



MINUTES
BROWN COUNTY HOUSING AUTHORITY
Monday, June 18, 2007
City Hall
100 N. Jefferson Street, Room 604
Green Bay, WI 54301
3:00 p.m.

MEMBERS PRESENT: Rich Aicher, Chair; Darlene Hallet, Vice-Chair; Tom Diedrick; and Michael Welch.

MEMBERS EXCUSED: Paul Kendle.

OTHERS PRESENT: Rob Strong, Tom Dennee, Randy Gast, Robyn Hallet, Chip Law, Jon Syndergaard, Nikki Aderholdt, and Keith Pamperin.

INTRODUCTIONS: Introductions were made, and Jon Syndergaard and Randy Gast were welcomed to the meeting.

APPROVAL OF MINUTES:

1. Approval of the minutes from the May 21, 2007, meeting of the Brown County Housing Authority.

K. Pamperin stated that a sentence under Item #4 should read: He has not received any (not "and") recent referrals.

A motion was made by T. Diedrick, seconded by M. Welch, to approve the minutes as amended. Motion carried.

COMMUNICATIONS:

A June 13, 2007, request letter from NeighborWorks Green Bay to extend the draw time on property at 610 Mather Street.

K. Pamperin stated that this letter was in regards to the funding allocated to the 610 Mather Street property. Initially, this allocation was to be completed by July 31, 2006. Within the letter, Noel Halvorsen explains the reasoning for the delay of the completion of the acquisition and relocation of residents and rehabilitation of the property at 610 Mather Street and requests that the completion date be extended to July 31, 2007. M. Welch questioned if the 610 Mather Street project would be capable of completion within the next six weeks. Tom Dennee responded that it appears that the project would be completed within the next six weeks. As stated in the letter, the project is to be completed on or before July 31, 2007.

R. Aicher requested that the committee consider allowing the extension to August 31, 2007, to ensure the completion of the project and to alleviate the possibility of readdressing the extension.

A motion was made by D. Hallet, seconded by M. Welch, to allow the extension for the project on 610 Mather Street until August 31, 2007. Motion carried.

REPORTS:

2. Report on Housing Choice Voucher Rental Assistance Program.

A. Preliminary Applications

R. Hallet stated that ICS received 241 preliminary applications in May, which is consistent with last month.

B. Housing Assistance Payments

R. Hallet indicated that the HAP expenses of \$96,359 are consistent with previous months.

C. Housing Assistance Unit Count

R. Hallet stated that the unit count of 2,861 households for the month of May is similar to past months, with a slight increase over the month of April 2007.

D. Housing Quality Inspection Compliance

N. Aderholdt passed out a revised HQS report that indicated the re-evaluation passing percentage. C. Law stated that apparently an issue arose when he forwarded the report to BCHA staff, which did not include the re-evaluation passing percentage. R. Hallet stated that the month of May was a very good month for HQS inspections and passed evaluations. While only 96 inspections failed, 219 passed the first inspection and 94 passed the second inspection. ICS staff is monitoring the required Section Eight Management Assessment Program (SEMAP) indicators and is pleased to report that the BCHA SEMAP score goal was met for the month of May, except for lease-up.

K. Pamperin asked about the progress on filling the open HCV Program Manager position at ICS. C. Law responded that the transition team is forging ahead until a replacement is found.

E. Housing Choice Voucher Administrative Costs

C. Law stated that ICS administrative fees were over for the month of May, and the legal costs for both the Williams case and the Viagus case (averaging about \$10,766) were the main cause.

F. SEMAP Monitoring Report

C. Law stated that ICS is monitoring (monthly) the SEMAP indicators both with the HAPPY program and the PIC program to ensure that everything is reconciled. As a result of this monitoring and the improvements made, the BCHA SEMAP goal scores that failed earlier were positive as of the end of May, with the exception of lease-up.

G. 911 Calls and Arrest Matches

C. Law stated that ICS is still not able to obtain 911 and arrest data from the Green Bay Police Department. However, Michelle Arenson has returned from maternity leave so information may be available in the future.

3. Langan Investigations, Criminal Background Screening, and Fraud Investigations

K. Pamperin stated that the month of May was a good report in that of the 143 applicants who applied in May, 100 were approved, 12 were denied, and 28 are pending out-of-state

records. There were nine requests to add a member to the household. Of those nine, five were approved, two were denied, and two are still pending out-of-state records. This shows that more households that meet program screening standards are applying.

