

MINUTES
BROWN COUNTY HOUSING AUTHORITY
Monday, June 19, 2017, 4:30 p.m.
City Hall, 100 N. Jefferson Street, Room 310
Green Bay, WI 54301

MEMBERS PRESENT: Corday Goddard – Vice-Chair, Tom Deidrick, Ann Hartman, and Andy Williams

MEMBERS ABSENT: Andy Nicholson – Chair

OTHERS PRESENT: Robyn Hallet, Cheryl Renier-Wigg, Stephanie Schmutzer, Pat Leifker, Mackenzie Reed-Kadow, Noel Halvorsen, and Scott Schoeneman

APPROVAL OF MINUTES:

1. Approval of the minutes from the May 15, 2017, meeting of the Brown County Housing Authority. (0:00:40)

A motion was made by A. Hartman and seconded by A. Williams to approve the minutes from the May 15, 2017, Brown County Housing Authority meeting. Motion carried.

C. Goddard announced that several agenda items would be taken out of order, starting with #3, continuing with #4 and #5, proceeding to #8, then returning to #2.

REPORTS:

3. Report on Impact of ICS's salary study. (0:00:59)

P. Leifker shared that ICS's ability to pay their staff a higher salary, as approved in the budget for this year, has allowed ICS to hire and retain the best qualified staff. This has made a significant difference in the ability to administer the program in the past six months.

A motion was made by A. Williams and seconded by A. Hartman to receive and place on file the Report on Impact of ICS's salary study. Motion carried.

4. Report on Housing Choice Voucher Rental Assistance Program: (00:02:23)
 - A. Preliminary Applications
 - P. Leifker reported that for the month of May, there were 152 preliminary applications received.
 - B. Unit Count
 - The unit count for the month of May was 3,144.
 - C. Housing Assistance Payments Expenses
 - The January HAP expenses totaled \$1,383,250.
 - D. Housing Quality Standard Inspection Compliance
 - There were a total of 393 inspections, of which 156 passed the initial inspection, 101 passed the reevaluation, 99 resulted in a fail, and 37 were no shows.

- E. Program Activity/52681B (administrative costs, portability activity, SEMAP)
P. Leifker reported on data through May 2017. There were 322 port outs with an associated HAP expense of \$289,602. ICS was underspent by \$1,457.71 and the FSS program was overspent by \$1,916.82.
- F. Family Self-Sufficiency Program (client count, participation levels, new contracts, graduates, escrow accounts, and homeownership)
M. Reed-Kadow reported there were 88 program participants in the FSS program. Of that number, 47 are at level one, 17 in level two, 13 in level three, and 11 in level four. There was one new contract signed, one graduate, 38 open escrow accounts, and 51 homeowners. She proceeded to share a success story of one of the program graduates.
- G. VASH Reports (new VASH and active VASH)
There were no new VASH clients and 27 active participants in the VASH program.
- H. Langan Investigations Criminal Background Screening and Fraud Investigations
For the month of May, there were eight new investigations assigned, ten previous investigations were closed and six remain active. There were 46 applications processed, all of which were approved. For Fraud Investigations by Municipality, 11 originated in Green Bay, followed by De Pere and Ashwaubenon, each with two, and Howard with one. Initial Applications by Municipality included 43 applications from Green Bay, two in Ashwaubenon, and one from De Pere.

5. Report on locations of port-out vouchers. (0:06:10)

- P. Leifker shared two charts showing the number of port-out vouchers by state. The data showed there were two port-outs to California, one to Colorado, two to Florida, one to Georgia, 12 to Illinois, 13 to Maryland, nine to Massachusetts, two to Michigan, 185 to Minnesota, one to Oregon, three to Texas, 11 to Virginia, 49 to Washington, and 20 within Wisconsin.
- A. Williams inquired about port-outs being absorbed by the receiving housing authority. T. Deidrick responded that requiring that would involve Congressional action, with a change in HUD regulations.
- R. Hallet indicated that over time, the vouchers being ported out can be absorbed by the receiving housing authority, but it is the choice of that particular PHA.

A motion was made by A. Hartman and seconded by T. Deidrick to receive and place on file the report on locations of port-out vouchers. Motion carried.

