MINUTES OF THE
GREEN BAY HOUSING AUTHORITY

THURSDAY, MAY 16, 2019, 10:30 AM
CITY HALL, ROOM 604 - THE HARRY MAIER ROOM

A. ROLL CALL.

1. William VandeCastle - Chair, Terri Refsguard - Vice Chair, Sandra Popp, Nathalie Lund and Stephen Srubas

Members present: William VandeCastle, Stephen Srubas, Terri Refsguard (left at 11:00 a.m.), Nathalie Lund, Sandra Popp (left at 11:42 a.m.), Excused: None, Absent: None

B. APPROVAL OF THE AGENDA.

1. Approval of the agenda for the May 16, 2019, meeting of the Green Bay Housing Authority.

Chair William VandeCastle amended the agenda by moving Agenda Item #3 up to Agenda Item #1. Moved by Stephen Srubas, seconded by Terri Refsguard to approve the agenda as amended. Motion carried.
Yes- Sandra Popp, Nathalie Lund, Stephen Srubas, William VandeCastle, Terri Refsguard, No- None, Abstain- None

C. APPROVAL OF MINUTES.

1. Approval of the minutes from the April 11, 2019, meeting of the Green Bay Housing Authority.

Moved by Stephen Srubas, seconded by William VandeCastle to approve the minutes. Motion carried.

Yes- Sandra Popp, Nathalie Lund, Stephen Srubas, William VandeCastle, Terri Refsguard, No- None, Abstain- None

D. REGULAR BUSINESS.

1. Consideration with possible action on Passbook Savings Rate.

Moved by William VandeCastle, seconded by Stephen Srubas to approve the Passbook Savings Rate. Motion carried.
Yes- Nathalie Lund, Stephen Srubas, William VandeCastle, Terri Refsguard, No- None, Abstain- None

2. Consideration with possible action to approve the GBHA Scattered Site Gutter Cleaning contract.

Moved by William VandeCastle, seconded by Terri Refsguard to approve the GBHA Scattered Sites Gutter Cleaning contract. Motion carried.
Yes- Nathalie Lund, Stephen Srubas, William VandeCastle, Terri Refsguard, No- None, Abstain- None

4. Consideration with possible action to change the GBHA purchase approval thresholds to be consistent with the City of Green Bay guidelines.

Moved by William VandeCastle, seconded by Nathalie Lund to change the GBHA staff approval amounts to be consistent with the City of Green Bay Final Approval Reference Guide. Motion carried.
Yes- Nathalie Lund, Stephen Srubas, William VandeCastle, Terri Refsguard, No- None, Abstain- None

3. Consideration with possible action regarding Rental Assistance Demonstration (RAD).

This item was moved to Agenda Item #1.

A presentation/discussion was given by Scott Koegler from Housing & Urban Development (HUD) regarding the Rental Assistance Demonstration (RAD). No action was taken.

5. Consideration with possible action on approval of GBHA operating budget and Budget Resolution No. 19-02, for Fiscal Year Beginning July 1, 2019.

Moved by William VandeCastle, seconded by Nathalie Lund to approve the GBHA operating budget and Budget Resolution No. 19-02, for Fiscal Year Beginning July 1, 2019. Motion carried.
Yes- Nathalie Lund, Stephen Srubas, William VandeCastle, Terri Refsguard, No- None, Abstain- None

6. Consideration with possible action on approval of Mason Manor Roof Mechanical Maintenance and Repairs to Hurckman Mechanical for $8,460.00 and Mason Manor Roof Maintenance Repair to Northern Metal and Roofing for $32,585.00.

Moved by William VandeCastle, seconded by Terri Refsguard to approve Mason Manor Roof Mechanical Maintenance and Repairs to Hurckman Mechanical for $8,460. Motion carried.
Yes- Nathalie Lund, Stephen Srubas, William VandeCastle, Terri Refsguard, No- None, Abstain- None

Moved by Stephen Srubas, seconded by William VandeCastle to approve the Mason Manor Roof Maintenance Repairs to Northern Metal and Roofing for $32,585. Motion carried.
Yes- Nathalie Lund, Stephen Srubas, William VandeCastle, Terri Refsguard, No- None, Abstain- None

7. Consideration with possible action on Mason Manor's parking lease addendum.

Moved by William VandeCastle, seconded by Stephen Srubas to approve the Mason Manor parking lease addendum. Motion carried.
Yes- Nathalie Lund, Stephen Srubas, William VandeCastle, No- None, Abstain- None

E. INFORMATIONAL.

1. GBHA Bills

Stephanie Schmutzer presented the Green Bay Housing Authority Bills. No action needed.

2. GBHA Financial Report.

Stephanie Schmutzer presented the Green Bay Housing Authority's Financial Report. No action needed.

3. Langan Report.

Jayme Valentine presented the Langan Report. No action needed.

4. Director's Report.

Cheryl Renier-Wigg presented the Director's report. No action needed.

5. Occupancy Report for the month of April 2019.

Jayme Valentine presented the occupancy report for the month of April, 2019. No action needed.

6. Date of next meeting: June 20, 2019.

F. ADJOURNMENT.

Moved by Stephen Srubas, seconded by Nathalie Lund to adjourn. Motion carried.
Yes- Nathalie Lund, Stephen Srubas, William VandeCastle, No- None, Abstain- None

Verbatim Minutes

- Turn this on here.

- We're recording, on, good.

- All right, good morning everyone. I'm gonna call to order the Green Bay Housing Authority meeting for Thursday, May 16th. I will start with a roll call. And I think we've got that in the record. So we'll move right on to approval of the agenda, item B, is there, you've got the agenda before you, plus your packet, is there a motion to approve the agenda? And I would jump in one change. Look at item, section D, it would be moving the item number three in section D up to item number one, just move that up, and shuffle everything else back down. So that would be my recommendation for the agenda. We have some folks here from HUD and we'd like to get them, have them make their presentation so they can, don't have to stay.

- Do you need a motion to vote on it, or are we just going to change it.

- Yeah, we need a motion to approve.

- I'd make a motion to approve the rearranging.

- I'll second.

- Okay, we have a motion to approve the agenda, and it's amendment, and a second. Any discussion or questions? Otherwise, hearing none, all in favor signify by saying aye.

- [Together] Aye.

- Any opposed? Motion carries. So then we move on to the approval of minutes from the April 11th meeting. Those are in your packets. Any additions or corrections? Hearing none, is there a motion to approve?

- I'll make that motion to approve.

- And I will second it. Any questions, changes, additions, modifications. Otherwise, hearing none, all in favor signify by saying aye.

- [Together] Aye.

- Any opposed? Motion carries. All right, so now we move onto D, regular business, and we will do the amended version of this with a Rental Assistance, RAD demonstration from our folks from HUD. So Scott, I'll turn the floor over to you.

