

MINUTES
BROWN COUNTY HOUSING AUTHORITY
Monday, May 21, 2012, 3:00 p.m.
City Hall, 100 N. Jefferson Street, Room 604
Green Bay, WI 54301

MEMBERS PRESENT: Michael Welch-Chair, Rich Aicher, Darlene Hallet, Ann Hartman (arrived 3:57 PM)

MEMBERS EXCUSED: Tom Diedrick

OTHERS PRESENT: Rob Strong, Robyn Hallet, Matt Schampers, Chip Law, Matt Roberts, Ka Vang, Cheryl Renier-Wigg, John McKay, Dorian Jenkins, Nancy Wesoff (by phone)

APPROVAL OF MINUTES:

1. Approval of the April 16, 2012 minutes of the Brown County Housing Authority

A motion was made by R. Aicher, seconded by D. Hallet to approval the minutes of the April 16, 2012 meeting of the Brown County Housing Authority. Motion carried.

ELECTION OF OFFICERS

M. Welch stated that it was the end of his term as Chair in the rotation of BCHA officers. The next in line for Chairmanship is T. Diedrick, and for Vice Chairman is R. Aicher. R. Strong opened the floor for nominations. D. Hallet nominated T. Diedrick for Chairman, and the nomination was seconded by R. Aicher. R. Strong inquired twice more if there were any other nominations. Being none, the floor was then opened for nominations for Vice-Chair. M. Welch nominated R. Aicher for Vice-Chairman, and the nomination was seconded by D. Hallet. A request for nominations was made two more times. There were no others. It was explained that T. Diedrick is currently out and is expected to return in August. In the mean time, R. Aicher agreed to fill in T. Diedrick's position until he returns. Motion carried.

R. Hallet suggested changing the order of the agenda. D. Hallet motioned to go out of order, taking number five, then number four, followed by number nine. The motion was seconded by M. Welch and the motion carried.

NEW BUSINESS:

5. Approval of request from Neighborhood Development Division for funding to reprint Neighborhood Guide to City Services

C. Renier-Wigg stated that the Neighborhood Development Division would like to print about 20,000 more copies of the Neighborhood Guide to City Services booklets. R. Strong noted that this is the third edition of the City Services Guide. Both of them explained how the booklets are extremely helpful because they contain a list of all the City's services and contact information. C. Renier-Wigg requested a donation of \$10,000 from the BCHA to help with the printing expenses.

R. Aicher asked about how the booklet changes within two years. C. Renier-Wigg responded that in the time frame of two years, there are a lot of updates needed to the booklet. She explained how sometimes they would insert a page with newly elected officials into the guide. She also mentioned that all the real estate companies and the Neighborhood Associations help hand out the City Services Guides.

R. Aicher also asked about the new County or City elected officials. R. Strong responded that elections were in spring, and the City has seven new City Council members. He also included that there are also five new County Board members.

M. Welch made a motion to donate \$10,000 to the Neighborhood Development Division for the printing process of the City Services Guide books, and the motion was seconded by D. Hallet. Motion carried.

4. Presentation by Nan McKay and Associates and approval to partner on application for Performance-Based Contract Administration for Project Based Housing Assistance Payment Contracts in Wisconsin

R. Hallet introduced J. McKay, the CEO from Nan McKay & Associates and D. Jenkins to the commissioners.

J. McKay conference called N. Wesoff, the director and president of LOMOD. He introduced himself as the CEO of Nan McKay & Associates (NMA), and that he has been with the business for fifteen years. He said that NMA's corporate office is located in San Diego, and there are also other offices located in Chicago and Washington D.C.

D. Jenkins introduced himself as the vice president of program management for NMA, and that he has been working with housing authorities for about twenty years. He explained that currently he is working with NMA, and runs the Chicago office for Chicago's Housing Authority.

N. Wesoff introduced herself as president and director of Los Angeles LOMAD Corporation, and that she has over thirty years of experience. She explained LOMOD is the largest subsidiary to the Housing Authority of the City of Los Angeles, which is the second largest housing authority in the country, operating 50,000 vouchers and about 7,000 units of public housing. She added that LOMOD has approximately 737 contracts with about 46,000 units of housing.

