

WINNEBAGO COUNTY HOUSING AUTHORITY MINUTES

Tuesday, June 28, 2011

Marian Manor, 3:00 P.M.

COMMISSIONERS PRESENT: Mike Norton, Chairman
Rebecca Hackett, Vice Chairman
Karen Keller
Scott Waterworth

STAFF PRESENT: Brad Masterson, Executive Director
Su van Houwelingen, Deputy Director
Lee Franzen, Operations Manager
Kim Lynch, Executive Assistant

OTHERS PRESENT: Mary Bach

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- 1.) Chairman Norton called the meeting to order at 3:05 p.m. Mr. Masterson introduced Mr. Scott Waterworth, the new board member. Mr. Waterworth currently works with the mortgage department at Associated Bank. After all introductions were made, Chairman Norton announced that it was time for the annual election of officers for the Board of Commissioners of the Winnebago County Housing Authority. According to the By-laws, Mr. Masterson will remain as Secretary and Treasurer for the Board. Ms. Hackett and Mike Norton were nominated for the position of Chairman. Mr. Norton was elected Chairman by a vote of 3-1. Ms. Hackett and Mr. Schallert were nominated for the position of Vice Chairman. Ms. Hackett was elected Vice Chairman by a vote of 4-0.
 - 2.) Chairman Norton directed the Commissioners to review the minutes of the regularly scheduled Board Meeting held on May 24, 2011. There being no questions or comments, Ms. Keller moved, seconded by Ms. Hackett, to approve the minutes of the May 24, 2011 meeting. Motion carried 4-0.
 - 3.) **Finance –**
 - a.) **Accounts Payable**

Chairman Norton inquired if there were any questions pertaining to the May accounts payable reports. Ms. van Houwelingen reviewed the report format stating there are three checking accounts reflected in the report, River Cities LLC, Marian Manor LLC and the Oshkosh/ Winnebago County Housing Authority checking account. Masterson and van Houwelingen responded to questions regarding the payments, among them the Winnebago County Health Department. This payment is for the services of the Wellness Nurses at the five buildings that the OHA contracts for with the County. The payment to Valpak is for advertising for Foxview (FV) and Riverside (RS). The Corelogic payment is for out of state background checks on applicants.
 - b.) **Focus on Energy – Midwest Renewable Energy Fair**

Mr. Masterson stated he attended this conference to see what was available in the industry and what vendors were doing high efficiency work. Momentum in the renewable energy industry has picked up substantially. Masterson collected information on area contractors working with solar panels on metal roofs. Metal roofing is being considered for FV when the roof is replaced. Effective July 1, 2011, Focus on Energy, a state agency out of the Department of Commerce, will be suspending renewable energy rebates for businesses.

c.) Wisconsin Unemployment Surcharge

Masterson explained that over the recent extended recessionary cycle, Wisconsin's Unemployment Fund exhausted its reserves and has been forced to borrow from the Federal Unemployment Trust Fund to continue paying benefits. Federal law requires states to pay interest on these loans. Interest was waived for 2009 and 2010. However, without the passage of a new provision to waive the interest payments by states for 2011, interest began accruing on January 1, 2011 and a payment on that interest is currently scheduled to be made on September 30 of this year. As required by law, the assessment will be made at a fixed rate calculated to generate the interest amount due. The rate will be applied to employer's taxable payroll for 2010. The Housing Authority (HA) does not pay into the unemployment fund on a regular monthly basis. The HA is a "pay as you go" type of employer meaning the HA only pays into the fund when a claim is paid. The assessment rate for employers who reimburse the Unemployment Trust Fund for benefits paid on their behalf is estimated to be .15%. An assessment bill will be mailed to employers the beginning of August with payment due the first week of September.

4.) Report of the Executive Director**a.) Public Housing****i. Phase 3 Renovations**

Masterson reported that the FAST Team will be working back and forth between the Mainview (MV) renovations and finishing up on the Phase 3 renovations for the Menasha 40 Family Units. There are currently two outstanding issues with the contractor regarding the Menasha 40 units, broken sidewalks and lawns that were reseeded and haven't come up well. The contractor, Alliance Construction, has been very responsive to these issues.

Masterson distributed and reviewed a copy of an article from the PHADA Advocate regarding the potential effect of the recapture of Operating Reserve money. The WCHA is considered a small HA and could potentially lose up to 38.60% of their subsidy. HUD is opening a website so housing providers can ask questions and voice their concerns. Ms. van Houwelingen reviewed the Capital Fund balances and related issues.

ii. South Park CBRF Relocation & Replacement

Masterson stated that Clarity Care was the only entity that submitted an offer to purchase Pinel Group Home. The closing is scheduled for June 30, 2011. Clarity Care will be moving their clients from the South Park Group Home to the Pinel building after they have finished the necessary renovations. The HA has the City's offer for purchasing the South Park property and relocation of the business and residents for up to \$194,000. Dave Patek from the City has been informed of the HA's desire to recapture any doors, windows, power door openers, etc. from the South Park property before the building is demolished. Two Public Housing units will be lost with the sale of the South Park property to the City. So, the HA will have the authority to buy or build two more units.