- Okay, all right. If I can get you to just hand these out to everybody. So my name is Scott Krogler. I'm the Portfolio Management Specialist in the Milwaukee Field Office with HUD, and so essentially the portfolio management specialists are the key people in the Public Housing program at HUD that work directly with the housing authorities. Each of us has a specific portfolio of housing authorities that we work with and Green Bay Housing Authority is in my portfolio, so I work pretty closely with Jayme and with Cheryl on just the HUD oversight. And so, previous to this meeting I went through a pretty detailed presentation with the Housing Authority and the Board Chair, talking about some of the repositioning options. I'm not going to go through the full presentation again, for the meeting, because it can take about an hour and a half, and I want to make it pretty concise. But essentially I'm going to look at different options that are available under some new authorities that came out, for Green Bay Housing Authority to be able to reposition. So essentially that means moving from the current public housing platform into a different platform, most likely it would be Section 8, and the advantages to that are is it allows you, under some options, to get additional revenue. And under all of these options, it opens up the ability for debt financing, 'cause right now under public housing, there is a trust agreement that is on the property that restricts the ability of the housing authority to get debt financing. And that becomes a real impediment to looking at long term capital needs, specifically with Mason Manor. And so over the last, say, eight years or so, between both the RAD program, that Rental Assistance Demonstration, and new authorities that are under what's called a Section 18 Demolition, Disposition, Removal, it provides a lot more options for the Housing Authority to look at repositioning. First, I'm not going to go through all the slides, so you'll see me kind of pop by them. There are extra copies of the presentation, so you can see all the slides, and Bill can fill you in on stuff if there's a slide that really looks interesting for you. But I'm just going to pop up to some of the key ones. And so this is the first one, so what are the options. So essentially on the left hand side, Section 9 is Public Housing. So we don't typically refer to it as Section 9, you hear Section 8 all the time, and they talked about, including HUD, talked about the Housing Choice Voucher program being like the Section 8 program, while Public Housing is actually Section 9. And so we typically call it Public Housing, but Section 9 Public Housing is the technical term. And you do have some options for financing under Section 9, and so that's on the left hand side. There's mixed finance, which essentially allows some debt financing, I'm gonna talk a little bit more about that. But then you can also do like operating fund and capital fund financing. Essentially what you're doing is you're promising future revenues from the federal government as security for loans. Typically those really come into play when you're talking emergency repairs, because you're using those funds right now for your existing needs, and if you say in the future we're not going to use those for operating anymore, we're going to use those for debt service, you've gotta figure out, well how do I meet our operating cost, because essentially you're stealing from Paul to pay Peter out of that. So it's an option that's available, but it's typically only available for specific reasons. And then there's also energy performance, which allows, again energy performance, if you're looking to finance energy improvements, that's a really good way to do it. But it's kind of limited. When you go over to the repositioning options, you've got Section 32 Home Ownership, so that would be something you could do with your single family scattered site properties, where essentially you allow the current residents to purchase those properties. There's a Rental Assistance Demonstration, that's, and I'm going to spend more time on that. And then there's that Section 18 Demolition and Disposition. So whenever, just as a side, whenever you hear me say section whatever, so that means that's part of the Housing Act of 1937, and that's that section of that act, so a Section 18 is Section 18 of the Housing Act of 1937. That also means it's statute, so that means Congress is the only one that could change it, so it's not something that changes that often. Rental Assistance Demonstration, on the other hand, is more of a regulatory change, where we're allowed some discretion on how to do repositioning under that category. And then the last thing is a voluntary conversion, Section 22, and I'll talk very briefly about that program, as we mentioned in the meeting earlier with Bill, it's probably not a good option because of the, you had some restrictions. So again, I'm not going to go through all of these slides, but this is an important one. So the biggest difference between doing a RAD conversion, and doing a Section 18 conversion, is in the end result of how much revenue you earn. And so this chart shows that, and unfortunately the title fell off when I copied this over, but this should say Section 9 over here. So under Section 9 Public Housing, this bar chart on the left is how you currently are funded. So the funding is based off, it's like a three legged stool. And so we always use what's called a per unit month calculation. So basically it takes all the funding and assumes that it's evenly applied to every unit in the property, and so we come up with that per unit month. It's kind of a calculated value, but it allows us to do apples to apples comparisons when we're looking at different projects in different programs. And so in this example, this housing authority, their per unit monthly total is $792.00 for each of their public housing units. And that $792.00 per month is divided up in tenant rent, comes in at $318.00, so again, tenants do pay rent, and it's typically based at 30% of their income. So in this case, they're making about $300.00 on that. Of the capital fund that comes in, $144.00 is allocated to each unit, and then operating fund is allocated at about $330.00 each unit, so they earn $792.00 per unit. If this housing authority converted to RAD, so they got a Section 8 contract, either a Project Based Voucher contract or a Project Based Rental Assistance, and I'm not gonna go in depth on the differences on that, but basically they're both under the Section 8 program. They still get the same amount of money. So your revenue stays neutral in that conversion, you still earn about $792.00 per unit, but the way the payment comes in changes dramatically. You still get the $318.00 from tenant rent, tenants are still paying rent based on 30% of their income. However now, instead of getting operating fund and capital fund, you just get a housing assistance payment for, in this case, about $475.00 per month. And the reason that's different is, as Cheryl and Stephanie can attest, operating fund and capital fund have lots of strings. You can only spend them for specific things, and you have to spend them in specific timeframes, and there's lots and lots of reporting that comes in in order to show that you're following the HUD required uses of those funds. And that Section 8, with the Housing Assistance Payment, you have a HAP contract, a Housing Assistance Payment contract with either HUD or the housing agency that runs the voucher program. It's again, if you can go PBRA or PBV. That's your obligation. Your obligation under HAP contract is I will provide this participant housing for the month of June, and in exchange for that, you will give me $474.00. And once you have provided housing for the month of June for that participant, you get your $474.00, and it's the housing authority's money. You can allocate how you want to use all of that revenue coming in on a HAP contract in any way you want, of course you're a housing authority organized under state laws, so you still have to follow those government rules, but unlike operating and capital fund, where there's all kinds of reporting and strings on how you spend it, once this comes in on the Housing Assistance Payment, it's your money to spend how you want. So essentially the benefit of going RAD is it removes all of the Section 9 reporting and administrative requirements, which are extensive. There's reasons for them, I'm from HUD, and I'm not going to say that they're bad rules, but they are extensive, there are many things that you have to report and most of those administrative requirements go away, not all, but a vast majority of them go away when you go RAD. That's the advantage of RAD, but the key to remember is essentially your funding stays the same. So that's RAD. So the other option we talked about was Section 18, and again, I'm jumping forward. So Section 18, it's Section 18 of the Housing Act of 1937, and essentially what Section 18 allows you to do is to remove housing from the Public Housing program, and you can either convert it to something else, or you can straight out remove it. But under authorities that come under the new notice that was issued last year, 2018-4, we're using the Section 18 Removal, either Disposition or Demolition regulations in order to do development, and essentially repositioning of housing. So instead of just saying we're going to take this housing out and it's just gonna go away and nothing's gonna be on it, you're actually using the Section 18 rule to move it over to a Section 8 Project Based Voucher contract. And so, because you're moving out of Public Housing, again, all of those administrative functions go away. Now there's still restrictions on Section 18. So Section 18 used to be very, very difficult to do. You used to have to meet a very high cost burden on the physical and capital needs of the projects that you wanted to remove. And I won't go into the specific details on it, but essentially it was a bar that was very difficult to get over, and that was done on purpose because, when Section 18 was first written into the law, and it was in the law almost from the start, in 1937, the idea was we were trying to preserve affordable housing, so we didn't want housing authorities to make it really easy to take units out of public housing. But now with these adjustments to Section 18 under this 2018 notice, we're making it easier because the idea is this is not housing that is going away permanently, it's just housing that's going from Section 9 to Section 8.

- [Cheryl] Well, and Scott, just to, I think, before, to clarify, our scattered site units are not owned by the Green Bay Housing Authority, they're in what's called a Declaration of Trust with the federal government. So the federal government owns the properties, we manage them and receive the subsidy. So when he's talking about removal, it's really kind of removing them from that trust agreement with the federal government.

- Yeah, so it's--

- Oh, I didn't know that.

- Thank you very much, Cheryl, that's good. So it's taking it out of the Section 9, but more importantly for you is when you're talking, the reason that it's difficult to address capital needs through debt financing in Section 9 is the housing authority doesn't own the properties, you don't own your scattered site units, and you don't own Mason Manor. There's a Declaration of Trust filed on that, and essentially what that says is you are managing and operating that housing in trust for the federal government in order to provide affordable housing in the City of Green Bay. But the flip side of that is if you go to Fox Valley Savings Bank, and say hey, I need to get a million dollars to fix my boiler, they're gonna be like okay, great, we'll give you a mortgage, and we're gonna put a lien on the property, and you're gonna be like, we don't own the property. Well, if you don't own the property, we're not going to give you a mortgage. So it really restricts the funding that you get. Now there are some programs you can go in that work, and I'll talk about it in a future slide, like mixed finance, that allows you to do some debt financing on public housing, but you really have narrow options. So that's one of the big ideas with this, is it allows you to transition to a platform where potentially you earn higher revenue, and two, it makes it much easier to do that debt financing for capital needs. And so in Section 18, one of the avenues that I think is really advantageous for the City of Green Bay is the scattered sites. So before there used to be, well, not before, it's still there, but it's like a cost barrier that you had to get over, but now one of the flexibilities in Section 18 Removal is if you have scattered sites, and your scatter site unit does meet the definition of scattered site for this, that's the barrier. If you can show, hey, I've got scattered sites, you can take your 48 to 50 units of scattered sites through Section 18 Removal right now. You already meet the hurdle that you have to go over. So if you wanted to do the Section 18 for the scattered sites, that's very easy for you to do. There's some other ones that don't really apply to Green Bay, so I'm not going to go through them in detail, but really the other option is the physical obsolescence. So that's still an option, and that could be something to look at for Mason Manor, as I'll talk about in a future slide, but it's, like I said, it's on purpose, a pretty high barrier to hit. So it's something to be aware of. Voluntary conversion, I'm going to briefly mention this, so Voluntary Conversion is basically that's like you want to cut ties, I'm done, I just want it to go away. I don't want to be in public housing anymore, I don't want to have to deal with HUD anymore, that allows you to go through a voluntary conversion. You can do a Streamlined Voluntary Conversion if you have 250 units or less, which Green Bay does, I think you have 202 is your number, 204, 202, it's in the 200, there abouts. So this is an option, but as we discussed earlier, I don't think it's a good option for two reasons. One is you have to close out your program. And that actually is going to prevent you from earning some future funds, as I'll talk about in a minute. So under a Streamlined Voluntary Conversion, you basically remove the ability to earn some future funding streams. And the second point, it's very important is, you can still get vouchers, but they're not Project Based Vouchers. So that means if you took your 202, 204 units out through a Streamlined conversion, all of your residents are going to get vouchers, but they decide they're going to move to Phoenix, you no longer have subsidy on your unit. So it makes it very difficult for you to sustain your units if you go with Streamlined Voluntary Conversion. So it's not really good option, what we're talking about, trying to figure out ways to meet the capital needs of both Mason Manor and your scattered sites. So again, that just talks about the different tools. And so I just want to briefly go over this. Part of the reason why we're talking a lot about repositioning is historically HUD has underfunded capital needs of public housing. I am sure that is not news to any of you. But when you look at the longterm funding trends, you can just see that even the longterm funding trends are not good. So the green line is your operating fund. So operating funds are funds from HUD in order to meet, basically operating expenses, paying salaries, insurance, those types of things. The blue line is capital fund. Capital fund is like it says, it's for the longterm capital needs of your property. And as you can see from both of those trendlines, they are going down. Now operating fund is not going down as much. But think about it, this is over, it's looking at a 50 year timeframe here, and your operating funds are staying, they're going down very slightly, but it doesn't cost less to operate your housing as time goes on, so you're essentially getting less money just because that's going down. Capital needs is straight up doing down. We have been reducing funding in capital, program capital grants for, well, really since the '70s. And it doesn't, you know, your property gets older, it doesn't become cheaper to operate and cheaper to repair. So, I'm going to skip by the next couple of slides because they just break down some of this, but I just wanted you to be aware, this is kind of the funding trends we're looking at, and this is why we're looking at trying to reposition housing into other funding streams that are more stable. So what I've done is, and I realize as I'm trying to be brief, that I've missed over a really important explanation, is the reason Section 8 can be a much more advantageous funding stream is the funding for Section 8 is under the, it's the Housing Choice Voucher program. And the way they determine how much they pay for grants is based on a fair market rents for the area. In Brown County, the fair market rents are much higher than what you earn under public housing. You're only earning about 70%. Your public housing revenue is only at about 70% of what the fair market rents are. And so if you transitioned your housing over to Project Based Vouchers, then you would be earning revenue based on both the fair market rent, and the rent comparability. So it's a two part test. So the units would have to be comparable with other similar units in the market for the rent. But let's make some assumptions here, and this is your entire portfolio. So this is all 204 units. If we took Green Bay, both Mason Manor and the scattered sites, converted them from Section 9 Public Housing to Section 8 Housing Choice Voucher, with a Project Based Voucher assigned to all 202, 204 units, and we assume that you are earning rents at 100% of the FMR. So a voucher program can pay, they have a window on where they can set where they want to pay, between 90% and 110% of the FMR, I'm just going right in the middle at 100%, and assuming that's what it is. So if we did that, this is a potential revenue stream that you would see for all 204 units. So the way this calculation is being done is that we're looking at a capital fund. So this is based on 2018 funding. So again, funding for public housing is that three part, tenant rents, capital fund, operating fund. So this is the total amount for all 204 units. So in 2018 you earned about $1.4 million in Public Housing funding. If you converted all of your units over to vouchers and earned revenue based on 100% of the FMR, you would be getting rent revenue at about $1.7, $1.8 million. Essentially you would be receiving $321,000.00 additional revenue each year. This is above and beyond what you're currently making, 'cause I'm basically just taking, this is what you make now under Section 9, this is what you could make under Section 8, that's the addition. Yes.