OLD BUSINESS:

None

NEW BUSINESS:

- 8. Consideration with possible action on approval of Homebuyer Assistance Program Funding Proposal from NeighborWorks® Green Bay. (0:13:13)

R. Hallet introduced the topic stating that there is funding outside of regular HCV funding that has accumulated and could be used by partnering with NeighborWorks® to provide assistance with down payment and closing costs for low to moderate income properties. The use of the funding could for the most part follow the current procedures that NeighborWorks® has in effect for other down payment and closing cost assistance programs.

N. Halvorsen from NeighborWorks® elaborated saying that they would like to implement a break-point at the city boundary for this particular program. The hope with this break-point is to deconcentrate the population of low-income residents within the city limits. Homebuyers under 120 percent of the area median income would be eligible to receive assistance in obtaining home ownership in Green Bay only. Buyers below 80 percent of the median income would be eligible to buy outside of the city limits (anywhere within Brown County) with the intent to serve a broader area and create more economic diversity throughout the county.

C. Renier-Wigg inquired if an incentive could be built into the program to encourage lower income buyers to buy outside of Green Bay. N. Halvorsen responded that the percentage of assistance could be modified to be higher outside of the central city.

S. Schoeneman, NeighborWorks® Green Bay, shared the current formula that NeighborWorks® uses, which is *purchase price times four and a quarter percent*. This averages \$25 per month in interest savings for the individual. Over time, this number adds up, which incentivizes participants to stay in their homes longer.

Discussion ensued about whether the funds should revolve back into the program or come back to the BCHA.

A. Williams inquired about the length of time it would take for the requested \$300,000 to be loaned out. N. Halvorsen and S. Schoeneman believe that the money would last for about one year.

S. Schmutzer clarified that the process has been for NeighborWorks® to provide the loan to the homebuyer, send BCHA an invoice, and then BCHA reimburses NeighborWorks®. In this way, BCHA retains control of the money and NeighborWorks® isn't in possession of money that hasn't yet been spent. S. Schmutzer further explained that in the 2017 budget, BCHA has budgeted \$150,000 for this purpose.

N. Halvorsen stated that on average 10 percent of total loan values are repaid annually. He also explained that these loans typically are not subordinated if the homeowner refinances. A. Williams stated he doesn't agree with ever subordinating the loan. N. Halvorson clarified that the general policy is not to subordinate, but there are some exceptions if it helps the homeowner to be in a better financial position. A. Williams opined that he would want any potential subordinations to come back to the Authority. A. Williams also suggested that instead of \$300,000 at once, the BCHA may want to offer \$50,000 per year to create loans each year.

N. Halvorson also clarified that NeighborWorks® has several funding sources that fund the loans they make, each with different areas of focus. This one is specifically directed to low income buyers looking to purchase outside of the City of Green Bay, so they would market to buyers who meet that criteria. A. Williams expressed concern that without limitations, it could happen that all the buyers could purchase within Green Bay. Discussion ensued about structuring the program to limit the number of loans made within the City of Green Bay or creating a map indicating a target area where the loans could be used.

T. Deidrick stated his opinion is to make more than \$150,000 available, and as the money is spent, re-evaluate it. He doesn't believe that only \$50,000 per year would work.

N. Halvorsen further explained the requirements for the program, stating that participants are required to attend counseling for asset management. People who own homes contribute more to the community than those who do not. Home owners pay taxes on their properties, are more likely to be involved in the community and the local schools and are more likely to vote, strengthening the community.

It was agreed to refer this item back to staff to prepare a more detailed proposal to be brought back at the July meeting.

COMMUNICATIONS:

2. A request by Sup. Andy Nicholson to the Brown County Board of Supervisors (referred to the Administration Committee) to review the possibility of combining the Green Bay Housing Authority and the Brown County Housing Authority with possible action to seek advantages and disadvantages of the merge. (0:41.04)

R. Hallet indicated that at the Administration Committee and Corporation Counsel indicated they would write a legal opinion regarding this issue.

C. Renier-Wigg stated that the Green Bay City Council would have to agree to dissolve the Green Bay Housing Authority (GBHA), and the GBHA would have to declare that there is no longer a need for the GBHA. It's unlikely the GBHA would declare there is no longer a need. Furthermore, the GBHA would have to dispose of all of their current projects and obligations including Mason Manor and 50 scattered site properties, which the BCHA would have to decide if that is something they would want to take on.

T. Deidrick asked for a side-by-side comparison of the BCHA and GBHA detailing the responsibilities of each PHA.

R. Hallet indicated that though both the BCHA and GBHA are funded by HUD, their funding comes from separate allocated accounts for different purposes. The BCHA funding is for housing choice vouchers while GBHA funding is for public housing. Therefore, even if the two programs merged, data would still need to be maintained separately.