NEW BUSINESS

4. Report for ICS Counsel Randall Gast regarding termination notices and recent rulings

J. Syndergaard stated that the increase in terminations has developed unanticipated stress on the ICS staff, as well as external resources. As a result of the limitations enforced in the program, extraordinary challenges have arisen. More time is required to hold informal hearings, and ICS is relying much more heavily on external resources, including purchasing services for hearing officers and legal defense. R. Gast stated that Langan Investigations is doing a good job finding those who don't qualify for assistance, which, in turn, frees up services for those who truly need them. However, unintended consequences and challenges are increasing dramatically. Once a participant is denied or terminated, certain due process rights are triggered. The termination process has dramatically increased the number of informal hearings being requested and the number of legal challenges being made.

R. Gast reviewed the details of certain cases. Because of legal challenges, the denial and termination letters must be specific, yet inclusive, for all issues that are cause for denial or termination. The quality of evidence is crucial, and if more evidence can be provided beyond the Langan Investigations report, such as a witness, it should be obtained and applied.

J. Syndergaard stated that ICS had been alternating four or five people who are not involved with the administration of the housing choice voucher program to cover all of the hearings, which can result in inconsistencies due to how people interpret the information. ICS has now outsourced to one trained individual who has completed a lot of training, is much more cost-effective, is consistent, and functions like an administrative judge. This outsourcing has ratcheted up the credibility of the hearing process. T. Diedrick questioned the definition of "a lot of hearings." J. Syndergaard responded that about six hearings per year were held three or four years ago, compared to nearly 100 this past year.

R. Strong questioned the number of terminated applicants who are actually appealing and if discouragement toward appealing was an influence during the hearing process. J. Syndergaard responded that the number is a small percentage, possibly 10 or 15 percent. R. Gast stated that attempts at informal dialogue are being encouraged to dissuade the appeals process, as well as to alleviate the costs. R. Strong questioned how many applicants were actually represented by legal council, and R. Gast responded that a majority are not represented. The Administrative Plan must be reviewed to determine whose burden of proof it is. Generally, if this program terminates someone, the Authority, as program administrator, has the burden of proof.

K. Pamperin stated that the National Association of Housing and Redevelopment Officials (NAHRO) and the Housing and Development Law Institute have a membership of lawyers who specialize in Housing Authority Case Law and might be considered a resource to guide cases regarding housing assistance programs.

J. Syndergaard stated that there are two issues that must be addressed in order to move forward. First, the program must decide on how legal counsel should handle assignments. Second, the program must decide how much it's willing to spend for a defense. Over \$10,000 was spent on a defense in the Williams case, but there's no going back.

K. Pamperin questioned if it would make a difference if ICS or the Housing Authority were the defendant. R. Gast responded that legal action could name either or both because both could be sued. K. Pamperin stated that he believes that the BCHA should defend BCHA policies that are not consistent with HUD regulations. BCHA and ICS administer the HCV Program under HUD regulations and policies recommended by ICS, which are in accord with interpretation of HUD regulations and adopted as the Administrative Plan. R. Gast stated that if ICS misapplied a policy, obviously the Housing Authority does not have much responsibility in that situation. On the other end, if the policy is wrong and challenged and ICS bases its decisions on it, there might be some burden of proof that ought not be there. It is a case-by-case process. K. Pamperin stated that ICS is obligated to administer the HCV Program in accord with all federal, state, and local laws. If a policy is included in the Administrative Plan that is contrary to HUD regulations, ICS should advise the BCHA and recommend changes. If there are situations that the Administrative Plan and HUD regulations are open for interpretation and the BCHA makes the choice on the interpretation, then the BCHA should be responsible to defend that action.

R. Aicher stated that this is an issue that needs further discussion and advised that it would be reasonable to create a committee to draw up recommendations. K. Pamperin stated that the committee should include the Corp Council. J. Syndergaard stated that he is hesitant to spend too much time on new ground until the issue of cost is dealt with. R. Gast emphasized direct dialogue before filing for a hearing.

T. Diedrick questioned how long it would take to acquire and prepare a monthly report of hearings held and challenges to the case decisions. K. Pamperin recommended that the chairman appoint a subcommittee to work with staff and Corp Counsel to determine a conclusion on which agency should bear the cost of defense and at what cost cases are to be defended. It may not be beneficial to spend resources on an individual case, but if it is going to set a precedent and change the manner in which the program serves the community, defense may be required. R. Aicher stated that it appears to be the consensus to move along the lines of a subcommittee, and he asked staff to schedule a meeting with Corp Counsel.