- Where does the tenant rent come in there.

- Tenant rent would be the same thing. So this is actually basing that, so a one bedroom, the rent would be $591.00, and essentially the tenant would pay 30% of their income, whatever that amounted to, so let's say 30% of their income was $300, they would pay $300, and then Section 8 would pay the other $291.

- So that's just in there?

- Yeah, so it's built into this. Kind of, and I didn't go a lot into detail, but that's kind of an interesting thing. Under Public Housing, we do not have a, you cannot say that there is a number for rent. So under Housing Choice Voucher, we can say a one bedroom, the rent is $591. If you ask Stephanie or Jayme, what the rent is on a one bedroom at Mason Manor, they could not tell you. There is no rent for that, because the rent for each unit is based on 30% of that tenant's income, and then whatever you happen to get allocated in capital and operating fund for that year, which changes. So that means you could come up with a number. Stephanie could figure out that for our one bedroom our number is X, but it would just be a made-up number, there's not like a rent schedule that says our one bedroom are $500, our two bedrooms are $600, that doesn't exist in Public Housing, where it does in Housing Choice Voucher, and that's why we kind of have to do that PUM thing, where we figure out that average, 'cause we don't really have a set number that you can say our rents are X for this.

- [Cheryl] So the tenants pay 30% of their income. Nothing changes for the tenant.

- Yeah, yeah.

- [Cheryl] The difference is our subsidy from the government's larger.

- Yes.

- [Cheryl] Depending what program.

- And your subsidy would come from a different place, too, which I kind of skipped over too.

- [Cheryl] It comes from a different place, and it's a larger amount, that's the difference.

- Well, but this would be my question. Is if the fair market value is not what they're being based on now with their 30% income, correct.

- No, their 30% income is based on their income.

- [Cheryl] On their income.

- So their actual payment to you guys, so let's say everybody, we did all of Mason Manor into this, their rents won't go up.

- Correct.

- Correct.

- Okay, that's what I was asking.

- So the tenant, the standard that the tenant falls under for what they pay, that's federally mandated at 30% of their adjusted gross income. And that standard is the same for Section 8 and Section 9. So the tenant does not, the only thing the tenant might change, is so they have to fill out their form, we call it a 50058, that would change, because Green Bay Housing Authority, as you're all aware, does not have a voucher program. So if you transition into a Project Based Voucher program, your vouchers would get assigned probably to Brown County. So they would work with Brown County on their income calculations, but they would still pay their rent payment to Green Bay Housing Authority.

- [Cheryl] We're like the landlord then in that?

- Your fair market rent numbers are based on Green Bay as a whole, or?

- Actually Brown County.

- Brown County as a whole.

- Brown County as a whole period, how does it reflect on our average?

- [Jayme] They're a lot higher

- That's a lot higher.

- [Cheryl] Yes, for Brown County, that's a higher number.

- And I said it quick, so you might not have caught it, but right now, your housing revenue is at about 70% of FMR.

- [Cheryl] But we could say that we wanted that 110%, because you go up to that 110%, correct?

- You could, so when you negotiate--

- [Cheryl] We could request that.

- Yeah, when you negotiate your HAP contract with whoever holds your vouchers, which for our discussion we're assuming would probably be Brown County, you could negotiate that you want the HAP at 110%. Quite frankly, most private developers that enter into HAP contracts with housing authorities pretty much demand 110% and get it. But it's a two factor test. So just because the FMR allows you to go up to that 110%, doesn't mean you can get 110, because there's a rent comparability too. So the housing authority has to go out and evaluate the units and say, okay, a unit in Mason Manor, a one bedroom unit, if we were gonna take this and look at comparable private, so basically it's like an appraisal, and they would say, well, you may want $591.00 for your unit at Mason Manor, but when we look at the market in Green Bay, it's really only worth $580.00. So potentially you could earn less, and again, those are things that at this point, I can't do that type of review, it's a little bit, so I'm just taking what you're eligible for, taking what's in the middle of that range, and basing my projections on that, just to show you what's available. But honestly, because you're at 70% of FMR, and on the Housing Choice Voucher side, the minimum they can go is 90%, even if you had to come in at the bare minimum of what the FMR is for the voucher program, you would still be getting additional revenue.

- And Section 18 was the path where we take it out of federally owned, trust managed--

- It's one of the paths, yes.

- And then who owns it?

- The Green Bay Housing Authority would own it.

- [Cheryl] Green Bay Housing Authority.

- The Housing Authority assumes the ownership.

- Yes.

- Mm hm.

- Okay.

- [Jayme] Would we have to create like a non-profit LLC?

- Yeah, and then again, that's kind of the details I'm skipping over a little bit, but if you went the Section 18 route, because the way that law is written, the title of that law is Section 18 Demolition or Disposition. And so demolition is if you would just destroy the units, and obviously we're not proposing that, but you would be looking at the disposition, that's a fancy way of saying transfer of ownership. So if you did do a Section 18, you would have to create a wholly owned, non-profit corporation to take the ownership. It can still be completely owned by the Green Bay Housing Authority, it's just it's a separate legal entity so that technically we meet the legal definition of a transfer of ownership that's required under Section 18. RAD on the other hand, you do not have to do that. RAD has special authorities that allow you to do that transfer and never have to create that other, separate entity. However, if you're looking at doing tax credit financing, which is probably what would be your first option to look at for any of these things, tax credit is gonna require you to create a third party entity anyway. So you're probably gonna have to do that in any strategy that you would look at doing.

- So that would make a separate board from the Commission, or the Commission would be the board that oversees the 501c3?

- [Stephanie] It can be set up in different ways, but the best way would be that this board would be that board. You could set it up, and there's just special wording, because you don't want really to have two separate boards.

- No.

- [Cheryl] Correct, that's what I was wondering.

- [Stephanie] Because you can create a really bad disconnect.

- And Stephanie is correct, you can do that, and really, this is outside of HUD's range, because that is all under state law, so you're organized as a housing authority under the State of Wisconsin, not under the United States government. And so any of these other things are going to be state incorporated entities, you're incorporating under the State of Wisconsin, so you would want to talk with your attorney on that. But just in my experience with working with other housing authorities that have done this, usually all the names are the same, it's just they're two separate legal entities, they have two different tax ID numbers, but the board's the same, all the people are the same, it's just different things.

- That's exactly what I was thinking, what would be the risk to the board, so.

- Probably minimal.

- And again, I can't, that's not something I--

- Those are my favorite terms ever, thank you.

- It's because it would be a non-profit corporation, the, I'm putting my lawyer hat on now, so, because it's a non-profit entity, but it's a corporation, or an LLC or something like that, there's limited liability to it, so it would be no different from a board standpoint than what we face now.

- Okay, that's all right.

- There's the liability, it's different than a private corporation, or a business, where there is liability that runs through the board, you get insurance to cover it, but with a non-profit, you'd still want some insurance, some errors and omissions, but yeah, you're protected.

- Okay, and so, this I'm just looking at, this would be the whole portfolio, but as I'm gonna, and as I'll get to, I do have a proposed strategy that I'm gonna present to you, and you wouldn't be taking your entire portfolio through the Section 18 removal. Most likely it would just be two, which is your scattered sites, because again I said there's that really low barrier if you have scattered sites units, basically that is what you have to be able to show in order to qualify for a Section 18 scattered site removal. So if you just took your 50 units, well currently you only have 48 because two of them were removed through that eminent domain. So if you took 50 units out of Section 9 Public Housing through a Section 18 Removal, transitioned them over to Voucher Assistance, Project Base that voucher, just on those 50 units alone, you would recognize about $154,000.00 in additional revenue. If you were at 110% of fair market rent, it goes up to $220,000.00 if they would qualify for 110% of FMR, so that's a substantial amount of additional revenue annually on just 50 units. If you're looking at just Mason Manor, it's about $164,000.00, so really on 154 units, you actually earn almost as much additional revenue on just those 50 units as you would compared to Mason Manor. The reason is because those scattered sites are larger units. You're talking three and four bedroom units, so those rents are considerably higher than what you're getting under public housing. So, yep, I think I talked about my potential strategy. So what I talked about earlier, with just Bill and the Housing Authority staff, is, so Mason Manor doesn't qualify for any of the additional flexibilities under Section 18 Removal. So Mason Manor basically has to hit that really high cost barrier. And I think it would be difficult for Mason Manor to hit that, even if we're talking about all the significant capital needs that Mason Manor has. And the reason is that cost standard, it's called the Total Development Cost, and essentially what it says is, because this was always looking at trying to preserve public housing, it was like okay, if you want to remove it, how much is it gonna cost to replace it? And essentially, the standard is, looking at Mason Manor as it is now, how much would it cost to build that exact same building in 2019 dollars, to the standards that are there now, so whatever that number is, you have to show that your capital needs are over 63.7% of whatever that Total Development Cost, in order to qualify for Section 18. That is a really, really high cost barrier. Now we have not run those numbers yet, I am just making some assumptions based on my previous experience and what I know. But most likely it would be very difficult for Mason Manor to qualify for a Section 18 removal. There are other options. The RAD is still available, and also that mixed finance that I talked about, so just making an assumption that Mason Manor wouldn't qualify for Section 18. The repositioning strategy that I had briefly outlined here, calls for a two phase repositioning. The scattered site, which I said multiple times, is a pretty easy bar to get over, because your scattered site, you basically meet it. So you would move the scattered site, 50 units, over to a Section 8 PBV contract, under the Section 18 removal, that's something that could happen fairly rapidly. You could probably get that, from start to finish, by the end of this calendar year. So by December you could conceivably have those repositioned over into a Section 8 contract. So the first stage is that conversion of AMP 2, which is a scattered site. So you'd use the scattered site definition, you'd receive those higher revenues. And then that HAP contract that would go on there for the PBV, that's a 20 year contract. So you would still have protection and subsidy on those 50 units for 20 years. And HAP contracts are renewable. So even at the end of 20 years, again, Brown County would probably be the housing authority that would take the vouchers, your other option is WHEDA. You're lucky here because you have two housing authorities with jurisdiction, so you could even renew that HAP contract after 20 years. Yes sir, you had a question?

- What is the replacement value cost based on? Is it exclusively construction and whose dollar?

- Are you talking about with--

- Well with the 63 point something percent threshold that you'd have to hit.

- That would be for Mason Manor.

