MINUTES OF THE
GREEN BAY HOUSING AUTHORITY

THURSDAY, OCTOBER 20, 2022, 10:30 AM
Virtual Meeting. Public may join via Zoom.

A. ZOOM MEETING INFORMATION.

1. This item contains Zoom information, instructions, and a link to the Virtual Comment Form.

B. ROLL CALL.

1. William VandeCastle - Chair, Terri Refsguard Vice-Chair, Sandra Popp, Erin Edwards and Stephen Srubas

Meeting began at 10:35AM
Present: William VandeCastle-Chair, Terri Refsguard-Vice Chair, Sandra Popp, Erin Edwards and Stephen Srubas, Absent:None, Excused:None

C. APPROVAL OF THE AGENDA.

1. Approval of the agenda for the October 20, 2022, meeting of the Green Bay Housing Authority.

Moved by William VandeCastle, seconded by Erin Edwards to approve the agenda for the October 20, 2022 meeting of the Green Bay Housing Authority. Motion carried. Yes-William VandeCastle, Terri Refsguard, Sandra Popp, Erin Edwards, Stephen Srubas, No:None, Abstain:None

D. APPROVAL OF MINUTES.

1. Approval of the minutes from the June 23, 2022, meeting of the Green Bay Housing Authority.

Moved by Erin Edwards, seconded by William VandeCastle to approve the minutes from the June 23, 2022 meeting of the Green Bay Housing Authority. Motion carried. Yes-William VandeCastle, Terri Refsguard, Sandra Popp, Erin Edwards, Stephen Srubas, No:None, Abstain:None

E. PUBLIC HEARINGS.

1. Public hearing regarding the proposed issuance by the Green Bay Housing Authority of revenue bonds on behalf of University Village Housing, Inc., a Wisconsin nonprofit corporation.

E.I. Stephen Srubas is the architect for this project and will abstain from voting.

Moved by William VandeCastle, seconded by Erin Edwards to open the floor for the public hearing regarding the proposed issuance by the Green Bay Housing Authority of revenue bonds on behalf of University Village Housing, Inc., a Wisconsin nonprofit corporation. Motion carried. Yes-William VandeCastle, Terri Refsguard, Sandra Popp, Erin Edwards, No:None, Abstain:Stephen Srubas

Moved by Terri Refsguard, seconded by Erin Edwards to close the floor for the public hearing regarding the proposed issuance by the Green Bay Housing Authority of revenue bonds on behalf of University Village Housing, Inc., a Wisconsin nonprofit corporation. Motion carried. Yes-William VandeCastle, Terri Refsguard, Sandra Popp, Erin Edwards, No:None, Abstain:Stephen Srubas

F. INFORMATIONAL.

1. Update on plan for the redevelopment project for Scattered Sites and Mason Manor redevelopment.

Moved by Stephen Srubas, seconded by Sandra Popp to open the floor for an update on the plan for the redevelopment project for Scattered Sites and Mason Manor. Motion carried. Yes-William VandeCastle, Terri Refsguard, Sandra Popp, Erin Edwards, Stephen Srubas, No:None, Abstain:None

10:42AM Ted Matkom speaks.

10:55AM Kaitlin Konyn speaks.

Moved by Terri Refsguard, seconded by William VandeCastle to close the floor for an update on the plan for the redevelopment project for Scattered Sites and Mason Manor. Motion carried. Yes-William VandeCastle, Terri Refsguard, Sandra Popp, Erin Edwards, Stephen Srubas, No:None, Abstain:None

2. GBHA Bills.

Stephanie Schmutzer presented the GBHA Bills. No action needed.

3. GBHA Financial Report.

Stephanie Schmutzer presented the Financial Report. No action needed.

4. Langan Report.

Jayme Valentine presented the Langan Report. No action needed.

5. Director's Report.

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

6. Occupancy Report.

Jayme Valentine presented the Occupancy Report. No action needed.

7. Date of the next meeting: November 17, 2022.

G. ADJOURNMENT.

Moved by Terri Refsguard, seconded by Erin Edwards to adjourn the meeting of the Green Bay Housing Authority. Motion carried. Yes-William VandeCastle, Terri Refsguard, Sandra Popp, Erin Edwards, Stephen Srubas, No:None, Abstain:None

H. VERBATIM MINUTES.

- To order. Ka, are we ready to go? Good. All right. So we'll call to order the Meeting of the Green Bay Housing Authority for Thursday, October 20th, 2022. It's a little after 10:30. We've got roll call. So the first item on the agenda would be approval of the agenda, and I will make that motion to approve the agenda. Is there a second?

- I will second that.

- The motion has a second. Are there any additions or modifications to the agenda as presented? Hearing none. All in favor of approval of the agenda as presented, signify by saying, aye.

- [All] Aye.

- Any opposed? Motion carries. Move on to approval of the minutes from the June 23, 2022 meeting of the Green Bay Housing Authority. That document is in your packet. Are there any additions, corrections, or modifications? Hearing none, is there a motion to approve?

- I will approve that.

- All right, and I will make the second to that, so we have a motion and a second. All in favor of approval of the minutes from the June 23rd meeting, signify by saying, aye.

- [All] Aye.

- Any opposed? Hearing none, motion carries. All right, item three on our agenda is public hearing regarding the proposed issuance by the Green Bay Housing Authority of revenue bonds on behalf of University Village Housing, Incorporated, a Wisconsin nonprofit corporation.

- So, Bill, I can just, I can tell you that we were contacted by UVHI, you know, when the numbers first came in for this, well, let me back up, the GBHA approved borrowing or bonding for this project. So this is campus housing, and when the numbers came in, they were high. So I think the project was put on hold for a while. But UVHI group has retooled and they're coming back. They'd like to increase the bond amount from 25 to 40 million. And then the only change in the project is a decrease in units from, it was 232 will now be 200 units. So, Steve, you're still involved with this project, I think?