A. Williams pointed out that the potential combination would eliminate the need for two separate Authority meetings and give the committee a better picture of the actions being taken in both programs; however, the size of the committee would not increase.

S. Schmutzer pointed out that the GBHA has an excellent relationship with the City. If the merger occurred, the contracts that GBHA runs through the City would have to be run through Brown County's purchasing department, which wouldn't necessarily be a time-saver.

The Authority decided to reevaluate the proposal during the July meeting when they have more information.

R. Hallet presented a late communication: A letter from HUD addressed to the Brown County Executive and BCHA Board Chair reiterating that it is a requirement of the BCHA to have a resident commissioner on the committee. (0:52:33)

R. Hallet stated that a resident commissioner has been identified, but he cannot serve on the committee until one of the current members has stepped down as the BCHA is only permitted to have five members.

A. Williams requested that the Authority create a protocol for electing a new resident commissioner.

R. Hallet stated that the action that needs to be taken is either someone on the Authority steps down, or someone from the Authority will be chosen by the County Executive to be removed. R. Hallet indicated she would communicate with County Executive Troy Streckenbach about this.

REPORTS (Continued)

6. Report on progress of BCHA goals for Calendar Year 2017. (01:02:26)

R. Hallet shared a coversheet listing the BCHA's internal goals. Each of the goals has progressed since they have been implemented.

A motion was made by A. Williams and seconded by T. Deidrick to receive and place on file the BCHA 2017 goals. Motion carried.

NEW BUSINESS (Continued)

7. Consideration with possible action on the approval to renew an agreement with Catholic Charities for reimbursement of pre and post homeownership counseling for Housing Choice Voucher Homebuyers. (01:03:51)

R. Hallet explained the background behind this item. Years ago, Catholic Charities asked to be an approved agency to provide home ownership counseling through the HCV program. This contract is up for renewal.

T. Deidrick elaborated that program participants are able to choose between Catholic Charities and NeighborWorks® for their counseling.

A motion was made by A. Williams and seconded by A. Hartman to approve the contract renewal. Motion carried.

BILLS AND FINANCIAL REPORT:

9. Consideration with possible action on acceptance of BCHA bills. (01:05:23)

S. Schmutzer directed the Authority's attention to the BCHA bills.

T. Deidrick reminded the Authority that staff is technically City employees; this would have to change should the BCHA and GBHA merge (see number 2 under communications). Either staff would have to become County employees or the Housing Authority would have to employ staff directly.

A motion was made by T. Deidrick and seconded by A. Williams to approve and place on file the BCHA bills. Motion carried.

10. Consideration with possible action on acceptance of BCHA financial report. (01:08:00)

S. Schmutzer shared the financial report with the Authority. She stated that she continues to reach out to people who still owe the BCHA for small claims.

A motion was made by A. Williams and seconded by A. Hartman to accept and place on file the BCHA financial report. Motion carried.

11. Update on fraud recovery. (01:09:32)

S. Schmutzer stated that the BCHA has continued to reach out to people to recuperate overpayments (money given to a program participant that they were not qualified to receive). Since then, more than \$859,000 has been retrieved either through monthly payments or through tax collection. Half of the money goes into the HCV program, and the other half goes toward administration.

A motion was made by A. Hartman and seconded by T. Deidrick to receive and place on file. Motion carried.

ADMINISTRATOR'S REPORT AND INFORMATIONAL:

12. Review Risk Management section of Lead the Way training. (01:11:25)

R. Hallet shared that the risk management section was the section that the Authority members have reviewed prior to the meeting. The section gave resources to the Authority, and reiterated the importance of maintaining high ratings on the SEMAP, for which BCHA's scores have been very high for several years. T. Deidrick reminded the Authority that this was not always the case. The committee has worked very diligently to become a High Performer.

R. Hallet indicated that the final module for Lead the Way Training, PIH Lumberton Case Study, will be worked on for the next meeting.

13. Date of next meeting: July 17, 2017. (01:14:52)

T. Deidrick suggested that the Authority take a break from their monthly meeting in August.

R. Hallet reminded the Authority that they missed their April 2017 meeting; however, August is a good time of the year to skip a meeting if no action needs to be taken.

A motion was made by T. Deidrick and seconded by A. Hartman to adjourn. Motion carried. Meeting adjourned at 5:45 p.m. (01:17:33)

LNC:RAH