- And I may have Paul, who is our engineer, who happens to be in the office, can you tell that by, I think we used the--

- [Paul] That's just hard costs of construction here, you're talking about--

- So not, not--

- [Paul] Not soft costs, it's all--

- So not soft costs at all, not fixtures, I'm not--

- Well fixtures, yeah, so when we're talking soft costs, soft costs would be like developers fees, and those types of things.

- All right, the honest truth is I'm not sure that that building doesn't meet 65% of replacement cost to get it up and running. I wouldn't confidently say in either direction without having it evaluated because--

- And that's something that you need to evaluate. So we can come up, because it's the Swift and, what do we use for our cost basis?

- [Paul] RSMeans.

- Yeah, RSMeans, so it's basically the industry standard cost, it's essentially the same thing that insurance companies use when they're trying to determine a values for damages, that's what we use to determine what that TDC cost is, the Total Development Cost, and Paul, who's our engineer for HUD, can work with Green Bay on what that is. So again, I'm making an assumption.

- Sure, no, right, I'm--

- Because it's been a high barrier that--

- [Cheryl] And so can I just, the Broadway Lofts development, which is the new construction, that's like 93 apartments, and that cost us $17.6 million.

- Right, so--

- Just to roughly estimate.

- So the Broadway lofts are stick framed. Mason Manor's a full-on, concrete, poured in place building.

- [Cheryl] Right, but I guess you'd have to look at replacing that, right, those costs.

- Yeah, I mean, it's in kind versus, you know, that's not--

- [Cheryl] Just to give you a gauge.

- Okay, understood.

- Yeah, no, and that being said, if Mason Manor could meet the Total Development Cost, transitioning over to a Section 18, is probably your best option because you're immediately getting higher revenue. And if you remember from that earlier slide where I was talking about RAD, RAD keeps your revenue you the same. So essentially if you used a RAD repositioning strategy for Mason Manor, you do not get an additional $165,000.00 in revenue, you're basically, your revenue, it transitions over to a different type of revenue, but it's at the same level. So it's worth doing the calculation.

- [Cheryl] So it's better to actually do it, if we could, if it was 63%, that would be the threshold.

- You want to know what your number is that you're trying to hit, yeah.

- [Cheryl] Okay.

- So again, so I'm making some assumptions based on not, I'm not a developer, I'm not digging into the weeds on this, because that's your job as the housing authority. So I'm just making the assumption based on previous experience because, honestly, we have had numerous housing authorities try to meet the Section 18 Total Development standard, and none of them have done it in the last five years that I've been working with housing authorities in Wisconsin. So, it is a high barrier. I'm sorry, you had a question.

- Yeah, just a quick question on the first stage, let's say we did that, would we have to become a 501c3 before--

- Before it actually closed, because there would be a sale, there would be that disposition, so there would have to be somebody to receive--

- So we need to create that--

- Yeah to receive the housing.

- [Cheryl] Before the actual closing.

- Before we actually started, yeah.

- Yeah, and I'm just talking, when I was talking the timeframe like this could be done by December, I'm only thinking about what our requirements are on our side, you would have to obviously, as a board, evaluate what things you would have to have together. And so the first stage would be potentially the scattered site removal through Section 18. The second stage, we've got two options. And option one is just doing a RAD conversion. But then option two is actually doing a mixed finance rehab, where Mason Manor would actually stay in public housing, and it would do that mixed finance. And that's an option that's been available to you this entire time, I think it has probably, I would recommend that you take a look at it, I mean, if you qualify or are awarded 90% tax credits, a mixed finance is actually a really good way to do that. And a future, the next slide I think, I'm going to talk about why it may be advantageous for you to keep Mason Manor in public housing at least for five or six more years. So the stage one, the AMP 2 scattered site conversions, so you'd convert it over to a PBV contract, and again, this $218,000 number here, that's based on 110%, so if you were able to get 110% of the FMR, you're looking at an additional $218,000 annually. And like I mentioned, under the Section 18, because you're getting that under a HAP contract, the minute you get that money, it's the Housing Authority's to use as you want. So it's not tied, you don't have to use all that $218,000 only for the scattered site. If you wanted to use it for other things that the housing authority's doing, that's revenue that's available to the housing authority to use as you see fit. Vouchers are assigned again, either to Brown County or to WHEDA, probably be Brown County, I think, they're local, they're a little bit easier to work with. Unlike many other areas in Wisconsin, you actually have housing authorities with jurisdiction so you get the option. And then you're no longer responsible for all those administrative burdens, so that's Brown County's problem. And all the HUD requirements that are tied to vouchers, Brown County's the one that's gotta deal with it.

- That was gonna be my next question, so then you're not having to do the renews every year for those--

- [Cheryl] Those reviews and inspections.

- Yes, yes, all of that.

- All of that, all that's on Brown County. Now if they wanted to, they could contract with you to do that, here I don't think it makes sense.

- Well, I was just gonna say, do they have the staff?

- Well, they have a contractor that does many of that, and they do have the staff to do that.

- Okay, all right.

- [Cheryl] Well I think importantly, and that's a question I ask too, is that we have this pool of vouchers available in Brown County, that does not pull from that pool.

- Correct, it just adds in.

- [Cheryl] It actually, just, it adds additional vouchers in, which is good, 'cause I don't want to pull from that pool.

- Yeah, and from what he was saying, when it was project based versus tenant based, so I got that, but it was just, so if they're contracting with that, whoever they're contracting with, that's another 50 units, so that's a lot of reviews every year as you know. So is that another staff person that's coming in, so just, knowing that--

- They would have to be aware of it, honestly, I don't think it's actually going to be that big, because Brown County actually has a--

- They have a large voucher program.

- Yeah, Brown County's got a ton of vouchers, so 50 extra is kind of a drop in the bucket for them.

- But it still adds up for staff.

- But it's still 50 additional, still 50 additional inspections, 50 additional reviews.

- [Stephanie] But then Brown County would get the additional admin fee for that, so they would get more money to pay for that other staff.

- And that's what I'm wondering, who would get more money to handle that.

- Yeah, 'cause there is, each voucher has an admin fee, I don't know what it is off hand for Brown County, but it's probably about $50 to $60 dollars. So they would earn $50 to $60 dollars per month for each voucher that's leased. So that would essentially be the money, if they did need to hire additional staff, they would have additional funding to be able to do that.

- Okay, that's what we were, you know.

- And so, when we're talking about doing the Section 18 Removal, for the scattered site, this is, we're coming to the big reason on why it's advantageous to leave Mason Manor in public housing for potentially up to another five years. So, again, I've said this few times, but Section 18 Removals, the standard HUD always looks at is we're trying to preserve housing, we're trying to keep housing preserved. To do that, when we do a removal, there's this thing called a DDTF, so what a DDTF is is a Demolition Disposition Transition Funding, 'cause again, we're HUD, we used acronyms for everything. And what that does, is it says, okay, you remove 50 units from your public housing. We are going to continue your capital funding like those 50 units are still in your portfolio for another five years, the idea being that you would use that money to redevelop new units to replace them, but in this case you're not really getting rid of those units, you're just moving them to a different subsidy, so essentially, you have capital funding for the next five years coming in, now that capital funding, it has all the strings attached to it that any other capital funding has, so it can only be used for public housing. So going back to our costs chart, as of 2018 numbers, you are at $109,000.00 a year in capital funding. So just assuming that it stays at that level, which is a really big assumption as we say the trend lines, it probably will go down, but just to make it easy for math in my head when I'm talking to you, we'll just say that it stays at about $100,000.00. That means you are getting about $500,000.00 in additional capital fund revenue over the next five years. Now it comes in at about $100,000.00 a year, so it's not like you get a check for $500,000.00 right off the bat, but that's an additional $100,000.00 every year that can be used for Mason Manor, because it's capital funds, so it has to be used for public housing. And if you remove the scattered site, the only public housing you have left is Mason Manor. So if you converted Mason Manor over right away, you're essentially giving up that additional $500,000.00 in revenue. Now depending on what the capital needs are, $500,000.00 may not be enough to hit it, you may want to convert it earlier, but you need to be aware that if you do convert it, so let's say the AMP 2 scattered sites leave at the end of 2019, so that would be 2020, '21, '22, '23, '24, you would get $100,000.00 extra, and so for those years you would be getting that extra capital funding.

- [Cheryl] So the capital funding then, if we move scattered sites over to Project Based Vouchers, is the Housing Authority more responsible to maintain these units, keep them upgraded and whatnot?

- Mm hm.

- [Cheryl] The capital funds for that then just comes from the rent, we receive the difference, that's something the housing authority manages then, the HAP payment? There's no other capital funds coming from--

- No, no, no, okay, I'm sorry, I lot track with where--

- [Cheryl] Do you know what I'm saying?

- Yeah, so when, in the converted units.

- [Cheryl] Mm hm.

- The HAP payment comes in, it's not divided between like operating or capital, or whatever. You just get, you know, 30% of the rent is paid for by the tenants, whatever their income level is, and then that whatever, above and beyond 30% of their income is in the HAP payment, and you can use that for whatever, if you wanted to use 100% of it for capital you could. If you wanted to use 100% of it for operating funds, you could do that too. There's no strings attached to it.

- [Cheryl] Well our scattered sites need improvements as well.

- Yes, and one of the other advantages with this is once you convert your scattered sites, they're now your property. We remove that Declaration of Trust, they're the Housing Authority's property. If you want to sell them, sell them. Now if you have Project Based contract assigned to that housing, so let's say you convert all 50 of these units, and you get a Project Based contract for all 50, you are committed to Brown County to provide 50 units of housing, 'cause you have a HAP contract with them.

- So if we sell 'em, we have to pick up another--

- You got it.

- Okay.

- [Cheryl] But some of the units we might want to circle out and change locations, or whatever.

- Correct, oh absolutely.

- Yes.

- Possible incentivizing the quality of your current scattered sites, so if they were all like pristine and shiny and perfect, then $500,000.00 sounds awesome, but if they're not.

- [Cheryl] Exactly.

- They're quite right, so--

- But it doesn't mean that you have to hold onto them and take all of this extra money you're getting in and pour it back into it, 'cause, you're getting--

- Right, so that's, right, where's the curve.

- You're getting almost enough additional revenue each year just on that AMPS removal to maybe buy a single family home, that's kind of a little bit on the low end if we're talking three or four bedroom, but essentially you're pretty close to just being able to outright buying single family homes that are on the market. And even if the house that you're selling is in very, very poor condition, and I know most of your houses aren't because they're getting inspected now, so they're actually not like horrible housing, they're still livable.

- [Cheryl] Right, right, they're just dated.