- Yes.

- That's pretty much the bottom line for kind of what's happening here, right, as far as changes go?

- Yep. 'Cause sort of the construction market doing its thing, we've slightly revamped a minor reduction in total quantities of available pillows. But we, God almighty, still have a project.

- Right, so the only thing that we, I guess, we need to redo is we need to, because of those changes, we need to have this public hearing again or comment, which we noticed, and-

- So I will entertain a motion to open the public hearing. I'll make that motion. Is there a second?

- I will second that.

- All right, so we have a motion and a second to open the public hearing on the University Village Housing Project. All in favor signify by saying, aye.

- [All] Aye.

- Any opposed? Hearing none, okay, the public hearing is open. There any comments from the public? Do we have any members of the public online? Any comments from the public? One last time, any public comment on the University Village Housing Project? That was an increase in the project cost, and a slight decrease in the number of units to be constructed. One last time, any public comment? Hearing none, is there a motion to close the public hearing?

- I'll make the motion.

- All right, we have a motion. Is there a second?

- I will second that.

- Hearing a second. Very good. All in favor of closing the public hearing, signify by saying, aye.

- [All] Aye.

- Any opposed? Very good. Motion is approved. Public hearing is closed. There's no further action items on this, so we will move forward with the informational items. Item number one under section F is update on plan for the redevelopment project for Scattered Sites and Mason Manor redevelopment.

- So just, brief this for a while. The Housing Authority, when we originally looked at financing plans, we looked at that 60/40 split. In the meanwhile, our developers have been struggling with the increased cost of interest rates and all of these moving parts along with environmental reviews and tax credit applications. And I think we're at a point now where we've come to some determinations on ways forward and some timelines. So I wanted to bring this back to the Board so you could hear kind of where we are. We have representatives here from Gorman and Company. Ted and Trent are here, I think, and then Kaitlin is here as well. Baker Tilly is our consultant. So guys, I don't know, we should open the floor. Oh, and Larissa, sorry. Larissa's here too. Did I miss anybody else? There's a lot of moving parts, so we work with a lot of people. But we need to motion to open the floor, and then we can let you guys kind of give us the update on where we are in the project.

- I will make that motion.

- I will make that motion.

- Or, I'll second, Steve. I'll second, Steve.

- Steve's got the motion. Sandy's got the second. All in favor of opening the floor, signify by saying, aye.

- [All] Aye.

- Any opposed? Motion carries. The floor is open. All right, folks, go ahead.

- Okay, great. Hey, Ted Matkom. I'm the Wisconsin Market President for Gorman and Company. Thanks so much for giving us some time today. Give you a little update of what's going on. Of course, you've heard it on the last item, you know, construction is just everyone's hero these days in terms of rising interest rates and rising inflation also. And so we've been struggling with that on this project. And we think we have a path, and it's not a path that we probably would have or envisioned when we started this project, but I think we've kind of taken you through most of what we were thinking in our last meeting. But kind of wanted to give you the path that we've chosen, I guess, and talked about, and wanted you guys to make sure you were comfortable with it. We have, here's the thing. When we started this deal, we had to have, for HUD regulations, what's called a capital needs assessment. Sometimes it's called the physical needs assessment, CNA, PNA, whatever you wanna call it. It's the same kind of acronym. And that targets the capital needs that Mason Manor needed to kind of be up to snuff. HUD takes that CNA as their bible, and you gotta comply with that. Like if you say you're not gonna do something in the CNA, you gotta ask kind of for a waiver. And they're like, "Why would you take a waiver? Why don't you just do it?" So you need the money to do that. So in order to comply with the CNA, and then there were a couple things that were, to be honest with you, we all met with Cheryl, and Jayme, and the staff last week and there was some wishlist items, what we called wishlist items, which weren't in the CNA, which we all kinda determined our really necessity items that we're gonna put in the budget like they are in the CNA, but they're just quality of life issues, which I won't go through 'em. But all of the wishlist items and the CNA items we're kind of packaging into a budget, and we did that. And the way, we've recently priced it, the way we're going to source that budget is, and it was kind of a three-prong approach, maybe a four-prong approach, and I'll have, Kaitlin kind of described to you a little bit some of the avenues we looked at. But on a macro level, we're making Mason Manor a historic landmark building in Green Bay. Its actually got some amazing history. The architecture of Mason Manor, I don't know, it's not so much, right? But the history of Mason Manor, and when it was created, and why it was created was fantastic. We documented that, SHPO, which is the State Housing Preservation Office, they've signed off on that being historic, which means we can get historic tax credits, federal historic tax credits and state historic tax credits on Mason Manor, which is fantastic. I mean that gives us so much free equity without doing really anything special. The buildings pretty much staying the way it is anyway, so that's just a windfall to us for our budget. Not a windfall, but it allows us to give sourcing to meet our budget of what we need to do. So that's a great deal. The second thing was, you guys, as you know, have 48 Scattered Sites, which were taken through a Section 18 dispo process which kind of removed them from the public housing, if you recall. If you have any questions on that, let us know. But that was a Section 18 that was granted to you, that has, you know, owned by the Housing Authority but taken out of public housing. We are actually taking those 48 Scattered Sites and putting it into the Mason Manor project as one project. And it's not like the Scattered Sites need that much work. But by putting them into our Mason Manor project, we get all that fantastic income of the rent. But we don't have to do that much work to each Scattered Site. We're doing about, I think the minimum's $20,000 that we have to do for, which is like, you know, repair a roof or some siding, and you know, your air conditioner, and your furnace. So the minimal work, but the great boost in income also is a great source for that project so that we can source this growing budget because of inflation that we're faced with in terms of doing the improvements that are necessary on Mason Manor for the community needs assessment. So all of that is, so we got a historic, we got the Scattered Sites. And then we kind of took a, Jayme and Cheryl were like, "Are we sure that we're going down the right road with HUD? Like are we doing..." And I'll have Kaitlin kind of explain to you what the four kind of, three or four, I think it was three, three avenues that we talked about, but what, you know, what we were looking at and what we've decided upon. And the good news is we decided upon exactly what we proposed before. But what was nice about this is we went through all of the options that you would have that HUD provides, refinancing public housing and we ended up with what we agreed on earlier, which is a little circular I guess, but it gives you comfort that we're doing the right thing. And I'm just gonna have Kaitlin, you know, she's the expert in this. And the great thing about this partnership, and I just wanna go through this real quick, is you know, Baker Tilly is the compliance expert, HUD procedure expert, and they are hired by the Housing Authority to do what's best for the Housing Authority. And then we are the developer that executes on that plan. So you kind of have an new tier of quality control in a sense. And Kaitlin, and Jayme, and Cheryl were like, "Let's explore this, these options to make sure that we're on the right path and then we'll have Gorman execute." So I'm gonna let Kaitlin kinda take you through the analysis she did and what we came up with. Is that okay, Kaitlin?