J. McKay gave background information on NMA: They are a recognized industry leader in affordable housing professional services and work with all sizes of housing authorities. NMA only works in the housing industry and has a focus on customer service and performance improvement. He further stated that NMA has been working in affordable housing industry for thirty two years. NMA's contracts are not only with housing authorities, but with HUD as well, including the Stop Loss Conversion, Asset Management Conversion and the Rental Housing Integrity Improvement Program. He explained that he has known R. Hallet for five years and NMA business with both Brown County and Green Bay Housing Authorities. He explained NMA does program management and work on project based vouchers and mod rehab. They run the Chicago Housing Authority program, and they also helped Los Angeles catch up on 7,000 overdue recertifications. Also he stated that they were brought in by the Department of Justice to the Miami- Dade Housing Authority and worked on recalculating 3 years worth of every recertifications, finding all of the miscalculations of over and under payments of every landlord within the 3 years.

N. Wesoff explained LOMOD: LOMOD was created in 1973 and on December 1, 2003 became the performance based contractor administrator (PBCA) for the southern California portfolio. They have the second largest portfolio with 749 contracts and about 46,000 units of project based vouchers. As a PBCA, they do management occupancy reviews, contract renewals, monthly voucher releases, and offer a resident hotline. She also shared an accomplishment of a new business plan developed three years ago that transitioned them from a previous sub contractor resulting in a successful transition in 60 days. This transition included a whole IT conversion, no disruption in payment to owner agents, and no disruption for service residents. They do 100% quality control in all of their work products and they maintain a paperless office. She also said that they never had any audit findings and they were awarded HUD Five Best Practices and they have the best financial rating that can be deemed as an unqualified opinion.

J. McKay announced that they were proposing a three way partnership between BCHA, NMA, and L.A. LOMOD to become the PBCA for the state of Wisconsin. The partnership will produce an annual non federal income to BCHA of over \$100,000. He explained that as non federal funds, the money can be used for any purpose the BCHA chooses. LOMOD and NMA would do all the work and there would be no additional staff or cost to the BCHA. He said that if R. Hallet were to bring in an assistant, LOMOD and NMA would pay for it and it would not come out of the \$100,000 fee. They will also pay for any

related travel that BCHA would like to do such as to visit LOMOD. He also mentioned that they would come in and give free training to whoever BCHA would like to be trained.

He gave the statistics of Wisconsin having 437 Section 8 multifamily contracts that include 22,897 units. He explained that the fee paid to BCHA to be the state sponsor would be \$102,000 annually as non federal funds. He stated that this type of partnership is extremely popular and beneficial to many housing authorities; it would increase the BCHA's funds. He said that HUD is pushing housing authorities to be competitive and that they have to have a local finance agency as a partner. HUD wants keep the community placement and the funds local because the funds would come back to the local community and in this way will create local job opportunities.

He also explained that Multifamily contracts began because HUD gave out a lot of low interest loans to private sector developers, who in turn had to label the units as low income units. HUD found they didn't have the ability to audit and administer the program themselves, so state-based PBCA's were created to help administer the program for HUD. He stated that right now RAB is a program that is converting public housing to the multifamily program. They are in the process of converting 60,000 units and if they are successful, they want to convert all public housing units. With this conversion, it would help the LOMOD and Nan McKay portfolio grow and thus increase the federal income funds to BCHA.

D. Jenkins shared more about what the PBCA does. He said that HUD gave these long term contracts out to developers to hold a certain number of units affordable. HUD cannot administer all these contracts so they contract this service to PBCAs. He stated that they were there to propose partnership with the BCHA to become the PBCA for Wisconsin.

M. Welch questioned if there was any PBCA program in Wisconsin today. D. Jenkins responded that there is a contract administered currently and they will be rebidding. J. McKay also added that there are four different groups that will be bidding on Wisconsin, all of which must have a local housing authority or housing finance agency. He said that there are about six big companies, including LOMOD, who do this, and four of them are finding in-state sponsors to bid with Wisconsin. Wisconsin is a state with a lot of contracts, so it's a state a lot of contractors would be bidding on. It is believed that Quadel, as a private company, has partnered with WHEDA to currently run this and are bidding on it again.

D. Jenkins explained further what the PBCA will do in partnership with the BCHA. He said that they will be looking at the whole aspect of what the building should be doing. They will view the inspection results, tenant selection plans, and tenant reviews. J. McKay added that there will be a private owner out there who has his or her own site based waiting list, who does their own rent calculation, who does all the things on their own, similar to what GBHA does with public housing inspections. The PBCA's job will be to make sure that the private owner is doing his or her job and following the regulations. D. Jenkins also referred to the process for payments to the owner. LOMOD would handle all the payments, so the payments would pass through the contractor to the landlord. He also mentioned that when they receive tenant concerns, they act as a liaison between the tenant, the owner, and the housing authority to help resolve concerns.

N. Wesoff gives an overview of the four partners and how they are all connected. She explains the roles of each of HUD, LOMOD, NMA and BCHA, as outlined on the corresponding Powerpoint slide. She explained that NMA will set up an office in the state to have a state site and will be using the paperless documenting system.