- They're dated, they've got things, they're not, they may not be ones you want to keep in your portfolio, but think about it, if you sell that housing, you're gonna get revenue from the sale of the house, whatever it is, plus you have an additional, so even if you just said, okay, we're gonna replace one house a year, 'cause we know we get an additional $150,000.00 every year, we'll just use that to buy a new house, and so you, essentially you improve your portfolio by gradually--

- And even if there's 60% that goes back in to maintaining, you're still 40%, right.

- [Cheryl] Well, we do have the flexibility, depending on how we work with Brown County on this, we could possibly do home ownership incentives as well, right?

- I was just gonna say that.

- Yep.

- [Cheryl] I mean, that's a possibility for us, maybe we say--

- For the Project Based, yes.

- Are you jumping ahead, I think you're jumping ahead.

- No, he had mentioned that earlier.

- Yeah, Brown County, well, you have home ownership under Public Housing, you could do what's called a Section 32 Home Ownership, which is essentially, if you keep the scattered sites in the public housing, you actually have the ability to develop a home ownership plan to just sell those properties in public housing, but Brown County, under their voucher program, already has a Voucher Homeownership Program, so if you converted these 50 units over, Brown County could say, you know what, this is a great opportunity for us to ramp up our Homownership program that we already have, and take these people that have vouchers and see if any of them want to become home owners.

- Want to become home owners, yeah, because one of the big things is finding the property that can be available at a price that is--

- Yep, for you that would still be a sale. So even if you wanted to, and now I'm making some assumptions, and naturally these are some of the things that you as a board need to decide, but even if you wanted to say, you know what, we're willing to take losses on these homes because we're making home owners out of our previous participants, you're still gonna get revenue from a sale, that you can turn around and buy a new home. So it opens up a lot more options because--

- [Cheryl] It gives us flexibility, that's the difference.

- You own the property, not federal government.

- [Cheryl] Right.

- Because when it's under the Declaration of Trust under public housing, because of the way the law's written, you are very restricted about what you can do on your house.

- Oh we, we learned.

- We learned.

- [Cheryl] We went through, what, I mean, we had a property condemned, right, for the right of way, and it was condemned, it wasn't even a volunteer, that took nine months, ten months? I mean there was, just to get that property out of there, but yeah, it was crazy.

- And you couldn't do any, I mean, and like, because it was public housing, you were stuck with it, you couldn't do anything with it.

- It just allows us greater flexibility on the properties.

- Yeah.

- Right.

- Yeah, so again, as I mentioned, so you get that DDTF, so that again, that's like an extra $500,000.00 over five years that's just added on top.

- Just a quick question on that, we do this, we do a 501c3, can we do both, can we be both boards?

- Mm hm, yes.

- Okay.

- We actually have a 501c3.

- That's an LLC--

- Yeah, that's right, sorry.

- [Cheryl] Is it an LLC?

- Well, yeah.

- It doesn't make any difference.

- [Cheryl] It doesn't make any difference either way?

- So we'll still be the commission for Mason Manor and the board for the non-profit, okay.

- [Cheryl] Just remember to bring both hats.

- Yeah.

- The only wrinkle on that, and I probably should be deferring to the attorney in the room, but if you got tax credit financing, you'd actually have to create a for profit company because in order for there to be tax credits for a company to earn, there has to be a tax basis.

- We have to have a non-profit and a for-profit LLC.

- All in one.

- Yeah.

- Well no, they'd have to be separate.

- [Cheryl] If you had tax credit financing, if that's the route that the board went in the future.

- Okay, because we would make money, yeah.

- We'd go from one board to being members of three boards.

- [Cheryl] There's, yeah, there's a profit element.

- Correct, yeah.

- And in my judgment, being somebody that doesn't have to be on the board or deal with it at all, it's not super complicated, because we do have many very small housing authorities that have both a non-profit and for-profit subsidiaries because they've done the mixed finance that we'll talk about in a minute. So Brillion is a good example 'cause it's fairly close to you.

- Oh yeah, true.

- No, you're fine, I just have to be someplace else, so.

- So Brillion you're talking about a 24 unit housing authority, and they have both a non-profit and a for-profit subsidiary because they did tax credit, so I mean.

- Mm hm.

- Okay.

- They have very minimal staff and very minimal board, and they're still able to do it, so.

- So we're heading toward the slide that's gonna show a little bit of all of these things, tailored to our current portfolio right now.

- Well that's kind of what I'm going through here, I don't have like a, my big reveal was that money one. That kind of showed that extra money if you go Section 18. And so this is stage one on this one, talking about the scattered site, you get that extra $100,000.00 per year for capital funds. So then stage two, this is where you've got different options. And so option one would be the RAD conversion. So again, you would convert it over to a Section 8 type contract through RAD. The funding stays the same, because remember with RAD, the whole thing in RAD is to keep that funding the same, but again, it removes the DoT off the property, so you get more flexibility on what you want to do with the property. However, in RAD, there will be a restrictive covenant placed on the property. So it basically, almost in perpetuity, it's 30 years with its mandatory renewal, it essentially says that the property has to be operated as affordable housing unless HUD in the future waives that. So you're still kind of tied in to having to, that property has to be affordable. But you own it, so now you get more options on financing. You can go either the PBV or the PBRA. But the problem with this, there's two problems with this, is if you go RAD, you're no longer in Section 9, you're in Section 8, so if you did it before the DDTF funding period runs out, if you did it before that five year period ran out, then essentially you have to understand that the decision you're making is you're giving up whatever future DDTF funds may be out there. So what my recommendation, and I did, I put it in writing, is, you would go RAD. RAD is definitely a more difficult process to go through, because, again, RAD was developed about 10 years ago, before some of these other flexibilities got put into law, so this was kind of like a way to navigate through the existing laws at the time to come up with a repositioning strategy, so it's not, it's typically a two to three year process to go through, so you could start it before 2024, but understand that you're not going to get to the end point and conversion into RAD until 2024, 2025. So that way, you kind of get the best of both worlds. You know you've got the conversion going through, but you're still maximizing the time period when you're earning the DDTF. The second option is do the mixed finance rehab. So you can do mixed finance rehab now. You could have done mixed finance rehab basically, I think mixed finance rehabs came about in '90, mid '90s, so you've had this option for decades. But it keeps you in Section 9 Public Housing, but it's a special maneuver that allows you to get funding from specific federal sources so that issue where you don't own the housing isn't as much as a problem because basically the funding is coming from the federal government anyway, so the security of the property isn't as much of a concern. So basically the two main options you would get under mixed finance is either low income housing tax credit, or a HOME fund, so HOME, that's the federal HOME loan bank, and for the Midwest that bank is in Chicago. They have specific products available for financing rehab of public housing. But again, you're kind of limited to those two thing, and if your tax credit application isn't successful, then you're kind of stuck with having only the HOME as an option, so you're restricted but it's still an option. And like I said, I've been using Brillion a couple of times as an example, that's what Brillion did. They're still public housing, they did both tax credit and HOME financing in order to do a mixed finance rehab, and they did that back in 2008. So it is an option. The advantage of doing the mixed finance rehab option is it keeps it in Section 9, so you can still, you don't have to worry about that DDTF thing, you would be eligible to be earning that DDTF, and unlike the RAD where you might have to wait four or five years before you get access to that additional financing, you could potentially get financing to get your capital needs right now, because as was discussed, and we were having a discussion with David, there are lots of capital needs that may not be able to wait until 2023, 2024, and that additional $100,000.00, or even $200,000.00 if you combine the money from the scattered sites, may not be enough to hit those needs, so you may not be able to wait that long. So the option two provides that, that option. Yes Jayme.

- [Jayme] For Brillion, how many units were they?

- There are 24 units of public housing.

- [Jayme] So do you know roughly how much they receive for low income housing?

- I don't remember what their low income housing was, but they were able to rehab the whole thing.

- [Jayme] Yeah, okay.

- And they actually have, they're quadplexes, so they're multiple different buildings. So even though it's 24 units, it's still a little bit more expensive to operate because they have various, yeah, they have a lot of buildings, so.

- Does Mason Manor have to stay as a whole?

- Yeah, on any of these, it would be very difficult to try to do partial removal, because essentially it's one AMP. So we would have to do a two step process. So an AMP is an Asset Management, oh boy, I don't even know what the P stands for.

- Management Project.

- Project, I think so. So essentially that's like our term that we use to identify a single project of public housing. And right now Mason Manor is what we call AMP 1. So in order, if you wanted to do a partial building, we would have to first make two AMPs. We'd have to split, divide it into multiple AMPs. And then, the make-up of Mason Manor doesn't make it easy to do. So Wausau did a RAD, so Wausau successfully got the RAD, and they removed, and they actually did that. But the way they were able to do it is they have a two tower building.

- So they severed one tower, instead of four--

- But it's essentially one building, because you've got one tower here and one tower here, but the common area, the offices and everything was like one in between, so technically it was one structure.

- Yeah.

- And they basically said, we're gonna make one AMP, two AMPs that's always easy to do. Mason Manor might be more tough.

- You'd have to go horizontally.

- Yeah, it would be really tough.

- Or we would have to employ some infrastructure to be able to separate the two buildings, right, like you have a two hour barrier right down the middle.

- Yeah, so the easiest way would just be--

- Elevator.

- Different Elevators.

- Well, we're close anyway though, because the units themselves are separated, so some of that math might be there depending on--

- Like the community room and the entrance, yeah.

- But, if all of the math is based on units, and all of our problems are infrastructure, right, so if it's these three floors are condos, and these, whatever floors are rentable, and the transition to fix the infrastructure that serves both of those, I'm not, it seems like, you know, but, yeah, right on, that's a big pain in the butt.