- That sounds great. Can everyone see the screen? Does it look okay?

- Yes.

- Okay, wonderful. So as Ted was mentioning, you know, probably two-ish, three-ish months ago, we, you know, talked with Jayme and Cheryl and wanted to make sure that we were on the correct HUD path. And so really kind of four paths kind of materialized. So this option two is a path that we've always kind of been running on where we're doing a RAD conversion that splits RAD with Section 18 units. I know we've talked before about those Section 18 units can charge higher rents. So that's what we were always doing. But then we introduce a couple other options. One is to just do a complete, just straight RAD conversions. Around , things will kind of just still operate the same. But because we're only charging RAD rents, it's significantly lower income. So that means that we can't do the level of rehab that's required in the CNA and we can't do our wishlist items. If we did, we'd have a significant gap to the number. So you can see here that if we were gonna do what's in the CNA plus our wishlist, we have to source an extra almost $3 million. And again, that's because our rents are being cut because the RAD rents are lower.

- And the reason, just to go over that, the RAD rents are lower because it comes from a formula that HUD has produced of what you can get for that RAD unit, okay? Versus the Section 18 has kind of a fair market value aspect of that rent. So you get more rent on the Section 18 versus the RAD. That's kind of the difference. Those Section 18 are preferable. You get more income on that, okay? So this is only the RAD one here.

- Yes, and then this other option which is a little bit similar but it's called Mixed Finance. It actually lets you stay public housing. The rent situation is very similar where it's kind of a net neutral, it's based on your existing capital and operating funds. Again, we couldn't, you know, do the needed amount of rehab required in our capital needs assessment or our wishlist. You can see that in this case, it's almost a $5 million gap. So financially, these other two options really don't work to achieve the goals of the Housing Authority.

- And just to further clarify, like when you look at the, can you go back there real quick?

- Yep. Sorry, Ted.

- So when it says, "Amount of rehab per unit at Mason Manor," that's how much the deal can support. It'll only do 89,000 per unit in that financial model. In the Mixed Finance, you see, you can only do 78,000. That's where the gap comes from. The gap comes from what you have to spend to do the CNA items, okay? That's where the gap comes from. So you have the RAD, you got, you know, with a wishlist which we think could be incorporated for quality of life purposes for the residents. You have $2.7 million gap. Over here, you have a $4.7 million gap. So it's just very drastic in terms of what the gap is on those two models.

- Excellent point. So, and comparatively, right? The path that we've been running on there isn't a financial gap because you could accomplish all of the items in the CNA and all of your wishlist items. I will show this one option, this additional option, I should say, that we also set aside. As you can see, you can still do a very significant amount of rehab, all of the CNA wishlist items plus some additional items. But under this option of doing the 80/20 blend, and I know we've talked about it before, you would lose your ability to build new units, so you'd lose all of your Faircloth authority. Am I understanding in discussions with you guys previously, is that something that's very important to you is bringing more housing into the city of Green Bay. Now through this gyration over the last two, three months of like confirming that the existing path that we're on is a good one and it accomplishes everything that you need to do at your property.

- Yeah, so in other words, it meets, as you can see in this Option 2 60/40, the $107,000 per unit at Mason Manor meets the CNA budget, you know, provides the threshold that we have to do for Scattered Sites and then there is no gap but it also retains your Faircloth. So that's kind of like the package that we were always running with. We just confirmed that still works and that's what I think we all wanna do 'cause it obtains all the goals.

- That option two gives us the ability to maintain 91, I think, Faircloth units. So those are public housing units we kind of have in our pocket that at a future point, we can build and will go into the public housing system.

- Right.

- Kind of like we have now, which is great to have 'cause we need more units.

- Well, and I think it's important that you're the reason there's a RAD is because HUD has really kind of been trying to take public housing units off the table because they want you to be both responsible in your operating costs and responsible, and have a set amount of income, which those RAD rents would be, and then you'd have to conform to a set amount of operating expenses. They want all, the big push was they wanted all of the housing authorities to kind of get to that formula of RAD. So by keeping your Faircloth in public housing, I think it's a really smart move because you really don't know where this whole RAD thing's gonna end up, you know, in the end. I mean it's a great push and everyone, I think it, you know, we are complying a little bit with that, and that's great, but it's nice to have a little, you know, a foot in both pools there. You know, I think that's a very smart decision actually to go the 60/40 route. Keep your Faircloth.

- Oh, yeah, go ahead, Ted, sorry.

- Yeah, I was just gonna say is that it's pretty much it. Then the next thing we wanted to do was kind of like show you, okay, we're going, is there any questions on that? 'Cause that actually is the financial part of it. Now we're gonna go to schedule. But is everybody okay with the way we describe that? Was that as clear as mud or is everybody okay? Okay, so the next-

- Oh, Stephen, I think. Are you trying to say something, Stephen?