D. Hallet asked about the bidding process. J. McKay explained that HUD has put out a NOFA to which bidders must submit a proposal. HUD will then select the vendor that they think would be the best to run the program.

M. Welch questioned how often vendors bid. N. Wesoff and D. Jenkins responded that last year there was an invitation for request for proposals, the awards were made, but then HUD withdrew, so this is

the second attempt J. McKay and N. Wesoff stated HUD says they are going to rebid every two years, but there is no way they will because of the time, cost and havoc it would cause.

M. Welch inquired about the timeline. J. McKay replied that the proposal is due June 11th, 2012 and they are going to make awards on August 1st, 2012. The transition would start October 1st, 2012 and the full operation takes over December 31st, 2012. J. McKay explained that they were hoping to have an interlocal agreement with BCHA, however there is a problem because in the State of Wisconsin, the Attorney General has to approve any out of state interlocal agreements, which could take up to 90 days, but we only have four weeks to turn in this proposal. So instead, BCHA will have to release an RFP, to which NMA will submit a proposal.

M. Schampers asked how the amount of BCHA funding was arrived at and what would affect it in future years. J. McKay answered that there are three major factors to be competitive: 1.) Have to have an in-state sponsor, 2.) Have to have experience not as staff but as having run a PBCA before, and 3.) admin fees have to be at 1% or lower. The portion to BCHA is 5% of the 1%, which is the amount NMA determined they can afford to pay back to BCHA and still have enough to run the program. He further explained that in the future as more units come on-line, the HAP will increase, which means the 1% will increase and ultimately increase the 5%.

D. Hallet asked how many years has this been going on. D. Jenkins responded that the contracts have been around for many years, but HUD realized they didn't have the ability to manage them. HUD needed someone to oversee the program and decided to contract it out. J. McKay also added that they will write the proposal for the BCHA and the BCHA would be able give feedback on it. Furthermore NMA will incur the legal expenses associated with preparing this.

C. Law asked what NMA's criterion was for choosing Brown County. J. McKay replied that he knew R. Hallet; he knew BCHA is a high performing entity, and he wanted a location that is central. He explained they chose Green Bay because it's a central city, which is important when performing the MORs and that it is a good size.

R. Hallet added that she has worked with NMA before and can attest that they are very knowledgeable and professional. In addition, she has attended numerous trainings offered by NMA and has full confidence in their ability to run the PBCA program.

R. Aicher asked what impact is there upon ICS. R. Hallet responded there would be none. D. Jenkins explained this was a different part of HUD, the Multifamily side vs. the Public and Indian Housing side, which the BCHA Voucher program is under.

R. Aicher questioned what the number of units per building in Multifamily is? J. McKay replied it is five units or more. N. Wesoff explained it depends on the owner's contract with HUD.

M. Schampers inquired about the employees working in Green Bay or Milwaukee. R. Hallet and J. McKay explained they have already determined that the office would be located in Green Bay.

R. Aicher asked for clarification on what is requested of the BCHA today. J. McKay stated they are requesting approval to move forward on an RFP, so we can form the partnership to bid on this. R. Hallet requested the action be to allow staff and NMA to proceed on all actions necessary in order to submit the proposal,

R. Aicher asked if R. Strong is in support of this. R. Strong responded that he thinks this is worth pursuing. It puts Brown County in a position where it could possibly have some influence on this program, it will provide BCHA with a direct link to NMA and their resources, it brings funding to the community, it's a program that is very similar to the HCV Program so won't be difficult for the Commissioner or staff to understand. He stated he is in support of submitting the application. He is more concerned about the actual contract between the parties and defining who is responsible for what.

J. McKay offered that the contract could be based on the language in the interlocal agreement, modified as needed.

A motion was made by D. Hallet to allow staff to work with NMA and LOMOD on the necessary steps which may includes an RFP or an interlocal agreement in order to submit the NOFA proposal. The motion was seconded by M. Welch. Motion carried.

STAFF REPORT:

9. Status of BCHA intern position

R. Hallet introduced K. Vang as the new BCHA intern, stating that she is a UW-Green Bay student. K. Vang shared that she is a Psychology major and is considering an Urban Regional studies minor. She mentioned that she took this position to have more experience, so she can decide on having three minors. R. Hallet also stated that K. Vang will be working 24 hours per week during the summer. She explained that there should be two interns, but K. Vang will be the only one until the fall semester.