iii Exploring Impact of Proposed Operating Fund Cuts

Masterson explained that, in the past, much of the HA's income came from tenant rents. For various reasons, the HA's income is now pretty much a 50/50 split between tenant rents and operating subsidy. National advocates concerned about proposed budget cuts sought local responses on the impact of 10%, 20%, 30% and 40% cuts to the Operating Fund. Masterson's cursory review suggested:

a 10% cut would require a one-third reduction in janitorial staff,

a 20% reduction would require that cut and dropping maintenance to 32 hours,

a 30% drop would add a reduction in the admin work week to 32 hours, and a drop of 40% would be all that and the elimination of a paid Executive Director. While actual reductions are unknown and proposed cuts might differ the exercise shattered any illusion that the status quo would persist. The projected cuts only considered the Operating Fund grant for public housing cuts and as other HUD sources will likely see some cuts there will be impacts in other programs. More pronounced impacts within public housing administration or maintenance would be anticipated because the generic cuts above would have to be targeted to just public housing staffing.

b.) Assisted Housing

i. River Cities Redevelopment

▪ **Leasing Progress**

Masterson reported that leasing is going well. The buildings are filling up as applications are starting to roll in. By the end of August all units are expected to be filled. Ms. van Houwelingen stated that the building will be tax compliant. One of the residents attached an unauthorized item on one of the new decks. Masterson reviewed the HA's policy regarding displaying of signs and options being considered.

▪ **Riverside Garages Variances**

Mr. Masterson stated that money has been saved on project soft costs allowing for more interior common area remodeling at Foxview as well as building 31 garages at Riverside and perhaps obtaining the old City of Omro garage for parking at Foxview. Masterson distributed a proposed garage option drawing for the Riverside property showing 31 garages. If the variance request is approved by the Village of Winneconne Board and garage construction proceeds, the HA could petition HUD to increase rents for the property.

▪ **Finalizing Expenditures**

A River Cities Final Improvements Strategy list was distributed and reviewed which outline items such as landscaping, video surveillance cameras and new activity and dining room furniture. McGann Construction will be finishing up the construction and coming in to do the punch list in the next few days. Work that is still pending for McGann is some carpet replacement at FV where the dye lots didn't match and flooring, painting and handrail installation in the stairwells at FV. The stairwell work at RS was done by the HA's FAST Team.

▪ **Investing Partial Developer's Fee**

Masterson explained that the garages at Foxview will probably need to be funded out of the HA's part of the Developer Fee from the project.

c.) Voucher Utilization and Funding

Masterson reported it's still looking like administrative fees will be reduced, but no final word has been received. An application had been submitted for additional money. However, part of it will probably end up going back to HUD because the HA will be unable to spend it all because we cannot exceed the authorized number of people in the program. Diana Madison, the Multi-Family Compliance Manager, has been assisting with intake appointments for Oshkosh clients.

d.) Group Home Debt Service

Mr. Masterson reported that he has received several inquiries regarding the HA's plans for the group homes. Summit and Greenfield group homes carry the greatest amount of indebtedness and would be a complicated sale. The sale of the Pinel Group Home is scheduled for June 30, 2011. Silvercrest and Toward Tomorrow are more straightforward, but with minimal rents and

expensive new sprinkler mandates, a choice between sale and a long-term retention will have to be made.

**e.) Home Ownership Programs – Robin Leslie, Principal Planner, City of Oshkosh
Mary Bach, Community Housing Coordinators Inc.**

Masterson introduced Mary Bach, Community Homebuyer Coordinator, who runs the Housing Authority's Homebuyer programs. Mary reviewed the information in the Winnebago County Homebuyer Program handout that she prepared stating that 226 deals have been completed since the program's inception in 2000. The consortium of participating lenders has gone from 18 lenders down to 6 lenders. Among the different programs are the WCHA Homebuyer Program, the Neighborhood Stabilization Program (NSP), Downpayments Plus WCHA/FHLB Movin Out, Clarity Care Workforce Housing Program and Habitat for Humanity. Seventeen properties were bought with NSP money and so far eight have been sold.

As Robin Leslie was unable to attend this afternoon's meeting, Ms. van Houwelingen distributed and briefly reviewed a handout prepared by Ms. Leslie outlining Housing Programs run by the City of Oshkosh. The City of Oshkosh offers financial assistance to qualified Oshkosh Homeowners to make home repairs. Community Development Block Grant (CDBG) Rehab loans have assisted 567 homeowners with \$7,168,108 in rehabilitation loans. From 1993-2010, \$3,364,642 has been loaned out to rehab 127 rental units. The City of Oshkosh has also started a NeighborWorks Oshkosh program which had a Dumpster Day in June. Almost 3 tons of garbage was removed from the target area.

5.) Tour NSP Renovation 127 W 14th Ave.

The Board went to tour 127 W. 14th Ave, an NSP property that the HA purchased, renovated and is now selling.

- 6.) At the end of the tour, there being no further business, Chairman Norton called for a motion to adjourn. Ms. Hackett moved, seconded by Mr. Waterworth to adjourn the meeting. Motion carried 3-0. The meeting was adjourned at 5:08 p.m.

Respectfully submitted,

BRAD J. MASTERSON
Executive Director
Winnebago County Housing Authority

APPROVED