- No, I mean, like, hows 60/40 sound? I mean, I kind of get it. It's complicated. That's an ugly chart.

- Yeah.

- Appreciate you-

- It's ugly.

- walking us through it.

- Right, it's not for the faint of heart, it's ugly. Actually, we have to applaud Kaitlin 'cause Kaitlin actually did this WHEDA conference where she described all this to an audience for an hour and 15 minutes. Cheryl and I were next to her, and people were still actually awake at the end of it. I couldn't believe it. She did a great job. I was like, it's really tough. But now the 60/40 and what we've talked about, I have to give you a kind of a precursor to what's coming up next. All of this engineering that we've done with Baker Tilly in terms of bringing in the Scattered Sites, putting historic on it, the 60/40, guess what? HUD's never seen that done before. Oh, great. So now we are the pioneers taking all the arrows on blazing a path through HUD on bringing this type of nice financing engineering to them. So they get it. It's not like it's beyond, it's not beyond what they understand, but all of those components have never been in front of them before in terms of a stack, a capital stack. So now we have to bring that through them. So now let's go through maybe the calendar. Kaitlin, I dunno if you wanted to bring that up. Were you gonna bring up the schedule?

- Can I ask a question? Can I ask one more-

- Oh, sorry, Steve.

- No, so as I understand it, we're rolling, the intentions are rolling in Scattered Sites with the overall ask here, you're chasing down historic tax credits in state and federal, so-

- Correct.

- 2020.

- Yep.

- And by that, we've gotta put Mason Manor on the historic register.

- Yep

- But do you get to utilize the cost associated with the Scattered Sites to hit up the tax credit or is that only coming from the monies on Mason Manor?

- Only the monies on Masons manor. There will be no historic aspect on the Scattered Sites. Correct.

- So it's just a more complicated formula, 'cause you don't get the 40% on the added Scattered Sites, you only get it on the Mason Manor site.

- Correct, and that's not really that complicated. The complicated thing about HUD was that we're bringing in a Section 8, you know, we just removed them from public housing and now we are taking them into this project, and pardon all these acronyms, I won't use an acronym, as the low-income housing tax credit project, not a public housing project. Now we're doing this WHEDA deal with the tax credits and they're coming into that deal. So that's why this is kind of a path-blazing venture to HUD, okay?

- And there will be, I mean, like full disclosure, there will be some things that we cannot do as a result of the historic tax credits. But looking at the scope of work, it's not really affecting us a whole lot. I mean, our building is built pretty solid. We're not cutting new openings in places and moving things around. So I think we're replacing all the windows, but we're keeping them in the opening sizes, and so, luckily for us, like in some projects I know that can add a lot of cost when you have to do the historic preservation portion. But at least for us, it hasn't affected us too badly.

- It's a great fit. It's a great fit for this. So now, this is where Kaitlin becomes the expert in terms of the processes with this path-blazing trail here. So I'm gonna let Kaitlin kinda run through, based on what we've decided, you know, with the staff and you all here today, on the 60/40 approach, what the schedule she thinks will be going forward to get HUD on board. Kaitlin, you wanna?

- Sorry, I was muted. Everyone can see this?

- Yes.

- Yes, wonderful. The RAD process is definitely complicated, definitely lengthy, and as Ted noted, by including the Scattered Site Section 8 contract in, we're kind of trailblazing with HUD. So there are some things that we've already accomplished. So this timeline is kind of split into two sections. This top section here are items that have been completed. This bottom section here are items that are in process that we need to work towards. I've also color coded it so that you can see items that are the RAD path, our repositioning path are in blue, and then items are in green are based on our tax credit path and kind of getting all of our financing lined up. So where we're at right now is we've, you know, started discussions with HUD. We told them what we wanna do. They gave us a semi approval in a form of a chat. They're like, "Yep, we know you wanna reposition so here you go, here's what your RAD rents would be." So that's kind of where we're at. And our next major milestone with HUD is to have this concept call, and it's kind of what it sounds like. It's to have an initial call with an assigned HUD transaction manager where we will explain what we wanna do. The transaction manager will probably ask us a number of questions, and then they will invite us to submit our financing plan, which is the next step. But to get to the concept call, there's a couple of pieces of things, and that's what you can see is in this Reports Needed column. So we have to have our capital needs assessment, which we have completed, which is great. We have to have our environmental completed, which we also have, awesome. And then we have to kind of complete a number of forms and documents that HUD requires. There's some questions in their online system. We'll need some information from Brown County 'cause they're gonna administer our Section 18 vouchers. So once we kind of have all that together, we can request this call. So we've been working on it, you know, once we started kind of reviewing other options, we paused but now that we know we're going down the 60/40 path, we're ready to pick it back up again. And the goal would be to submit and request this by end of November, beginning of December. It'll take HUD maybe like a week or so to assign us a transaction manager and, like, schedule the call. While that's going on, Ted, and Trent and their team, are working on the tax credit application. So you can see up here, we've been working on it for a bit. Again, we paused, we're picking it back up. and I think we're ready to kind of submit that in the next couple, two, three weeks, and get that into WHEDA so that they can start reviewing it. Additionally, as WHEDA is kind of reviewing the tax credit application, Ted and Trent are gonna start kind of lining up our financial partners, so who's gonna provide our debt, who's gonna provide the equity because we will need that in order to submit the financing plan, which again is our next HUD stage. Now I'm kind of jumping over the place. So feel free if you have questions as I'm going through.