M. Welch motioned to go back to the regular order of the agenda, and the motion was seconded by A. Hartman.

COMMUNICATIONS:

2. Letter from Department of Housing and Urban Development regarding final SEMAP score for FY 2011

R. Aicher stated that the communication is regarding BCHA achieving 100% with the SEMAP score for FY 2011. The Commissioners offered their congratulations on a perfect score.

R. Hallet explained that one of the problems which prevented 100% in the past was always the lease up rate, for which we've now scored the maximum points. She also mentioned indicator 14, FSS, as it says NA. She explained that as the BCHA graduates people from the FSS program, it is no longer mandatory to refill the slot. BCHA has now graduated enough that it no longer is required to fill the FSS slots, but it's such a great program that we continue to do it on a voluntary basis.

REPORTS:

3. Report on Housing Choice Voucher Rental Assistance Program

A. Preliminary Applications

M. Roberts reported that there were 81 preliminary applications in the month of April.

B. Unit Count

M. Roberts stated that unit count was 2,901 for April.

C. Housing Assistance Payments Expenses

M. Roberts stated that the HAP expenses for April were \$1,175,134.

D. Housing Quality Standard Inspection Compliance

M. Roberts reported that 366 inspections were conducted in April. 50 percent passed the initial inspection, 27 percent passed the re-evaluations, and the fail rate was 22.68 percent.

E. Program Activity/52681B (administrative costs, portability activity, SEMAP)

C. Law reported that April's administrative fees were \$50,518.18 under the budget. M. Roberts reported the ports out vouchers were at 163 and the port in vouchers were at 16.

F. Family Self-Sufficiency Program (client count, escrow accounts, graduates, new contracts, homeownership)

M. Roberts stated that there were 104 FSS clients in April, of which 32 have escrow accounts. There were 2 FSS graduates in April and 2 new contracts. He also stated that there were 80 clients participating in the Home Ownership Option in April.

G. VASH Reports (active VASH, new VASH)

M. Roberts stated that there were 16 active VASH participants and there is no new VASH vouchers issued.

H. Langan Investigations Criminal Background Screening and Fraud Investigations

M. Roberts stated that there was no report.

OLD BUSINESS:

None

NEW BUSINESS:

6. Approval of request for BCHA sponsorship of "A Home for Everyone" Conference to be held in Green Bay in July

R. Hallet explained that the BCHA sponsored this conference in the past. They like to sponsor with the local housing authorities to give the housing authorities recognition. She stated that the program recognizes the housing authorities in various ways depending on the level of sponsorship. She recommended the first level of sponsorship which is \$300 and that includes a free registration, a listing in the conference materials and an exhibition table.

M. Welch made a motion that the BCHA approve sponsorship of \$300 to the "A Home for Everyone" Conference in July, and the motion was seconded by D. Hallet.

INFORMATIONAL:

7. Existing HCV Contract between BCHA and ICS expires as of December 31, 2012

R. Aicher asked when the contract was originally signed. C. Law and R. Hallet stated it was in 2006.

C. Law submitted a letter and explained an option that ICS is offering to BCHA is to consider opening up the contract for negotiation.

R. Hallet explained this item was put on the agenda so the Commissioners can keep in mind that the contract is expiring and to think about the options they may want to consider. R. Aicher asked when staff thinks this topic may come back to the Authority. R. Strong stated at the next meeting because if the Authority wants to go out for RFP, it's a lengthy process so we need to get started early. M. Welch expressed that he is in favor of opening up the discussion about any issues regarding the contract.

8. General Capital was not awarded tax credits to develop Larsen Green project

R. Strong stated that at the State level, they have chosen to fund rehab projects. This proposal was to convert a manufacturing building to residential, which put it in a very competitive status, but no proposals in that status were awarded. He has been having discussions with General Capital about other options to still make this project work. General Capital asked if BCHA would be willing to allow the offer for a loan to stand so they can re-submit next year, to which R. Strong told them he would talk to the Authority about that when that time comes. One option they are exploring is historic tax credits for that property. He confirmed it's still a good project, it's not dead, they just didn't get funding yet.

R. Strong mentioned that the two sites in Green Bay that will be funded for rehab are Moraine Ridge and Lime Tree Terrace, which are thru the Wisconsin Housing Preservation Corporation

BILLS:

R. Aicher stated that the bills for BCHA add up to \$8069.47.

M. Welch motioned to approve the bills and the motion was seconded by A. Hartman. Motion carried.

FINANCIAL REPORT:

There was no discussion regarding the financial report.

M. Welch announced that there was an issue where a participant asked for a hearing with the Commissioners. He said he sent out a response since it was needed quickly, which was to deny taking the hearing. He felt if the Authority heard this hearing, it would begin taking a lot of hearings and

should instead limit the hearings they take to only ones in which BCHA is not in compliance with HUD, there's a conflict of interest or something of that nature.