- And these are the discussions that you as the board need to be making, because all I'm doing right now is telling you what your options are available under the new things, but no, and that's good thinking, that's exactly what you need to be thinking about, because it's not my job to come up with your strategy. This is just based on what's available to you right now. This is, I think I spent about a whole three hours on this, which is not anywhere near the amount of time to come up with a fleshed out redevelopment plan for a housing authority as big as Green Bay. But I just wanted to provide an example of what one of the options are. So this is basically, I'm at the end now of what I was presenting. So it gives you some options. And some of those options essentially do provide you with much higher revenue stream. That being said, I did want to add something in. And you know what, I forgot to mention this one when we had our meeting beforehand. But if you're thinking about doing these items, any of these redevelopment right now, it's a good time to do this, because, and I don't remember if I said it at this meeting or our pre-meeting, but what's happened with funding, so this is just the capital fund. You can see the trend line is going down. But there's like one glaring thing on here that is probably thinking out to everybody, and that's that dot that's way the heck out here. And that was actually last year's funding. This chart only goes through 2018. If we would add 2019, that dot would be right next to it up there. Essentially that's congressional dysfunction. So congress has had essentially an agreement to lower domestic funding by a certain percentage just about every year since the 2012 sequester, and that's where you see a lot of this kind of thing, where it kind of went down below your trend line, that's when sequester happened. Well, when congress couldn't figure out, between congress and the administration, when they couldn't figure out the budget last year, essentially all of that agreement got thrown out the window and they just funded it at what you should have been funded at if that agreement hadn't been made in 2012. And then this year, under the budget confusion and lack of agreement that they've had, they've basically just did what's called a continuing resolution and said, this is how much we spent last year, we're just gonna tack it on to this year. The reason I'm going into this is because if you reposition now, you're locking in, and especially on RAD side, because remember, RAD keeps your funding level. The sooner you do RAD, you lock in the higher, because if this all of a sudden goes back down to here, well, then in the future you lock yourself down at a lower rate. And RAD resets what your rent levels are every two years. So right now we're under a 2018 set, so RAD stays like it is for the next two years. You get locked in at whatever the RAD rents are when you file your application, and you get what's called a CHAP, which is essentially an agreement that you can do RAD, it's not when you come out the other end, it's when you come in the door for RAD is when you get locked in. And so right now, we're at higher levels. So just so you're aware, you don't want to wait years and years and years. And if you remember right from my strategy, some of that did have you waiting for years, this option one. But it was years from when you came out the other side, not when you walked in the door.

- Not from the application.

- Yeah. Because you get set, not necessarily when you file the application, 'cause you do have to do some steps. But there's a thing called a CHAP. And the CHAP, and I don't remember what that acronym is, but basically it's--

- Commitment to Housing Assistance Payment.

- There you go, basically it's the commitment, that's the key word. HUD has committed to saying yeah, you've met, your RAD application looks like it would get approved. We're committing to enter into a HAP contract with you when we get to the other side of the HAP application process.

- We can go through this process without actually committing, we can start that application process--

- You can actually get to the point of even having a CHAP and then withdraw. The only point that you can--

- We could lock in that high bullet regardless of the decision we make from the Commission you're saying.

- Just remember that you're committing yourself to doing work and costs, because once you start the RAD process, there are costs that you'll have to have, so those will be lost costs if you don't complete.

- Some of it's facility analysis that we need right now.

- That' you're gonna have to have.

- Right.

- Right.

- Like we're going to have those costs with or without. Okay, this is super helpful for me, it's got super grade A presentation.

- And I--

- Oh, go ahead.

- Are you done?

- No, I'm done, I was just gonna say, if you've got any future questions, you can contact me, Jayme and Cheryl have my contact information.

- All right.

- Great.

- I'm not a very good host today, because I forgot to mention that we have our candidates from De Pere here, and I just wanted to let you, do you have any questions that you'd like to ask Scott? I can ask them offline. I have a couple of questions, but that's all right.

- Okay, all right.

- Did you want me to turn off the TV, or?

- I'll do it.

- Thank you for the opportunity to come in here.

- All right, thank you all.

- Thank you again Scott, that was great.

- So we are now onto item--

- [Cheryl] Okay, can I just get a little direction from the board?

- Yes.

- [Cheryl] I know we're working on, and it was good information from Scott, with regards to that capital improvements plan, so we're gonna continue--

- Sorry.

- [Cheryl] Do you need an agenda?

- She needs to get on the, log in, and join.

- Oh, to vote, that's right. And I can't figure out how to get in, so.

- We can always vote for you.

- [Cheryl] I was gonna say, do you want us to do votes for you?

- Good, all right, that's good, all right.

- It was nice meeting you.

- Thank you.

- Thanks so much.

- Thanks for coming.

- Thank you.

- All right, good bye, thank you.

- [Cheryl] So after this presentation, now, we had some direction with regards to what kind of planning for capital improvements plan, because we didn't know what did we need to get for the loan for this RAD, and actually Scott told us, no, don't spend a lot of money on that capital improvements plan, just get what you need to find out the cost for this.

- Thank you.

- I learned a lot in the second one as well.

- Well, great, like I said, that it would be a little more concise, but I kind of--

- [Bill] No, it's great, thanks.

- Well thank you very much.

- Thank you Scott.

- Thank you Scott.

- Thanks Scott.

- [Cheryl] So we're gonna continue to get that, now that we have some direction on how to get that capital improvements plan, and what we need to get that done. My question is, is there anything else you want us to do within the next month. I guess one thing that I'd like to do is, is I'd like to meet with the Brown County Housing Authority, and talk to them about the Project Based Vouchers.

- Good idea.

- Yeah.

- [Cheryl] Your thoughts on that, and just kind of an informal meeting.

- And I would also start exploring the possibility of setting up that subsidiary non-profit, you could do that.

- [Stephanie] I wanted to talk to Brillion to find out what they did for their 501c3, or the LLC.

- Well the thing with the--

- [Cheryl] That means I hire an attorney to do that, right?

- Yeah.

- Well, but the thing is with the 501c3, that may take a while.

- [Cheryl] That's a government IRS process.

- That's an IRS process. Now I've done some, I do them, it's an accounting exercise. But I've been involved with some that, we filed one for the library up in Egg Harbor on an expedited, there's a short form. And it took them like six weeks and we got it. I'm doing another project with some folks who are doing a non-profit, and it's setting up an educational foundation, and it's been with the IRS for almost a year.

- Yeah.

- Oh golly.

- And it's cost us about $30,000.00 in legal and accounting fees.

- Well that's, right, yes, so.

- So, that's, I mean--

- [Cheryl] So I don't know if a 501c3 is the right route.

- Well, you need to go 501c3, or some 501 c something or other, because there's different variations of it, in order to become tax exempt.

- [Cheryl] Okay, so to form an LLC, you need to be a 501c3 or--

- No, you need to, I can do a 501, or I can do an LLC or a corporation this afternoon.

- We need a not for profit entity to receive the ownership of the building.

- You've gotta set up the non-profit entity. So if it's a corporation or an LLC, you've gotta set that up first, and then once that's recognized by the State, so that's a State deal, you register it with the State. Once that's registered and certified with the State, then you can apply to the IRS for that entity to be recognized as tax exempt.

- [Cheryl] Okay.

- Just understand this, when you organize that LLC or non-profit corporation, you get a tax ID number, that's not, there's no such thing as a tax exempt number.

- Right.

- Right, you pay tax.

- That your, when you get your tax ID number, once the IRS says you're exempt, that tax ID number goes onto a list that the IRS has, that says that this entity is now tax exempt under whatever provision. But the next step would be to look at organizing an LLC, or a corporation, whichever, it doesn't make any difference. It couldn't be an LL property, it could be an LLB, but probably better off as a corporation. But again, that's something that needs to be explored to have somebody do that.

- [Cheryl] Okay, so, we're gonna meet with the Executive Director of the BCHA. We're gonna work on that capital needs plan, for Mason Manor. We have it for our scattered sites already. And then we need to work with our City Attorney, I think maybe, to find out--

- So their office could do that.

- [Cheryl] Okay.

- If not, have them call me, and I can help them out with it too.

- [Cheryl] Okay.

- And that would be in a 501c whatever, or 50--

- Well it's just a, well--

- [Cheryl] The vehicle you need to receive real estate.

- Right.

- [Cheryl] Right, because they have to, basically HUD is going to say, you're going to own this property, we're going to deed this to the, whatever entity.

- If you talk to Brillion, see if you can get a copy of their documents, because when you organize the corporation or whatever, in the bylaws, it has to have certain language in there in order to make it eligible for which 501 whatever.

- Oh yeah, oh yeah.

- As far as Brillion goes, or, I would be super thrilled to see an example of a similar sized municipality that has gone through HUD, but I don't know if that's a--

- Has Appleton gone through?

- [Jayme] Which route?

- Well, like process--

- Like the RAD route?

- Well is there a Green Bay sized municipality that has some amount of housing authority that went RAD, or Section 18.

- That's Wausau.

- Well, Wausau.

- Okay.

- [Jayme] Went there.

- [Cheryl] I don't know about Racine or Kenosha.

- [Jayme] They're way bigger.

- Than ours?

- [Cheryl] No, they're not larger than ours, but--

- [Jayme] For Housing Authority?

- No, for municipalities.

- Oh, yeah.

- [Cheryl] Milwaukee's done a lot of them, right?

- [Jayme] Yes, mm hm.

- [Cheryl] Right. What information are you looking for from--

- Well I'm just looking, it's just a little overwhelming, I guess, right, like what happens, what are the--

- That, what are the ramifications, what are the liabilities, what are the, that.

- Right, like has it ever gone sour for anybody nationally. And how'd it go sour, right, that seems like a pretty reasonable answer for a question. I mean, the other thing is, if it's, his figures in here, $164,000.00 a year, third of a million dollars a year, $150,000.00. How much, are we even gonna get to what we need to do with the amount of income we're talking about, right, so.

- [Cheryl] Well, I guess, two different angles, right. I look at the scattered site, to me, that's kind of a no brainer.

- Mm hm.

- And I was thinking the same thing.

- [Cheryl] Because if you're looking to get those on Project Based Vouchers, just to free us up with the flexibility, when Stephanie goes through capital improvement, she's got this much for roof, this much for carpet, this much, and if something breaks, then we're, I mean to be able to take that same amount of money and meet the needs, to me that's kind of an easy one, the scattered site. The Mason Manor is a different animal, because until we know how much we're gonna have to put into it, maybe we don't go RAD, maybe go with that Section 18 financing--

- Mixed finance.

- [Cheryl] And we apply for longterm tax credits ourselves, or whatever, to do those improvements. So I think we're down the road for Mason Manor, unfortunately, not too far because we've got to make those improvements.

- From a historical perspective, it seems to me, in my recollection, and I may be entirely wrong in this, but it looked, for some reason it seemed to me that back some years ago, back when Keith Pamprin was involved.

- [Cheryl] Mm hm.

- We looked at scattered sites going to Section 8, and there was some reason why we didn't do it. And I don't know what that reason is.

- [Cheryl] Yeah, it sounds like HUD is making it easier to do that.

- [Stephanie] That's making it a lot easier.

- Yes, that could be it the rules have changed.

- [Cheryl] That's the bigger difference was--

- [Jayme] Because then the new notice came out in 2018, so last year where.