- And Kaitlin, you did a great job. I just wanted to clarify one thing in terms of debt and equity, just so you guys understand. So I don't know if you're all familiar with tax credit deals, you're probably not. But what happens on a tax credit deal is we are doing what's called a non-competitive tax credit application to WHEDA. It's called a 4%, if you hear that. And we'll apply to WHEDA, they say, "Okay, you know, here's your tax credits." And then we take those tax credits, and the reason this timing is extremely important is, we will have, like November 4th, we will have the entire application into WHEDA, and we're going into this national conference, which is called AHF Live in Chicago. And we will have all of the sources, and all the uses, and all of the accounting financing run done to show people at that conference, and actually meet with 'em, and court the best tax credit purchaser that we could possibly get the best pricing and all that. So what happens is WHEDA gives us the tax credits, we have to go and we have to sell those tax credits to an investor who will purchase them, and that's our real partner. Like those are the guys, you know, that's the entity that's going to be 99% owner of our project for the tax credit compliance period. And we gotta like them and they gotta like us. So there is definitely a courting period that'll happen. And the great thing about this project, it's right in a perfect time 'cause I get 90% of my deals done for the next year at this conference. So we will have, like, seriously, formal, based on this timing here, we'll have formal meetings set up to discuss this project with the people that we think are the best tax credit investors. So that's why this is very important in terms of us complying with the schedule here.

- Excellent intro, that's perfect. So, as Ted noted, then kind of once we have those partners kind of lined up, we can submit our financing plan. There's a few other forms and documents that HUD also needs at this stage that Larissa and I will be working with Cheryl and Jayme on and the Housing Authority to make sure we have all of our ducks in a row. But then once we submit everything to HUD, which is this goal of submitting by next March, it'll take them about 60 or so days to kind of review. I built a little bit of cushion right now into the timeline. So potentially this could be tightened up a little bit. But then they might ask some questions as they review the financial information. They might ask us for more information. But the end goal, once they review and approve everything, is to issue what's called an RCC, which is your RAD Conversion Commitment. And that is basically your ticket to closing. So it's HUD stamp of approval, they're like, "You're good to go." And then they give a list of, like, 30 legal documents that come on board, and they start furiously putting together these HUD documents, and simultaneously, they'll be working with your selected financial partners to kind of work towards their financial closing, handling their due diligence, everything that they need. Then we'll have to turn all of those documents back, HUD-hired attorney can review them, and kind of sign off. And they give you 30 days or so to submit that package and then HUD will take another 45 to 60 days to review. So that kind of puts us right now at a September 1st closing when we'd actually close the transaction, and say, "Okay, we can start doing rehab and start actually making some of the changes on site."

- Yeah, and Cheryl, we initially said like June when we met. But Kaitlin's like, "Eh," you know? All the WHEDA processes-

- I felt like that too, just like that.

- Yeah, all the WHEDA processes and the investor we will be done by spring, but then you gotta have the HUD process putting into all those processes, and she thinks it's another 60 days or so for that.

- But I would say too that there's, oh, sorry, go ahead, Cheryl.

- I was gonna say, as much as I'd like to see us break ground today, right? And get this process started, if that allows us to create those vacancies from just people leaving during that timeframe, the more vacancies we can get in the pool, the less, I guess-

- Relocation.

- The less relocation and it'll be easier on our tenants. So I mean, that's a plus in that, we're looking at next summer. So, we're looking at that way as well.

- Right, and you just segued a perfect segue, Cheryl, in terms of the relocation discussion. So we did talk about, like, a June closing on this. The silver lining with the September, like Cheryl just articulated, was that we will have a little more time for the attrition of people just organically leaving Mason Manor, and that will minimize our relocation. And let me just give you a little more information of that. So we thought, you know, hey, if we got one floor done, or vacated, sorry, we could start. Which is true and we could start there. The problem is the way the MEP systems that we've discovered on this tower, which are not 100% like atypical of a tower of this nature, require several units to be really inconvenienced, we'll say. That would be on the, if you're on the eighth floor, and you're starting there, the seventh floor, we would have probably seven tenants out of the 21 on the seventh floor, yeah, you know, be moving out for weeks at a time because of the stuff we had to do in order to make this deal work. So we said, "Hey, it would be great if we had two floors completely done." And Cheryl just about had a heart attack, and then she said, you know, "Hey, we're, you know, how can we do a floor and a half?" Which is really what we need. We need a floor and a half to make it work. And then we did the timeframe of having two floors completely vacated versus one floor completely vacated, and the half floor we could kind of work around it. But it was like substantial. I mean it was a 30 month deal, I think, with just one floor, and it's a 20 month deal with two floors vacated. And the reason that's very significant, and I did not know this until we actually got the historic completed, 'cause I've actually never run into a project that actually went 24 months. But there is a 24 month limitation of the historic. You can't go over. You can only get historic credits on costs that are incurred in this 24 month period from start to end. So the 30 month thing doesn't work. So the floor and a half does work, but the two floors is even better. So that's where we're at. So the September does really, likely to get people out of the building without having to move them. If we had to move anybody, what we would do, and we would come to you for approval, and tell you the whole plan, but the macro 50,000 foot view, we'd take those people, put 'em in an extended-stay hotel. We pay for everything. We pay for food. We pay for whatever. It's an expensive proposition. We actually make their life pretty nice offsite at an extended-stay hotel. And then, you know, a course, 'cause of the attrition of the people leaving Mason Manor organically, that would dwindle as we went down floors. So that wouldn't be that long actually. It would be a fairly short process, but would inconvenient those tenants, and take 'em off property, which nobody wants. So silver lining in the September date is exactly what Cheryl said. I just wanted to give you a little more meat on the bone for that when we were talking about.

- The goal is to keep the tenants in the building.

- Right.

- But that's our goal because that's just easier, even if it's a relocation from eight down to four for a period of time, right? They can, you know, we'd rather keep the tenants in the building.

- Yeah, and I didn't describe that. So what'll happen is, you know, of course, not everybody vacates the top floor and the eighth and the seventh in a really nice, orderly fashion. They vacate in all little holes in the building, right? So now that what we would do is we would vacate eight, vacate seven and move the people that are on eight and seven down to the lower floors into kind of temporary units. And then when those floors are done, we'd move them back, so that works, and we just work down the building. There's literally a science to it. It's more of a science than an art. But, yeah, that part. That we still need that amount of units though, you know, to make the whole project that would equal to two floors go efficiently as possible.

