown County, instead of as Brown County's money. It is a national program that is be used in the communities of the participants' choice. R. Hallet agreed, stating the funding is being administered by Brown County Housing Authority on behalf of the federal government. A. Williams stated the Authority could claim there is no need for the funding of outside vouchers. T. Deidrick indicated another factor is if the federal government decides to cut the number of vouchers given to a PHA, even if the PHA believes it needs a certain number. The government can make a ruling and lessen the amount of vouchers allocated to that PHA. It is hard to know which aspect of this issue the government will focus on. He explained the Authority should evaluate the aspects of the issue and plan for any potential situations in the future in order to be prepared for a future government ruling. A. Williams stated the Authority has not yet taken significant action in solving this issue. S. Schmutzer explained that in the conversations with HUD a suggestion

was made to cap the amount of funding for port outs. There was a general discussion on the action the Authority has taken, the inability of the Authority to do more to impact this concern and that Congress is the only recourse to changing the regulations regarding portability.

NEW BUSINESS:

6. Approval for BCHA/ICS to register for the UPCS-V Demonstration.

R. Hallet stated that as explained in agenda item #3, HUD is accepting applications for PHAs who wish to participate in the UPCS-V Demonstration. Staff would like the Authority's approval to apply. M. Roberts explained that by participating in the demonstration the Authority will be able to experience the new inspections first-hand and be able to comment on the process. This way the Authority can be actively involved in making the new regulations for inspections instead of being handed the new regulations to abide by and having questions or concerns. For example, some issues are seasonally related. Another benefit is knowing the software compatibility. He explained it would be greatly beneficial to be on the ground level of the demonstration and knowing how it will impact the Authority before it is made a requirement. M. Roberts stated the Authority meets all of the requirements of the demonstration and has two full-time inspectors who will be able to provide crucial feedback. He explained that having first-hand knowledge from previous training, he knows the complexities of the UPCS system.

M. Roberts explained that some landlords get frustrated with the current HQS system since it is so "black and white". The UPCS system is a little more detailed since it adds levels to the inspection criteria. A failure in the inspection can be due to the definition of the form and not the actual condition. In some cases, landlords will question ICS on the reason behind a failed status.

A. Williams asked for an example of this instance. M. Roberts explained he could put together a summary of the differences between the two systems for the Authority. He explained is only concern for demonstrating the new system is regarding if the Authority will continue doing HQS or how the UPCS system will be incorporated into the existing program. A. Williams added that another consequence is some landlords may now pass inspections since the newer system may be more objective. A. Hartman inquired when the Authority would be made aware if it is accepted into the program. M. Roberts stated the Authority should know in July.

A motion was made by A. Williams and seconded by C. Goddard to approve the BCHA/ICS to register for the UPCS-V Demonstration. Motion carried.

7. Approval to use BCHA Conversion Loan program two blocks outside of impact area.

R. Hallet explained the Authority provides a downpayment and closing cost assistance loan program, administered through NeighborWorks® Green Bay, which is to help families who are interested in buying a two family home and converting it into a single family. This program is intended for a designated area of Green Bay, but there is a party interested in purchasing a home two blocks outside the area. R. Hallet inquired if the Authority would grant an exception to the program to aid Margaret Young in purchasing the property. A. Hartman inquired if the reason for where the boundaries were drawn was known. R. Hallet stated she is unsure of the reason behind these boundaries; they are the same boundaries that NeighborWorks® and the City of Green Bay use to administer other programs. These are areas where the City and NeighborWorks want to increase homeownership.

A. Williams inquired about the changes M. Young plans to make to the property. M. Young explained the house was originally a single family home which had been converted into a two-family over 10 years ago and she wants to convert it back to a single family home. M. Young explained the layout for the conversion. She is looking to take out some steps and the extra kitchen. A. Williams inquired about how much the loan would be for. R. Hallet explained the loan would be for a downpayment amounting to $10,000. A. Williams inquired on how NeighborWorks® will be repaid for the loan. S. Schmutzer explained there is admin portion given back to NeighborWorks® and the property is registered with Authority as the second mortgage holder. R. Hallet explained the loan is due once it ceases to be the primary residence or if it is sold.

A motion was made by A. Williams and seconded by C. Goddard to approve the NeighborWorks® loan outside of impact area. Motion carried.

T. Deidrick suggested it would be wise to limit the loan to the specific address of the property.

An amendment of the previous motion was made by A. Williams and seconded by C. Goddard to approve the loan for 979 Howard Street. Motion carried.

8. Discussion and possible action regarding use of Administrative Reserves and HCV Lease up.

R. Hallet explained the Authority and ICS have stopped the aggressive lease ups, which resulted in using the administrative reserves and HUD has indicates the Authority is doing better in spending down the HAP reserves and is no longer on the "Hot List", but still needs to get the HAP reserves down to the acceptable level. R. Hallet and ICS have been working on options to continue to spend down the reserves per HUD's request. The option that the staff is bringing forth to the Authority today is to add an additional staff member to ICS which would focus on housing hard to house families and landlord outreach and relations. She explained the BCHA is lacking in area.

