

MINUTES
BROWN COUNTY HOUSING AUTHORITY
Monday, October 17, 2016, 3:30 p.m.
City Hall, 100 N. Jefferson Street, Room 604
Green Bay, WI 54301

MEMBERS PRESENT: Ann Hartman – Chair, Sup. Andy Nicholson– Vice-Chair (arrived at 3:38 pm), and Corday Goddard

MEMBERS ABSENT: Andy Williams

MEMBERS EXCUSED: Tom Deidrick

OTHERS PRESENT: Cheryl Renier-Wigg, Robyn Hallet, Stephanie Schmutzer, Pat Leifker, Matt Roberts, and Mackenzie Reed-Kadow

APPROVAL OF MINUTES:

1. Approval of the minutes from the September 19, 2016, meeting of the Brown County Housing Authority.

A motion was made by A. Nicholson and seconded by C. Goddard to approve the minutes from the September 19, 2016, Brown County Housing Authority meeting. Motion carried.

COMMUNICATIONS:

2. Letter from HUD dated September 28, 2016, regarding provisions of the Housing Opportunity Through Modernization Act of 2016 which are effective immediately.

R. Hallet explained the letter from HUD was regarding the Housing Options Through Modernization Act, referred to as HOTMA. She explained that there are five provisions which are immediately affective, of which only two apply to BCHA. Those two are the Reasonable Accommodation Payment Standard and the Establishment of Fair Market Rent (FMR). In regards to the Reasonable Accommodation Payment Standard, this is something that HUD had provided for temporarily earlier and BCHA had adopted it at that time, so it is not new for the BCHA. The second change affecting us is in regards to the FMRs. This provision changes how HUD publishes the FMRs and allows for a comment period before they become effective. Also this provision allows for PHAs to adopt a local provision that their Voucher Payment Standard (VPS) would not decrease as a result of a decrease in FMR. Upon discussion with ICS staff, R. Hallet feels we would not want to adopt this provision at this time.

REPORTS:

3. Report on Housing Choice Voucher Rental Assistance Program:

- A. Preliminary Applications

P. Leifker reported that for the month of September there were 176 preliminary applications received.

- B. Unit Count

The unit count for the month of September was 3,089.

- C. Housing Assistance Payments Expenses

The HAP expenses totaled \$1,285,903.

- D. Housing Quality Standard Inspection Compliance

There were a total of 341 inspections, of which 166 passed the initial inspection, 58 passed the reevaluation, 74 resulted in a fail, and 43 were no shows.

- E. Program Activity/52681B (administrative costs, portability activity, SEMAP)
No report provided
- F. Family Self-Sufficiency Program (client count, participation levels, new contracts, graduates, escrow accounts, and homeownership)
M. Reed-Kadow reported there were 87 participants in the FSS program. Of that number, 51 participants were at level one, 16 were at level two, ten were at level three, and ten were at level four. There were three new contracts established, one graduate, 37 open escrow accounts, and 51 homeownership clients.

M. Reed-Kadow relayed a success story of one of the participants who is working hard at completing her goals. She is working toward homeownership and is on track to graduate from FSS within two years. At this point she has over \$12,000 in escrow, and it is likely that by the time she graduates she will have the largest escrow payout in the history of BCHA's FSS program.
- G. VASH Reports (new VASH and active VASH)
P. Leifker reported that there was one new VASH client for the month of September and there were 26 active participants in the VASH program.
- H. Langan Investigations Criminal Background Screening and Fraud Investigations
For the month of September there were two new investigations assigned, zero previous investigations were closed, and three remain active. There were 191 new applications processed, all of which were approved. P. Leifker then displayed the charts of the initial applications for September broken down by municipality, showing the greatest number of applications from residents of Green Bay. Fraud investigation by municipality was similar with the majority occurring in Green Bay, followed by De Pere.
- I. Quarterly Langan Denials report
No denials to report
- J. Quarterly Active Cases Breakdown
P. Leifker explained 52 percent of HCV participants have a head of household that is elderly or disabled, 37 percent the head of household is not elderly or disabled but has earned income, eight 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 and does not have earned income or dependents.
- K. Quarterly End of Participation
P. Leifker explained there were 94 total terminations in this quarter of 2016. The top three reasons for termination were violation of family obligations for the program, voluntary termination, and deceased.
- L. Quarterly Customer Service Satisfaction
L. DeGrave explained 84 percent of customers rated the services of ICS as excellent, 12 percent rated very good, three percent rated at good, zero percent rated it fair, and one percent rated it poor.

OLD BUSINESS:

- 4. Discussion and possible action regarding BCHA loan on property at 1239 St. Clair Street in Green Bay, WI.