- [Cheryl] Yep.

- So any questions on that? Sorry about that long dissertation. But we're definitely, you know, one of our biggest priorities is not to inconvenience the tenants as much as possible. So, that's about it, you know. Any questions on that? You know, we have a path. The nice thing about what we've done since we left, I think everything is very rooted in what we can achieve. We kind of have the pricing now in what I think is the highest point of this inflationary period. I don't think it's gonna go up much. So we kind of have a worst case scenario on cost, which is a good thing. And interest rates, you know, that's kind of the wild card that'll eat a little bit into our proceeds. I think WHEDA. going with WHEDA as your debt provider is a great idea, I really do. I think in terms of having, you know, WHEDA be your debt provider, they can provide some subsidies on a subordinate debt side that if the interest rate starts creeping up and doesn't allow us to get our budget, they can give us little funding on that side. So I really think we're in a good place. I think this is very achievable in the timeframe that we just articulated. All right. That's all we have, Cheryl.

- [Cheryl] Any questions for our consultants and developers?

- [Ted] Okay, are you guys still awake?

- Can you get us back on.

- Oh, that's good, yeah. That was intentional. 'Cause when you sit there, I promised the cost going down, nobody heard that, so that was perfect.

- Internet was lost. Back up.

- And I just appreciate the overview, Ted and Kaitlin, you guys, it's been a while since we've discussed it, so just having to go through it all again, really helped refresh memory, refresh the whole project in its whole, so thank you.

- Yeah, we appreciate that. And I honestly, the way we have financially kind of constructed this and engineered it, this is gonna be one of those kind of nationally spotlighted public housing projects and this is gonna be really cool, and I think it's gonna be great when it's done. I really think it's gonna be.

- Always good to be on the front end of something new.

- Right. Yep. Pioneer takes all the arrows though. You gotta make sure you got that bulletproof vest on, right?

- Thanks so much.

- We're arrow proof.

- Your arrow proof, right? I guess arrow proof is great. So, thank you.

- Thank you.

- Thank you.

- Anything further on this issue? Otherwise, we'll move to close the floor. All right. Is there a motion to close the floor?

- I'll motion.

- All right, we have a motion and a second to close the floor. All in favor, signify by saying, aye.

- [All] Aye.

- Any opposed? Very good. Floor is closed. Thanks, Ted and folks, for this update. I'm sure we'll need more updates in the future, but thank you very much.

- Thank you, appreciate it. Take care.

- All right. Very good.

- Thanks, everyone.

- Moving on to item number two, the GBHA bills. Stephanie.

- Those would've been in your packet. There are four months of them. Are there any questions? Everything's pretty much normal. Nothing out of the ordinary.

- I didn't see anything that raised any issues to me other than the volume.

- Yeah, right.

- All right.

- I didn't see anything.

- All right. Any other questions from anybody? All right, then we'll move on to the GBHA financial report.

- All right. That was also in your packet. So we did just finish, but that was 10th and 11th, so that went well. We don't have, we're at the beginning of our year still, so everything's pretty quiet. But we'll see how it goes with all the changes that'll be happening.

- All right. Any questions for Stephanie? No?

- No.

- All right. To the Langan Report, which is also in your packets. Any questions on the Langan Report?

- All straight zeros, as we are not back-filling Mason Manor, as you know. So we have not had any applicants to review, and because our Scattered Sites have transitioned to Section 18, we are no longer doing the background, the criminal background checks on Scattered Sites. So, that's why they're zeros.

- Okay. All right then, moving on. Any other questions on Langan? Otherwise...

- [Sandy] Go on, Stephen.

- Well, I was just curious as do we start vacating spots to make way for construction? Do we wind up stepping in something to take away funding elsewhere as our percentage of occupancy decreases?

- Well, I have been working closely with our HUD rep, so because our units are not considered vacant in the HUD world, they're considered dispo, remodeled dispo, it's not affecting it right now. So they're just classified as differently.

- Okay, thank you.

- And I have questions about the criminal thing, Jamye. So, does that mean you don't have to do a background check? So you just rent, and you just, like, what does that mean?

- So for Mason Manor, we aren't doing criminal checks because we're not filling in any of our units. We're still doing, like, the annual background check-

- Okay. Okay.

- when their lease is coming to be renewed. But for our Scattered Sites, we're no longer pulling off the waiting list. Brown County with Integrated Community Solutions, they are pulling off the waiting list, so they have to do the criminal background checks, so it's no longer-

- Okay. Okay.

- They pay for it and they're running the same report-

- Gotcha.

- our policy's near, so there's nothing different. We're still doing the landlord reference check for our applicants, but they're now passed the buck for the criminal.

- Gotcha, so criminal is still being run, just not by you guys, okay. All right, sounds good. Thank you.

- Okay. Any further questions on Langan?

- Sorry.

- No problem. No problem. All right, then we'll move on to Director's Report, Cheryl.