R. Hallet stated that a client who wants to go above and beyond a standard informal hearing has two options: One is to find legal representation and go through the legal system. The other is to come to the commissioners. She suggested they will let the client find the legal resources to pursue a dispute over the informal hearing results. The Commissioner expressed agreement.

The meeting adjourned at 4:39 PM

kv:rah

**Brown County Housing Authority
List of Bills
May 21, 2012**

<u>Description</u>	<u>Amount</u>
Conversion Program	
Section 8 Program:	
Green Bay City Treasurer - Mar 12, Salaries & Fringes	5,748.80
Brown County Clerk of Courts - Small Claims Filing Fee	1,640.50
80-81 CDBG Program:	
Green Bay City Treasurer - Mar 12, Salaries & Fringes	14.88
Green Bay City Treasurer - Mar 12, Purchasing Card	620.65
84 CDBG Program:	
Green Bay City Treasurer - Mar 12, Salaries & Fringes	14.88
WHNCP Program:	
B.C. Rental Rehab Loans:	
Revenue Bond Program:	
Green Bay City Treasurer - Mar 12, Salaries & Fringes	29.76
WHEDA Program:	
HCRI Program:	
HOME Program:	
HOME Program-Rpd CHDO Qualify:	
Total Bills	\$ 8,069.47

**Housing Choice Voucher Program
Financial Status Report
2012 Budget Year
As of April 30, 2012**

	Budget Amount	YTD	Annualized \$	Annualized %	Remaining Budget Balance
REVENUE					
HAP Income	\$ 14,768,734	\$ 5,175,768	\$ 15,527,304	105%	(9,592,966)
Admin Fee Income	\$ 1,276,120	\$ 465,915	\$ 1,397,745	110%	(810,205)
FSS/HO Coordinator Income	\$ 135,462	\$ 45,158	\$ 135,474	100%	(90,304)
Fraud Recovery	\$ 115,000	\$ 38,952	N/A	N/A	(76,048)
Other Income (Interest & HO Payments)	\$ 2,614	\$ 2,045	N/A	N/A	(569)
Total Revenues	\$ 16,297,930	\$ 5,727,839	\$ 17,060,523	105%	(10,570,091)

EXPENDITURES

Program Expenditures					
HAP Payments	\$ 13,947,301	\$ 4,838,225	\$ 14,514,674	104%	9,109,077
ICS Admin	1,230,180	449,142	1,347,426	110%	781,038
FSS/HO Coordinator	135,462	45,158	135,474	100%	90,304
Total Program Expenditures	15,312,943	5,332,525	15,997,574	104%	9,980,418
Administrative Expenditures					
Software Upgrade	\$ 63,415	\$ -	\$ -	0%	63,415
Salaries	42,449	7,215	21,644	51%	35,234
Fringe Benefits	14,998	3,041	9,122	61%	11,957
Home Ownership Counseling	14,000	-	-	0%	14,000
Audit	7,718	-	-	0%	7,718
Insurance	5,576	-	-	0%	5,576
Other	17,737	5,969	17,907	101%	11,768
Total Administrative Expenditures	102,478	16,224	48,673	47%	86,254
Total Expenditures	\$ 15,415,421	\$ 5,348,749	\$ 16,046,247	104%	\$ 10,066,672.12

Cash Balance	\$ 1,314,562.76
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All Other
Financial Status Report
2012 Budget Year
As of April 30, 2012

	Budget Amount	YTD	Annualized \$	Annualized %	Remaining Budget Balance
REVENUE					
Interest	\$ 5,992	\$ 2,247	\$ 6,742	113%	(3,745)
Loan Repayments	\$ -		N/A	N/A	0
Revenue on Sale of Property	\$ -		N/A	N/A	0
Bond Fees & Other	\$ 6,675	\$ -	-	0%	(6,675)
Total Revenues	\$ 12,667	\$ 2,247	\$ 6,742	53%	(3,745)

EXPENDITURES

Development Loan	\$ 350,000		\$ -		
HO Assistance / DPCC	\$ 30,000		-	0%	30,000
Staff Training	\$ 6,200.00	591	1,772	29%	5,609
Landlord Training	\$ 5,000		-	0%	5,000
Other	\$ 11,299	3,007	9,022	80%	8,292
Total Expenditures	\$ 402,499	\$ 3,598	\$ 10,793	3%	398,901

Unrestricted Cash Balance	\$ 1,565,523.34
Restricted Cash Balance	\$ 435,193.82