R. Hallet explained that Attorney Hooker from Corporate Counsel stated that she made the referral to the Sherriff's Department as previously discussed, but has not yet heard back, so she had no updates to provide for this meeting and therefore no need to attend. Attorney Hooker suspects that this may not be a high priority for the Sherriff's Department nor are they familiar with it since no such cases have been referred to them previously by the BCHA.

R. Hallet explained that she did reach out to the family and got some information. She stated that she explained to them that although the lien expired, the note is still in effect and therefore they owe the money back. The family did not agree and would prefer this be handled further by our lawyers. The family explained that the title company ran the search three times and did not find a lean. R. Hallet explained that it is clear the family was not intentionally trying to defraud the BCHA. Furthermore, she asked the family why the home was sold for so far under fair market value, and she learned it was not. She explained that although the Brown County Land Records indicate the home is valued at \$82,000 information from the City Assessor's Office shows it's valued at about \$57,000. When R. Hallet asked the family why it was still only sold for \$33,000, they explained that this is the amount recommended by their realtor who did comparables to other homes sold in their neighborhood. R. Hallet conferred with a licensed realtor on staff with the City who also pulled some comparables which justified the sale for \$33,000. The family received proceeds from the home sale, but they used it to pay off a home equity line of credit and credit card bills from home improvements; the rest they had to spend down because the former homeowner is on Social Security which has an asset limit of \$2,000. They therefore have no money remaining from which to repay the BCHA.

R. Hallet explained that she and C. Renier-Wigg discussed and agreed to recommend that the BCHA write off this loss. Continuing to go after the family for the loan would result in more staff time and legal costs as well as reflect poorly on the BCHA because it could be viewed as partially the BCHA's fault for not knowing that loans need to be re-recorded after 30 years. C. Renier-Wigg added that this money did serve a purpose of helping to improve the home and kept the family in the home longer; further, with this loan program there is always a risk of not getting repayment from all the loans.

C. Renier-Wigg stated that the City is also facing this same issue with the loans they have provided.

A. Nicholson asked what options we have. C. Renier-Wigg explained that if they don't want to write it off, another option would be to file a small claims action against the family and get a judgement. Likely what will happen is that when the former homeowner passes away, the BCHA may get some proceeds but it would likely be no more than \$2,000 since she cannot have more than \$2,000 in assets. C. Renier-Wigg asked S. Schmutzer what the maximum amount that can be sought through a small claims action, to which S. Schmutzer replied that it is \$10,000. This loan was for \$11,000, so we could get a judgement for close to the full loan amount.

A. Nicholson expressed disagreement with writing this off. He questioned who should have been watching for this kind of thing but wasn't. R. Hallet explained that it was simply an oversight, no one was aware that inactive mortgages expire after 30 years. A. Nicholson asked whose responsibility that would be to monitor for regulations like this. R. Hallet explained that because it is based on Wisconsin law, and since Corporate Counsel acts as the BCHA's legal counsel, it would be their responsibility, but they too were unaware of this law. He expressed that Corporate Counsel should be keeping us up-dated about law changes that affect us and should be held accountable. A. Hartman inquired if A. Nicholson is recommending that this be addressed with Corporation Counsel. He agreed that he would like them to attend the next meeting to discuss what and when changes have been made and how they will keep us updated on such changes we need to be aware of.

A motion was made by A. Nicholson and seconded by C. Goddard that the BCHA take small claims action against the family. Motion carried.

NEW BUSINESS:

5. Consideration with possible action on 2017 Fair Market Rents and Voucher Payment Standards

P. Leifker explained that the VPS are used to determine the subsidy that HCV participants qualify for. The VPS must be within the basic range of 90-110 percent of the FMR. The FMRs all decreased slightly this year, with the exception of the FMR for one bedroom. Staff is proposing to keep the VPSs the same as last year, which slightly increases their percentage of the FMR, but they are all still within the basic range that is required.

A. motion made by C. Goddard and seconded by A. Nicholson to approve the VPSs as proposed. Motion carried.

6. Consideration with possible action on an amendment to the BCHA Bylaws regarding the Order of Business and Manner of Voting.

R. Hallet explained that she and C. Renier-Wigg reviewed the BCHA agenda format and decided to make some changes to the agenda headings. However, since the agenda headings are governed by the bylaws, the change to the agenda means a change to the Order of Business in the bylaws is needed. She explained that the heading Reports of the Secretary at some point morphed into Staff Reports, which we are now renaming Administrator's Report and combining with Informational.

R. Hallet further explained that while reviewing this section of the bylaws she noticed that the next section, Manner of Voting, was also outdated. It stated that matters would be decided by roll call vote, but in practice this hasn't been done nor do any other committees vote in this manner, therefore she has proposed a rewording to reflect the actual practice of voice vote and added that upon request of a commissioner, the yeas and nays would be recorded.