- I just have a few things to report on some projects that are moving forward. We're still working with MF Partners on the East Walnut project. They actually applied for WHEDA tax credits. They did not get them, they missed 'em by a point, but then there must have been somebody that wasn't using them. So they actually got their tax credit from WHEDA. So we're retooling that. I think that was about 43 affordable units on East

Walnut. Been working with Habitat to do a project build. They're looking at 13 to 15 new single-family homes in an area that would be new construction. We would have to put a street through. It's a hunk of vacant land that they purchased. Their proposal is two, at least one or two of those units being wheelchair accessible, zero entry, and right, for those needs, which is good. Wise Women has come through with a project on Janus Avenue, which is on the west side. They're looking at family housing, that's been all through the planning approvals and whatnot. So I think they're still working on their financing. So that project is still moving forward. And then we've been working with NeighborWorks as well on smaller home developments. 'Cause you know, NeighborWorks just built a house on Irwin that is a smaller footprint, like 900 square feet, brand new house. I wanna say, there's not much of a lot. They had, like, a bedroom, basement and bathroom. So it's a smaller house for NeighborWorks, and I wanna say, they might have listed it like for 211 and it's sold for 225. I mean, even the smaller houses, when you're building them, they're not affordable. So we're trying to explore some different ways to bring the cost down for that, like 150 to 200-ish price range is where we really need 'em. So we've been exploring smaller home builds, and potentially, some town homes with them. And then one more thing, I had a conversation with the mayor and Habitat and NeighborWorks actually, and they're exploring community land trusts, which in other cities, housing authorities are actually kind of the leaders on community land trust. Basically, you have vacant land within a city, it comes under the umbrella of a community land trust and then you can build housing on this land. So as a person that needs affordable housing, I could buy that home, but I never buy the land. So I have the house, I can afford it, and then at some point down the line, you're able to build equity in that, right? But at some point when you sell it, you have to sell it to someone who can meet the income requirements. So a number of cities are doing that to try to ensure that we can keep that housing affordable. I liken it to tribal properties. So if you're a tribal member and you build, like the tribe never lets go of the property, but you can be a tribal member, right, that can live in that house and buy it, but then when you sell it you have to sell it to a tribal member. So kind of the same concept, but we're kind of looking at that to see, I know there are models out there that exist right now. I don't know what role we would play in that at this point, but we've been approached as a housing authority to say, you know, what role could we play in that? You really need an entity that can manage that program. So as the city, my city hat, we have a lot of vacant units or vacant parcels throughout the city that could be included in this land trust now. But this entity would usually have a staff person to help with the builds, the financing, all this fun stuff. So new concept. Google it.

- Yeah. All right, fair enough.

- I just have a quick, we have lots of irons in the fire. I have just a quick question on the Habitat one. So are we able to, at options, look at the floor plans for the accessible units if we could just to see if there could be any suggestions? The other thing is, so you're looking at some other building with NeighborWorks, townhouses, things like that. I've seen townhouses built with two-end, like, duplex type, single-family on the ends that could be totally accessible. I would like to see them, NeighborWorks incorporating more accessibility. We know that from just the wait list for accessible apartments is huge everywhere, but to have those market value ones is even more important and is as important. And so, like I had a person in an assisted living finally get out after two and a half years into the, but all of that are our tax dollars are going into that payment at the assisted living when that person could have been out on our own years earlier.

- They haven't laid it out completely yet. At the meeting I was at, I shared with them, of course, your options and the ability to work on the design there, so they're aware of that. And I'll reinforce that as we've moved forward as well-

- Okay.

- that's just a good place to go to help with how to design and what's kind of needed-

- Right.

- for that as well.

- [Bill] Jayme.

- Sandy, just to let you know on our deal for Mason Manor, we will be doubling the accessible units, the amount-

- You know, I was gonna ask that, but I thought, I know we talked about it, and I don't wanna her to think, like, I didn't remember but I didn't remember. So thank you for that.

- Yeah, so we will be doubling the amount of accessible units that we had.

- Good, good, good, good.

- Well, and there are also going to be some changes, like for example, we just put the new kitchen in with the WHEDA grant at Mason Manor, but it's not accessible.

- Oh.

- The developer-

- But that's a community room kitchen, correct?

- It is a community room kitchen, but I think part of the tax credit deal is we'll need to do some of that in the kitchen.

- [Sandy] Oh.

- So those are good things coming from, Sandy.

- Good. Good, good, good. And Jamye, I don't know if, I know you're increasing the accessible unit's showers just instead of tub-shower units, walk-ins also are very nice to have, walk-in showers versus that tub-shower because walk-ins are much easier than a tub-shower unit. So just through doing those, but I don't know how far you are in the planning, but just a heads up on that. So it doesn't need to be barrier-free for some people.

- Our four that we have right now are a 100% roll-in showers, there are no barrier. So I believe that's in the design-

- Right.

- for the additional units.

- But I'm even talking for other units, just having, instead of a tub-shower, just doing a walk-in because that is something that, falls happen the most in the bathroom as we're aging, and that's a majority of your population. So already getting rid of something that's a fall hazard, that's step into the tub be something that is thought of.

- Yes, every single one of our units right now at Mason Manor are, so I believe they are lowering the amount that they would have to step into the shower. so it's very free-

- The threshold. Yep. Good.

- Yep, the threshold. I'm losing that word. But yeah, the threshold is extremely low right now and all of our units are walk-in showers.

- Good.

- And then the last-

- Cheryl, just to-

- Oh, go ahead, Bill.

- Yeah, I just wanna make a comment on, you talked about those smaller houses and smaller lots. One of the municipalities that I represent, there's a subdivision going in by a developer in the area and they were putting in, they've done this in a couple of 'em before, but they're putting in smaller houses on those smaller lots and those, this thing isn't even fully constructed yet. The streets aren't even in, and all those small house, small lots were gone. And they were designed to be starter houses for young couples or young people coming in. They're all being bought up by empty nesters before they're even constructed. You know, 'cause they sell their big house. They have enough money to buy a high-priced, small house. It's almost like a swap out type of thing, But they buy 'em up before they're even built.

- So Bill, are they incorporating universal design in any of that, do you know? Are they doing level entries? Are they doing-

- I have no idea what they're doing. They're small houses, you know, one or two stall garage garages, small lot. But you know, it's a person who's used to having a big house full of kids. Now the kids are all gone. They get rid of the big house. But they still want a lot, they still wanna garden, cut the grass, so they can do that stuff. They're buying up these smaller houses as fast as they can built, even before they're built. So this subdivision that was going in and all the small houses, the small lots are gone. And so they actually went back and re-planned to put more smaller houses in and take away some of the bigger houses 'cause they can sell the small ones faster.