- Yeah, that could be it. But yeah, there was some reason, it may be that they wouldn't give up their trust position on it, that might have been it.

- [Jayme] And I think--

- [Cheryl] Or maybe they were pulling it from the pool, they weren't allocating the new vouchers, they were actually pulling it from your existing pool, and the BCHA would be like, why would I do that, take 200 vouchers away from our existing pool?

- [Jayme] But the 2000, what I remember of the 2008 notice, is prior to then each property had to meet that 63.odd percentage of that, but now, if your scattered sites, if you're four or less units per, you're automatic.

- Yeah, he made a comment they lowered the threshold.

- Yeah.

- [Cheryl] Yeah, they just say automatic, so it probably was right, he had to make that 63%.

- [Jayme] You had to meet the 63% for each one, but now they put a stipulation in there, are you four or less per unit, yes, automatically in.

- Okay.

- [Jayme] That you can reposition.

- You know what you need to look for, for next month.

- [Cheryl] Yes, yes.

- Okay.

- BCHA, capital needs plan--

- But I'd still like--

- Nope.

- See if you can get the information from Brillion, on what they did, because that's going to track through better, what size it is, it's about the same form. So if they got it filed and approved, that's the template to use, because, again, the IRS will look for patterns. And if they've approved it once before, they're gonna approve it again, and we can make reference to that in the application so that it speeds it up, even if you don't go the short form application, if you go the regular one, if you can point to a similar one that you're following their template, it will speed it up.

- I'd just like, in general, as we started this conversation, you and I had a, gosh this feels too good to be true, sort of notion, like the tagline on the end of the thing was, if you buy now , wait a minute, right.

- And I did, I did bring that up when we had the other meeting about it, he started off saying the administration is taking a position that they'd like to see housing authorities reposition, and oh, okay, here is--

- [Cheryl] Okay, right.

- Doctor Ben coming up with and idea, and then I mentioned to him, you know, this RAD stuff has been around for a while, you've mentioned it again here before, it's been out there for about 10, 12 years now. And he said that when you sign that HAP contract, you're locked in for 20 years, so even if the rules change, you're already under contract that's been approved by a HUD, and had been approved by the parties of the contract. So for at least 20 years, they can't all of a sudden undercut you and say, well now you're--

- You don't get caught holding the bag, and you're just, at least 'til 20 years and a day.

- [Cheryl] Which is different because if we don't have, really, a 20 year contract that ties us into a number, right, what are the cons of those ones.

- What happens right now. These are federally owned properties and the bottom fell out or we stopped existing like we do, what happens?

- [Stephanie] They would take the properties back, because technically they're their properties, and we have no authority. If we ever wanted to not go this route, the property would have to be, no money, no federal money would be able to go into that property for 20 years before that DoT would ever drop off.

- Oh, wow. So it would be, what you're saying too, it's a no brainer for me also, for the scattered sites, but we really need to think.

- [Cheryl] Different ways.

- We kind of went through that a little bit when we were discussing with the Brown County situation, about merging, or whatever, and that was one of the issues that we ran up against, is that there was some push by some people to say get rid of all the, we can't.

- Right.

- We're in a program that we're locked into.

- [Cheryl] The City can't sell it because the City doesn't own it.

- They can't, yes, 'cause it doesn't own it.

- Right, right. So we can't be compelled to get rid of it. Even if they got rid of the Housing Authority, it would still stay as public housing.

- [Cheryl] HUD would still own public housing.

- So is there any vote that needs to be taken right now on this, or is this just informational, and they're gonna come back next week?

- No, this is directional.

- Okay, I gotta get going, I apologize, I gotta get there.

- All right, any other questions on this item, or are we ready to move on?

- See you everybody, see you next month.

- Thanks a lot.

- All right, so, next item on the agenda, is consideration with possible action on Passbook Savings Rate.

- [Cheryl] And Steph is going to handle that.

- [Stephanie] Okay, the Passbook Savings Rate is currently set at 0%, and what that is, is it's actually something that deals with the tenants, if they have assets that are greater than $5,000.00, we are supposed to apply this rate to their assets, and then that amount would be considered income, and go toward their 30%. So historically it has been at 0%, we can be 75 basis points either above or below what the national rate is, and the national rate is at .06%, so we could go up 75 basis points, or we could leave it there, or we could move it to zero, I don't think, Jayme, that there's not many people that this would apply to at Mason Manor, or at scattered sites, would this?

- [Jayme] It would affect all the tenants.

- [Stephanie] No, but--

- [Jayme] The ones that wouldn't have already have a pass, it's like a savings account, for our rate of interest. This would affect every account that doesn't have a rate of interest, historic, right now it's at zero.

- [Stephanie] So yeah, so this could affect everyone, if we raise this, or increase this. I thought it was just on assets, I'm sorry Jayme. So I would just say our recommendation would be to remain at zero, I just don't--

- Yeah, I yeah.

- Mm hm.

- All right.

- I will will make that motion, that we leave the Passbook Savings Rate at 0% for the time being.

- I would second that all day.

- All right, so we have a motion and a second. Any other questions, discussion? Otherwise, we are ready to vote.

- I'm sorry, I have a question. Do you even have a sense if it's worth looking into more, I'm mean that's--

- Into this?

- Yeah.

- [Stephanie] It would just be more revenue that we would get from the tenants and then less operating subsidy we would get from HUD. It would be a wash.

- Okay. Okay, thank you.

- So I have a motion and there's a second, so go ahead and vote.

- Okay, motion was approved.

- All right, moving on, item number two. Consideration with possible action to approve GBHA's Scattered Site Gutter Cleaning contract.

- [Cheryl] All right, in a nut shell, I remember I came back, and I gave you the whole story about needing to do it twice this year, we're looking for a find contract, it shouldn't exceed $2,500.00 a year. It did. So that's why I'm back.

- I'm like, why are we all talking about this again.

- [Cheryl] Everybody's like, I'm glad you said that. So we have two bids, one was a little over $3,000.00, one was at $9,900.00.

- [Terri] Wow, that's a big.

- [Cheryl] That's a big jump, so I'm just asking for approval to go with the $3,000.00.

- I will make a motion to go with the most responsible bidder at $3,000.00.

- I'll second that.

- A motion and a second, any further questions or discussion? Otherwise, we are ready to vote.

- Ten grand, that's a, I don't want to clean your gutters number, that's a--

- [Jayme] Just wait 'til you see the report.

- [Cheryl] Yeah.

- Okay, motion approved.

- All right, we've done number three already, so we'll go onto number four. Consideration with possible action to change the GBHA purchase approval thresholds to be consistent with the City of Green Bay guidelines.

- [Cheryl] So speaking about these small contracts I'm bringing back to the GBHA, I don't know how long it's been, but ever since I can remember, contracts of $2,000.00 or more come to the GBHA for approval. I don't know why that is. If you look at, and I put in your packet, there's the Financial Approval Authority, for the City of Green Bay stuff. So in my role as Assistant Director for this Department, I have the approval to authorize up to $10,000.00 in contracts, and then our management staff, like Steph below me, they have up to $5,000.00 before that needs to come back to a committee.

- Okay.

- [Cheryl] Now the process stays the same. We either quote it, we bid it, it's not like we change how that happens, but as far as this board having to make those approvals, what I'm asking is that this be consistent with what the City's plan is, and that is that, as the Executive Director, for example, I could have signed that scattered site contract.

- So you would then ask us for about $532.00 for--

- [Cheryl] Exactly, so I'm asking for myself, for up to $10,000.00, and for Jayme, as a manger, to be up to $5,000.00, to make those approvals. Now, that being said, there are contracts that may be less than that that we want to take to the board for approval, that are out of the normal realm of, you know, with this RAD stuff for example.

- When the City does it under their policy, do they ever give to the Finance Committee, or something, an update of how, you know, these are the contracts that were under that $5,000.00 or $10,000.00 that we approved, so they at least kind of know what you're approving.

- [Cheryl] I think they do, actually I think it was just raised for Finance Committee up to $25,000.00 for Department Heads. But, so I'm not sure, I think at the beginning of the meeting they kind of do like this was what was done, and I have no problem doing that at the beginning of the meeting, reporting out that these were the contracts that were executed.

- As far as I'm concerned if we raise that threshold, I'd be thrilled if you can include bullet points in the Director's Report, where the--

- [Cheryl] Oh, like absolutely.

- If you do it, we'd still like to know, right.

- Right.

- Right.

- Mm hm.

- Yep, yep, I agree.

- [Terri] And it just makes sense to me, to be consistent with the City of Green Bay.

- [Cheryl] Well, there's not much you can do with $2,000.00.

- Yeah, that's right.

- Right.

- Okay, so I will make a motion that we revise the GBHA purchase approval thresholds to be consistent with that of the City of Green Bay guidelines, now or in the future, so if Green Bay changes their guidelines, we'll follow that.

- Yeah, I'll second that.

- All right, so we have a motion and a second, any further questions or discussion? Otherwise we are ready to vote. Come on.

- Motion approved.

- [Cheryl] I was just going to say, this is really working well today.

- All right, let's see, number five. Consideration with possible action on approval of GBHA operating budget and Budget Resolution Number 19-02, for Fiscal Year Beginning July 1, 2019.

- [Cheryl] Stephanie's going to handle that.

- [Stephanie] So in the information that was given to you, there was a whole list of background and highlights, I will just work off of those. Essential office costs on there were decreasing by $20,000.00 because we're not doing sixth floor renovation again. Mason Manor, we are up in some areas. There is some snow equipment that they need to replace. The estimated cost is $12,500.00, for a salter, a drop salter, the plow blade, and skid forks. So that's all.

- Didn't we just buy a new snow blower?

- [Jayme] We purchased a, no, we purchased the skid steer. But we also have the truck, and we need a new push blade on that, and a salter on the truck.

- [Stephanie] And then the skid forks would be for either to put that salter on or take it off.

- Sure.

- [Stephanie] So that is one of the increases. Tenant services, the contract is going up $14,000.00. This is due to increases from Spectrum. We pay for certain things for them, the bill has just gone up.

- [Cheryl] Cable, for tenants.

- Yep.

- [Stephanie] Cable, wifi, in the computer room. And then, maintenance supplies, due to growing needs, there is an increase for $42,000.00 and $27,000.00 respectively for supplies and contracts.

- [Cheryl] Those are for like the minor maintenance types of things, not the contracts that we're bidding out, in other words.