R. Hallet also explained that a new addition for the agenda packet that staff would like to try is the coversheets, which are present in this month's packet. Several commissioners expressed they like the addition. R. Hallet stated that if the Commissioners found them beneficial, the staff will continue to provide them. If at any point the Commissioners decide the cover sheets are not adding value, staff should be notified because they do take some time to prepare, but as long as they are beneficial, it is worth the time.

Finally, R. Hallet explained that if there is any other changes Commissioners may like to see to the agenda packets, now would be a good time to discuss it. She asked if there were any monthly or quarterly reports that they didn't find beneficial or any additional reports they would like to see. She also asked if they are satisfied with the financials reports and bills. All Commissioners expressed that they are satisfied with the existing reports; they feel the reports provide important information that the Commissioners should know. They did not have any additional reports to suggest at this time. R. Hallet stated that if they ever would like anything additional in the future, they should feel welcomed to bring it up and staff will assess if the information is something that is readily accessible to provide.

A motion made by C. Goddard and seconded by A. Nicholson to approve the amendment to the BCHA Bylaws regarding the Order of Business and Manner of Voting. Motion carried.

7. Consideration with possible action regarding the suggestion from a member of the public that contact information for BCHA Commissioners be available online.

R. Hallet explained that this item was discussed at the August 15, 2016, meeting when R. Miller suggested that the Commissioners publish their contact information on the County website. At that time the Authority requested staff research what other Committees of Brown County do. A summary was provided to the Commissioners. R. Hallet explained that Brown County Committees only indicate if there is a County Supervisor on the board, they do not list the names of all the Commissioners or their contact information. R. Hallet stated that on the BCHA website all of the Commissioner's names are listed, but not their contact information. R. Hallet stated that she would recommend leaving the website as is, and not adding the commissioners contact information.

A. Hartman stated that she believes that R. Miller's concern was that if he has an issue he only knows her contact information, and may sometimes want to speak to another Commissioner. A. Hartman stated that she would not be opposed to her email address being listed on the website, but questioned if it would be easier for people to contact her by email or by phone.

C. Goddard also stated that he is not opposed to putting his information on the website. A. Hartman agreed, stating that the Commissioners are who the public would go to if they were not satisfied with ICS or R. Hallet's response to an issue. C. Renier-Wigg stated that if there is a problem, that problem should be brought to the board and not to Commissioners individually.

R. Hallet explained that when this was discussed at the August meeting the Commissioners agreed it may be best to have consistency with how other Brown Count Committees handle their Commissioner's information. C. Renier-Wigg stated that she believes all Committees should list the names of the Commissioners. C. Goddard agreed stated that more transparency is better than less.

A motion made by C. Goddard and seconded by A. Nicholson to table the item for one month until staff had a chance to talk to the Commissioners not present at the meeting. Motioned carried.

BILLS AND FINANCIAL REPORT:

8. Consideration with possible action on acceptance of BCHA bills.

S. Schmutzer explained that the bills look slightly longer than normal because of the way they were printed, but there were not any additional bills than normal.

A motion made by A. Nicholson and seconded by C. Goddard to approve and place on file. Motion carried.

9. Consideration with possible action on acceptance of BCHA financial report.

S. Schmutzer explained that it is getting close to the end of the year so things will begin to wrap up soon. She stated that the audit was finished last month, and things are looking good.

A motion made by A. Nicholson and seconded by C. Goddard to approve and place on file. Motion carried.

ADMINISTRATOR'S REPORT AND INFORMATIONAL:

10. Status and number of outstanding BCHA loans to be re-recorded.

S. Schmutzer stated that A. Nicholson requested this information at the September meeting. She stated that 38 loans have been identified as reaching or will soon reach the 30 year status. The total dollar amount of those loans is \$620,943.28. She stated the process has been started to re-record the loans. C. Renier-Wigg questioned if the loans all have to be re-recorded individually. S. Schmutzer stated that each one must be done individually.

A. Nicholson questioned if this item needed to be brought up at future meetings. S. Schmutzer stated that decision is up to the Commissioners. A. Hartman stated that she would like to be notified when the re-recording is finished. S. Schmutzer stated she will report back to the Authority when the re-recording is done.

11. Review of Ethics section of Lead the Way training.

The Authority reviewed the quiz questions from the Ethics section of Lead the Way training.

12. Summary of statutory changes to Housing Choice Voucher Program due to the Housing Opportunity Through Modernization Act of 2016.

R. Hallet explained this item is related to item number two. She stated that five of the provisions are effective immediately and the rest will come into play after HUD has established regulations. She stated that it may take 18 months before the provisions are put into place, but it was recommended that Commissioners become aware of what the provisions entail.