M. Roberts explained this position would develop and coordinate landlord training programs, which would be a good opportunity in the UPCS demonstration. In the past ICS attempts for staff to plan landlord meetings in addition to their caseloads and existing responsibilities have not proven successful. Developing a curriculum for this training that is consistent and having more time to work with landlords would be beneficial. At the same time, this position would be balancing with aiding hard to house families. A. Hartman inquired the purpose for this position is to potentially increase the amount of lease ups for the Authority. M. Roberts and R. Hallet concurred with this statement. A. Hartman expressed her concerns with that these potential landlord programs could be similar to the landlord and apartment association meetings already held in the city. M. Roberts explained ICS staff members are attending these meetings to get a better understanding of how to work with landlords and outreaching to landlords for potential cooperation. R. Hallet stated these efforts will be focused on getting landlords cooperation to work with the HCV program, specifically. It has been a common occurrence that clients have a voucher ready to be used, but encounter landlords who do not want to deal with the HCV program. Working with landlords will dispel some of the myths of the voucher program and help better educate them about the Authority's clients. M. Roberts added this would help educate landlords on the mission of ICS and all of the programs it administers.

A. Williams inquired about landlords who are apprehensive about working with the clients. S. Schmutzer explained there are some clients that have outstanding debt and landlords are reluctant in working with them. A. Williams expressed that since the Authority may be

participating in the UPCS demonstration, landlords might be more willing to work with the ICS and the staff and thus a new landlord outreach program may not be needed in the long term. A. Hartman stated there is still a stigma for the ICS due to past clients. It is up to the ICS staff to remove this stigma. There may not be a need for an additional staff member to do this if ICS is in the UPCS demonstration. A. Williams stated there may be some prejudice from landlords because of past events and a new face may not be the best way to remove the stigma. There was a general discussion on the value of the potential additional staff member. More deliberation is needed before making a decision.

A motion was made by A. Williams and seconded by C. Goddard to table this item for the BCHA meeting in July 2016. Motion carried.

9. Review and approval of proposed Utility Allowances for Housing Choice Voucher Program, effective July 2016.

M. Reed-Kadow explained there are not significant changes to the proposed Utility Allowances to be approved. The only notable change is the price of gas and oil went up. A. Williams inquired about the rate of measurement. M. Reed-Kadow explained the staff acquires the amounts by contacting utility providers for a monthly value.

A motion was made by A. Williams and seconded by T. Deidrick to approve the proposed Utility Allowances for the HCV Program, effective July 2016. Motion carried.

10. Approval of updated Passbook Savings Rate.

R. Hallet explained that this Passbook Savings rate comes into effect when a tenant has more than $5,000 worth of assets, at which point the Authority must count the greater of the actually interest earned or an imputed dollar amount arrived at by applying the Passbook Savings interest rate to the market value of the total of the participant's assets. PHAs may set their Passbook Savings Rate within +/- 75 basis points of the national savings rate, which is currently 0.06 percent. We may therefore set it within the range of zero to 0.81 percent. R. Hallet stated the Authority is currently at zero percent and it is her recommendation that this continue. A. Williams commented that assets are self-reported assets which may not be reliable. He inquired which rate would be used if the clients' assets were more than $5,000. R. Hallet explained the rate would be the greater of the actual interest earned from the assets or the imputed rate.

A motion was made by C. Goddard and seconded by A. Williams to approve the updated Passbook Savings Rate. Motion carried.

11. Request for direction on annual review of investments.

S. Schmutzer explained the Authority requested annual information on the investments a few years ago. She asked for clarification on the information the commissioners would like. In the past she has requested information from different banks regarding their products and interest rates, however there are not a lot of products on the market right now that meet the Authority's needs. The Authority currently uses a sweep account in which money is moved out to different banks which ensures it remains FDIC insured as mandated by HUD. This way the money will not have to be spread out to numerous banks and then need to be pulled back in. Not a lot of banks offer this service. The other option would be to use specialized bonds such as government bonds to be insured in a way other than FDIC. S. Schmutzer asked for clarification on if the Authority would prefer she reported on what different banks have and what the percentages are or to go out to see if other banks have a similar service. Likewise, she requests

how often the Authority would like a report on this. There was a general discussion that concluded that asking what rates the Madison or Milwaukee PHA's receive to give a broader picture on the subject. A. Williams suggested a report every two years would be sufficient.

A motion was made by A. Williams and seconded by C. Goddard for the review of the investments to be done on a biannual basis. Motion carried.

INFORMATIONAL:

12. Review of Housing Choice Voucher section of Lead the Way training.

Due to another pending meeting in Room 604, this item was tabled until the June meeting.

13. PIH Notice 2016-05 on Streamlining Administrative Regulations for Programs.

Due to another pending meeting in Room 604, this item was tabled until the June meeting.

14. Reorganization of Community Services Agency.

Due to another pending meeting in Room 604, this item was tabled until the June meeting.

15. Discussion of Daily Caller News Foundation article.

Due to another pending meeting in Room 604, this item was tabled until the June meeting.

BILLS:

S. Schmutzer stated there was nothing out of the ordinary with the bills for the past two months. There were some small claims and trials fees for the legal representation this month. There was also an interception of a tax return however because the person filed for bankruptcy the funds had to be given back. The former participant will be entered into the HUD system so that they cannot receive housing assistance until repayment to the Authority has been made.

A motion was made by A. Williams and seconded by C. Goddard to approve the bills for the months of April and May 2016. Motion carried.

FINANCIAL REPORT:

S. Schmutzer stated the Authority received quite a bit in fraud recovery and in fact has already surpassed the $30,000 budgeted for fraud recovery for both HAP and Admin. There continues to be some money coming in from TRIP. Also, she stated the Authority's audit will take place next week Monday and Tuesday.

STAFF REPORT:

16. Date of next meeting: June 20, 2016.

As a further Staff Report, R. Hallet stated there are parking pass renewal forms available for anyone who needs them.

The meeting adjourned at 5:00 pm.

CM: RAH