- So then I hope that you will be a mouthpiece and say, "Make some of those units universally designed, accessible so that people can age there. Don't put in tub-shower units. Put in walk-ins or barrier-free." I want you to be a great promoter of that, Bill. Come on.

- All right.

- Bill, put that on as a rider in contract.

- Yeah. 10% to the units here, whatever.

- Yeah, but I mean, that's just the interesting dynamics of all of this that, you know, developers are trying to do one thing that's a good thing, which is to, you know, build starter houses, but it's filling another need that they sort of stumbled into.

- Absolutely.

- It's cool.

- I'm not surprised at that 'cause that's what I hear from a lot of people, is that, you know, "Mom and dad need to find a small house and there's just nothing out there," so yeah.

- That's cool.

- And then the last thing I just wanted to know, I'm not sure about a November meeting yet, but we will come to a point where we will need to work with our attorney, Broski to talk about our development agreement with the developer. And we're gonna have to lay out the terms of the project and get actually into a formal agreement. So that's gonna be coming down the pike as well. I'm not sure it'll be November, December, but.

- I have a question about that. So, I assume that the city legal will review that for the Housing Authority. Does our separate entity need to hire a independent lawyer to review that thing?

- So we hired an independent lawyer to review this because we actually have, not quite sure how the entity plays into the Housing Authority.

- Yeah, well, I remember that as a organization and the entity, but the actual developer agreement too, right? Like in addition to that?

- I guess the expertise lies in the RFP for the attorney that handles these. I don't believe our law department had that expertise, which was one of the reasons we went out and did the RFP for someone who's worked with RAD and the HUD and all of this repositioning.

- Yeah, I'm just trying to get my head around whether or not our separated thing needs to also keep that separated but nevermind.

- Yeah, I don't know. I'm not sure at this point. You know, I think this attorney is looking at everything. He's advising us on the separate entity as well as what we're doing. So I would think that would fall into play in the same way.

- It's probably inappropriate for this meeting anyway, so. All right. Thank you, sorry.

- No problem. That's all I have, Bill.

- All right. Anything more for Cheryl? Any questions on anything?

- I have a million questions for community housing trusts, but you want me to Google it.

- Google land trust.

- [Stephen] Yeah, sorry.

- Sounds interesting. All right, we'll move on then to item number six, Occupancy Report, Jayme.

- That's in your packet. We are just letting our vacancies go, as you can see, so working on that for Mr. Ted at Gorman.

- All right, any questions? All right. Hearing none. And looks like our last item before adjournment is next meeting would be, if we need to have one and have one in November, it would be November 17th.

- Okay.

- All right. Anything further before we close up?

- I missed you guys dearly?

- Yeah.

- I guess I wanna just throw one thing out there for the Board. We now have the ability to do hybrid meetings in room 604. So if this Board ever wanted to come back in part, we could do a hybrid meeting where some people could be meeting here and then we would have the Zoom meeting at the same time for people to attend virtually.

- I have two questions about that. What are all the other committees doing? And what is the Brown as far as in-person, or virtual, or hybrid?

- Tell you that the mayor has recommended that we do minimally hybrid meetings. Council's back in the house. Redevelopment Authority is back in-house. But Plan Commission is not. Landmarks is a mix. It really varies. It's up to the committee for the most part.

- Water Commission is still virtual, entirely.

- So really, it depends on what the committee wants. Before we just had the upgrades made to 604, we couldn't do that before, have that hybrid meeting. Now we can actually, like staff would be in 604 for example. And if the public wanted to come in person, they could come to that meeting because it would be part of a Zoom meeting, and it's, you know, you could have it both ways. But you know, it's kind of handy for us 'cause Bill is, where are you, Bill?

- [Bill] Anacortes, Washington.

- He's in Washington state. So you know, it's...

- [Bill] I'm out on an island.

- It's up to the board is what I'm saying. But I'm letting you know that there's a change made that if the Board decided they wanted to get back in person, that that option's still there.

- I don't mind this at all, but are we less accessible to the public because we're exclusively virtual is my only concern. Like is there a reason we need to, you know what I mean?

- And yeah, and Steve, that question came up at the Water Commission, which doesn't get a lot of people coming in from the public, but their discussion and review of this found it was more accessible. More people are likely to attend virtually than in-person because they can be sitting at their desk at work and plug into this and then just, you know, come online or take, you know, unmute themselves when it gets to a point of interest, and then they can go back and, you know, log off without having to get out of their desk chair, so.

- Fair enough.

- So just to be clear though, Bill, with a hybrid meeting, you can still do that.

- Oh sure, sure.

- I mean, before you couldn't. Before it was like, you know, Zoom or nothing. Now you have the ability to, let's say, Terry's like, "Look, I hate this. I wanna be in person." So maybe two GBHA members are in 604 and then the rest of you are on Zoom. That's a possibility now, so. But we can stay exactly the way we are. I'm throwing it out there.

- One of the other municipalities I represent does have the ability to do this hybrid and they will do the hybrid whenever there's a public hearing so that people have have the ability to come in in-person or by Zoom for public hearings. Otherwise, it's all virtual.

- Okay. It seems to work for the GBHA. Like you said, we don't have a lot of, you don't have a lot of close session.

- Right.

- Right? We don't have a lot of public coming to the meetings, so a different committee it might be different, right?

- So at least we know that's available. We can always consider that.

- That's great.

- You know, on an agenda before, or like on today's meeting, we could consider doing a hybrid for a specific event at the next agenda item. So something to keep in mind that we can always bring it up and talk about at each meeting. All right. Is there a motion then to adjourn?

- I'll make the motion to adjourn.

- [Member] I'll second that.

- And we got a second. All in favor, signify by saying, aye.

- [All] Aye.

- Very good.

- You guys are amazing. Thank you for everything you do.

- [Bill] Thank you all for your time today.

- Thank you.

- Be safe, Bill.