- Do we need to do anything with the budget for these other things that we just got done talking about? We're gonna have some expenses for the--

- [Cheryl] Attorney and Brown County.

- Well, yeah, and for the capital improvements study. So there's something that we need.

- [Cheryl] I think, what were we looking at?

- [Stephanie] It was in there, but I don't know where it was put. Fire protection, tchoo tchoo tchoo tchoo, maintenance.

- [Cheryl] Well we can use the unrestricted dollars for that?

- [Stephanie] Well maybe, if I look.

- [Cheryl] I knew we needed the capital improvement, but although it sounds like we'll be able to get that done for less than $5,000.00.

- [Stephanie] Okay, so where did I have that, miscellaneous.

- So the more--

- [Stephanie] The general, okay, other general expenditures increased by $20,000.00 to cover the costs of capital needs assessment.

- [Cheryl] Okay.

- [Stephanie] Sorry, I didn't read down far enough on that one, so we do have that in there.

- Okay.

- The more continuing maintenance we do on that piece of property, before we do the evaluation relative to that 63.something percent, the harder it's going to be to hit.

- [Cheryl] Which is a discussion we have all the time.

- Right, I bet, yeah.

- But you put a new roof on there, then you don't have to, right, then you can't count needing to replace the roof, you're whittling, I mean you have to, until capacity, I'm just.

- All right, so any further questions regarding the--

- [Cheryl] You've set up my accident item twice now.

- All right, sorry.

- That's okay.

- [Stephanie] So are there any other questions. Does anyone have any questions?

- No. So I will make a motion to approve, is there a second?

- I'll second that.

- Okay, we'll talk about the budget, for maybe July 1 this year. All right, so there is a motion and a second, any further questions for Stephanie?

- [Terri] I have one, and looking at, I don't know where this fell in here, but training needs?

- [Stephanie] Training needs, yes.

- [Terri] Tell me about Happy Training.

- That is the software our tenant--

- [Cheryl] We go out every Friday night.

- Between 4:00 p.m. and 6:00 p.m. You bring, do you bring hot malt along with you.

- [Stephanie] That is the tenants, the tenant data base that we use, that is all of Jayme's--

- It's called Happy.

- It's called Happy.

- Yeah.

- Okay.

- Happy software.

- Yeah, Happy software.

- Cool. I thought, what the heck?

- You have to have happy cream, for your happy software.

- Mm hm.

- All right, any other questions? Otherwise you are ready to vote.

- Motion approved.

- All right, moving onto item number six. Consideration with possible action on approval of Mason Manor Roof Mechanical Maintenance and Repairs to Hurckman Mechanical for $8,460.00, and Mason Manor Roof Maintenance Repair to Northern Metal & Roofing for $32,585.00.

- [Cheryl] Okay, so the roof at Mason Manor probably should just get replaced at this point, which would be a very large cost. But what we're trying to do is make the repairs so we can stop the leaking until we know what we're actually going to do with Mason Manor. So we've got two separate contracts here. Let me back up. I did authorize an emergency repair, it was, I think $1,900.00.

- Mm hm.

- [Cheryl] Because there were some pinholes in the roof that was causing some water leakage. I think, hopefully, the water stopped from that.

- [Jayme] It did.

- [Cheryl] Okay, so up there on top of Mason Manor we have two HVAC units that are insulated, and they've got sealing around them. So we need to replace, and the birds peck at them, and it's, the sealing is cracked and whatnot. So we have a contract to come in and replace that insulation around those HVAC units and to seal the area around there. That's the first one with Hurckman Mechanical and A.M.A. That one is $8,460.00 is the low bidder. And then we have the actual repair of the floor, the actual roof flat surface, which is going to be the flashing on that roof, and just kind of--

- [Jayme] Holes, rain,

- [Cheryl] Right, it's cracked, it's old holes. So that is gonna get us through until we can replace it. That bid, actually it was quite different, that was Northern Metal & Roofing was the low bidder, for $32,585.00, we had another bid for $102,000.00.

- [Terri] Wow.

- [Cheryl] Which was a big difference. So, what we'd like to do is make repairs to the roof, to make sure that it doesn't leak any more, Hurckman and with Northern.

- Do, and I don't know if we can do this with this, do we need separate votes on this, or just one vote.

- [Cheryl] I don't know if we do, I combined them, because you're approving both contracts, but, it's not a resolution, but.

- Yeah, they're two different things, so, maybe we should do two votes.

- [Cheryl] You can break them up.

- Yeah, let's do two votes.

- Okay.

- So I will make a motion to approve the first one for Hurckman for $8,460.00, is there a second?

- I'll sec--

- I'll, oh, go ahead, please.

- [Terri] Second.

- We have a second.

- I'll make a motion for Northern Metal & Roofing.

- All right, we'll do that when we get through this one, we'll do this one first. All right, so we're voting on the first one. Come on.

- The first one is approved.

- All right, so the second one.

- Yeah, wait actually, you know, just because I'm staring at it, we're confident that Northern doesn't have re-installation and sealing of the mechanical system for Hurckman's?

- [Cheryl] Yes.

- And did anybody reach out to the other guys to figure out why they had three times the bid?

- [Cheryl] We let Public Works run this bid process, and we have a memo from both of them saying they're confident that the lower bidder succeeded. You know, we were at that bid opening, and there were a number, just other public works projects, that were hundreds of thousands of dollars.

- Yep, right on.

- [Cheryl] I'm not sure if people just want to bid to stay in the loop, but don't want the job.

- Right, I've seen that going at county too, you get--

- It's crazy.

- You know, double.

- A courtesy bid, sure, but not three times.

- [Cheryl] Well actually, not, I don't think that's out of the ordinary from what Public Works is saying, on projects.

- Cool.

- So let's--

- Yeah, I'll make a motion to approve it.

- Is there a second?

- [Terri] I'll second it.

- All right, we have a motion and a second on the Northern Metal & Roofing for $32,585.00. Any further discussion? Otherwise, we are ready to vote.

- Motion Passed.

- Moving onto item number seven. Consideration with possible action on Mason Manor's parking lease addendum.

- [Jayme] Yes, so staff has created a new parking addendum. Currently Mason Manor has all assigned parking spaces. It does not limit people from still parking in parking spots that are not theirs. So we have purchased parking passes, so now they'll have to put it on their rear view mirror, and with the parking passes, we can have the Parking Division monitor our parking lot 24 hours, seven days a week, and issue parking tickets to those violators. And we have also put up the correct signs that we need at all entrances saying that we are a permitted parking area.

- So what if I have a spot, and I have a little sticker on my window, or wherever, and I go to my spot, and somebody else is in it. Would I have to come to the office and say, we've got a violator?

- [Cheryl] That's what happens right now.

- [Jayme] That's what happens now, probably done 15 times a week.

- [Terri] Would you have a spot, or do you just have your?

- [Jayme] Right now there are assigned spots.

- [Terri] With your new, what you're suggesting?

- [Jayme] Both. So they're going to continue to have their assigned spot, we do not have anything that is in their car or parking--

- You cannot enforce it in any capacity.

- Correct.

- Right.

- Yep.

- [Cheryl] Now they're gonna have a tag along with it, so if they don't have that tag in there in somebody's spot, you can send somebody out there.

- [Jayme] And a lot of them are tenants or visitors from Admiral Court properties, parking there and walking up, or visitors, so they won't have the parking pass to park in the wrong numbered spot.

- Okay.

- And will there be signage with this?

- [Jayme] It's already up.

- Okay, very good. All right, well I'll make a motion to approve the addendum--

- [Cheryl] It's not really up until the board approves this.

- [Jayme] It's not up.

- Well, I'll second.

- All right, so we have a motion and a second. Any further discussion or questions? Otherwise, we are ready to vote.

- I gotta go.

- Thank you.

- Thank you.

- All right, see you guys.

- All right.

- Motion approved.

- Moving onto information, GBHA bills.

- [Stephanie] Those were sent out, are there any questions on any of them?

- I have none.

- Okay.

- Do you need a motion to approve, or?

- [Cheryl] No, all informational.

- All right, we'll move onto the GBHA Financial Report.

- [Stephanie] Yes, that was also sent out. If there is no questions on the regular one, I would like to point on, there is a CFP one on there, and under that, we did receive our 2019 funding, which is $330,432.00 for the

2019 year. We have it designated, because I have to get together with Jayme and David to find out how we're going to allocate it, but that is the amount that we received for 2019, so it is--

- Is that the little blip that he was talking about?

- [Stephanie] Oh, that was actually, '18 was up. We're up about $10,000.00 more than we got last year, which is up $120,000.00 from a previous year.

- Okay.

- Very good.

- [Jayme] So the dot that he said, well, it's not on there, but it will be right next to it.

- That's it?

- Yep.

- Okay.

- Very good.

- All right, moving on to Langan Report. Anybody have any questions regarding the Langan Report? I didn't have any, but. All right, then we'll move onto the Director's report.

- [Cheryl] So as I mentioned before, I did authorize an emergency repair for that $1,900.00 to Secure Roofing, which I think they solved the problem for the roof leaking. We had a successful tenant event, we had the Spring Fling, at Mason Manor, with the Resident Advisory Board, set it up, and actually worked it, put it together very well, the tenants. We also have a new Veterans display in the front window area that, I think a tenant worked on setting that up as well. And then we are working with Lutheran Social Services, who is our coordinator right now for our Service Coordinator, but we received that Ross grant, and Lutheran Social Services has agreed to work with us on administering the Ross Grant, there is a lot of reporting involved with that, so we're going to execute a contract with them, just to have the Ross Grant cover those admin costs.

- Okay.

- [Cheryl] And that's it.

- All right, number five, Occupancy Report for the month of April, 2019.

- [Jayme] And that is also in your packet. The last couple of months, we've had really tough months of between eight and 10 people moving out. But we continue to chug along and, Mason Manor we're still maintain a 30 day turnaround. Scattered sites we've been taking on a little bit more projects 'cause these tenants have resided in our properties much longer, so we are starting to remodel using our CFP dollars so the timeframe is going up slightly, but we are still maintaining and doing a very good job.

- Okay. Any questions? Let's see, Occupancy Report we just did, so the date of next meeting, June 20th. Looks like it.

- [Cheryl] That's it.

- Thank you all very much.

- So have we done a motion to adjourn?

- Let's move onto item F, is there a motion to adjourn?

- I would make it.

- All right, we've got a motion, is there a second?

- I'll second.

- We have a motion and a second. Any further discussion? All right, all in favor, signify by saying aye.

- [Together] Aye.

- Thank you again very much.