R. Hallet stated that one of the big changes is in regards to recertification of the income of the participants of the HCV program. One change is that reviews will no longer be done every year for clients who are on a fixed income; they will instead be done every three years. Another big change is in regards to the interim reviews. Currently if a client has any decrease in income, they have the right to report it and an interim review must be done to decrease their rent. This change is saying that an interim review will only be done if there is a decrease in their income of ten percent or more. A change was also made in regards to increases in income. This change will state that no interim review will be done for an income increase unless it was preceded by a decrease. R. Hallet also stated that the income that is being counted is also going to change. Currently HUD requires that the client's income be projected for the coming year. The change will be that for initial reviews and interim reviews the client's current income will be used. Annual reviews will use the client's prior year income. R. Hallet stated that another change will be in regards to the dependency deduction. The deduction will now be able to change based on inflation in \$25 increments. She stated that this will also be true for elderly and disabled deductions as the deduction is increasing, but will also have the potential to change.

R. Hallet stated another big change is in regards to medical or other deductions. Currently if elderly or disabled residents have medical expenses in excess of three percent of their income they can get a deduction on their rent. That percentage will be changing to ten percent. R. Hallet explained that Congress is requesting that HUD do a study to see how these changes affect the elderly and disabled population. If the study shows that it will be a dramatic affect HUD may request that Congress remove that provision and keep it at three percent. There will also be a new deduction to allow expenses for veterans who need aid or assistance, but this provision has not yet been further defined by HUD.

R. Hallet explained that there will also be a large change concerning assets. She stated that currently if residents have assets of \$5000 or more, the interest earned on those assets is the greater of their actual interest earned or the imputed interest. With the change the threshold will be increased to \$50,000. She added that if the resident has less than \$50,000 worth of assets verification can be done by self-certification. R. Hallet explained that this new provision will also allow the BCHA to cross share income verification with other agencies. The BCHA will also be given the discretionary ability to limit assets to \$100,000 or less. If residents have more than \$100,000 in assets BCHA would have the authority to terminate that resident from the program. Furthermore, any families who own livable property would be ineligible for assistance. She added that the family authorization form which currently expires after 15 months after being signed would no longer expire.

Under the new provisions PHAs would have the ability to apply for emergency shelter grants. She explained that there are changes being made to the Housing Quality Standards Inspections. If the BCHA wanted they would be able to do an initial inspection that just looks into life threatening defects, and if the property passes that inspection assistance could be provided to the family immediately after. This provision would give landlords 24 hours to fix life threatening defects and 60 days to fix non-life threatening defects.

A. Hartman questioned if the landlord did not get the defects fixed in the amount of time provided would the tenant then have to vacate the property. R. Hallet stated that if the defects were not fixed, the tenant would not be required to leave; but, the Housing Assistance Payment (HAP) would have not been paid. This provision would protect tenants from eviction if the HAP stops due to a failed inspection.

Another provision in regards to inspections is if there was another inspection that has inspection criteria as strict as or stricter than the HQS inspections done within the past 24 months that inspection could be used if this provision is included in the Administrative Plan. BCHA may also allow occupancy before the HQS inspection and would be allowed to make the HAP payments retroactive to the beginning of the lease term.

R. Hallet explained that there are several changes being made to project based vouchers. These changes include allowing for project basing additional vouchers beyond what BHCA can currently do if they are for homeless veterans, elderly, disabled, or in areas where vouchers are difficult to use. Also project basing is currently maxed at 25 percent of units in any particular development unless they are an exempt unit. That will be changing to the greater of 25 percent or 25 units. Another change is that the provisions will eliminate the ability to have multiple single family homes on non-contiguous properties in one contract. She explained that this will be affecting BCHA as Neighborworks® has two contracts with BCHA for single family homes that are scattered and not on contiguous sites. She stated that all of NeighborWorks® project based units has previously been retained through three different contracts, but with this provision it will now require BCHA to have approximately 39 different contracts with Neighborworks®. Another change is in regards to contract extensions: currently contracts can be extended for up to 15 years; this will be changing so contracts can be extended for up to 20 years. It will also allow for additional units to be added to a contract at any time.

A. Hartman questioned what provision R. Hallet believed would affect BCHA the most. R. Hallet stated that she believes recertification of income will affect the tenants the most. She added that this provision has the potential to affect most or all of the tenants and will affect the dollar amounts that they pay toward their rent.

13. Update on status of RFP for Project Based VASH Vouchers.

R. Hallet explained that the RFP has been published and the questions were due on Wednesday October 12th, but no questions were received. She added that the proposals must be in by November 10th and a panel will review them and they will be brought to the Authority for award on November 21st. R. Hallet explained that S. Schmutzer, C. Renier-Wigg, and herself will be part of the panel and extended an invitation for any of the Authority members to be included on the panel.

14. Date of next meeting: November 21, 2016.

A motion was made by A. Nicholson and seconded by C. Goddard to adjourn the meeting. Motion carried. Meeting adjourned at 4:34 pm.

MW: RAH