5. Review and Approval of Utility Adjustments to be effective July 1, 2007.

K. Pamperin stated that the updated utility charts were distributed prior to the meeting. The previous numbers were based on the WHEDA Utility Allowance process, which can change. M. Welch stated that the utility allowance costs appear lower than previous years. K. Pamperin responded that Andy Rosendahl and Nikki Aderholdt conducted the comparative analysis of changes, and the numbers presented show gradual increases.

A motion was made by T. Diedrick, seconded by R. Aicher, to approve the utility adjustments effective July 1, 2007. Motion carried, with M. Welch abstaining.

6. Discussion and action on small claims backlog.

K. Pamperin stated that he met with Corporation Counsel John Jacques and interim Assistant Corporation Counsel Tony Wacowicz (filling in for Chris Paquet) and both are willing to work with the Housing Authority through the small claims process. They have around 234 cases that have been substantiated (based on fraud) and that have not had small claims filed. Regardless of the amount of funding determined to have been fraudulently received, the maximum claim that can be filed as a small claims is \$5000. As a result, it is not crucial to determine if the amount due is \$10,000 or \$15,000 because the maximum that can be filed as a small claims is fixed. Corporation Council has agreed to review and forward the cases if staff can prepare them, and N. Aderholdt is working with Bill Paape at ICS to prepare small claims actions for review by Corporation Counsel.

R. Strong questioned the backlog and stated that it is essential to get the system updated in order to stay up-to-task on the small claims. K. Pamperin responded that Corp Council has only been able to process nine or ten claims at a time and had been informing ICS when additional cases could be handled. The number of cases generated has far exceeded the number that the Corp Counsel could handle. Following discussions with John Jacques and his interim Assistant Corp Counsel, it was agreed that they would try to expedite the process by having Nikki Aderholdt obtain the documentation needed from Bill Paape at ICS and fill out the forms for Corp Counsel's review. The alternative would be to bring in outside counsel. R. Aicher advised keeping this item on the agenda for the foreseeable future or at least until a sense of control is obtained.

7. Discussion and action on an investment proposal.

K. Pamperin stated that a letter from Todd Bartels, Associated Bank, to Anne May Steffel is included in the packet. The letter addresses a proposal on behalf of Associated Bank for the program's current investment. A. Steffel has been marketing investments to get the best return. Dialogue with Associated Bank is essential in understanding the proposal. Other major lenders that could compete with Associated Bank's proposal should be considered, especially if Associated Bank is not willing to waive the monthly \$100 fee. If the BCHA decides to do this, it is essential to hold off until A. Steffel returns from her medical leave. This investment process is not necessarily a long-term relationship, and in a month or two down the road, a more suitable investment could become available.

R. Aicher stated that T. Bartel's proposal looks better than the current investment and suggested going along with the recommendation and negotiate the best deal.

A motion was made by M. Welch, seconded by T. Diedrick, to have A. Steffel proceed with a short-term arrangement with Associated Bank for investments as proposed and request that she report back with results of this agreement with intent to obtain competitive proposals in the future. Motion carried.

BILLS:

A motion was made by T. Diedrick, seconded by M. Welch, to approve the bills. Motion carried.

K. Pamperin stated that he had submitted suggested HCV Program, CDBG, and HOME Program improvements to City of Green Bay Mayor Jim Schmitt, who is serving as Vice-

Chair of the Housing Committee of the U.S. Conference of Mayors. This Housing Committee will have a direct line of communication with the secretary of HUD and will be making recommendations on how to improve HUD-funded programs to meet community needs.

K. Pamperin stated that he has been asked to serve on a community taskforce that is looking at the needs and the benefits of developing a local Landlord/Tenant Resource Center, hopefully in conjunction with NeighborWorks Green Bay, the Apartment Association of Greater Green Bay, the Mediation Center, ICS, and the BCHA.

K. Pamperin stated that the annual NAHRO Conference would be held October 28-31 in San Diego, CA. He asked that Commissioners consider attending. Plans must be made by the end of July to meet early registration deadlines.

FINANCIAL REPORT:

The meeting adjourned at 4:53 p.m.

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