MINUTES OF GBHA PROPERTIES 1, INC.

TUESDAY, DECEMBER 20, 2022, 1:30 PM
IMMEDIATELY FOLLOWING GREEN BAY HOUSING AUTHORITY MEETING.
City Hall, Room 604 - The Harry Maier Room
Virtual attendance is also available via Zoom.

A. ZOOM MEETING INFORMATION.

1. This item contains documents which provide call in information and instructions for the Zoom meeting.

B. ROLL CALL.

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

Present: William VandeCastle - Chair, Terri Refsguard - Vice Chair, Sandra Popp, Erin Edwards and Stephen Srubas
Excused: None

C. APPROVAL OF THE AGENDA.

1. Approval of the agenda for the December 20, 2022, meeting of GBHA Properties 1, Inc.

Moved by Erin Edwards, seconded by Sandra Popp to approve of the agenda for the December 20, 2022, meeting of the GBHA Properties 1, Inc. meeting. Motion carried.
Yes- William VandeCastle, Terri Refsguard and Stephen Srubas, No- None, Abstain-None.

D. APPROVAL OF MINUTES.

1. Approval of the minutes from the June 23, 2022, meeting of GBHA Properties 1, Inc.

Moved by Erin Edwards, seconded by Sandra Popp to approve of the minutes from June 23, 2022, meeting of the GBHA Properties 1, Inc. meeting. Motion carried.
Yes- William VandeCastle, Terri Refsguard and Stephen Srubas, No- None, Abstain- None

E. REGULAR BUSINESS.

1. Consideration with possible action on approval of a Memorandum of Understanding and a Seller's Note Letter with Gorman & Company LLC, for the redevelopment of Mason Manor and 41 Scattered Sites of affordable housing.

Moved by Erin Edwards, seconded by William VandeCastle to open the floor for discussion. Motion carried.
Yes- Terri Refsguard, Stephen Srubas and Sandra Popp, No- None, Abstain- None

Ted Matkom speaks.

Moved by Stephen Srubas, seconded by William VandeCastle to close the floor for discussion. Motion carried.
Yes- Terri Refsguard, Erin Edwards and Sandra Popp, No- None, Abstain- None

Moved by William VandeCastle, seconded by Stephen Srubas to approve of the Memorandum of Understanding. Motion carried.
Yes- Terri Refsguard, Erin Edwards and Sandra Popp, No- None, Abstain- None

Moved by William VandeCastle, seconded by Erin Edwards to approve the Seller's Note Letter with Gorman & Company LLC, for the redevelopment of GBHA Properties 1, Inc. Motion carried.
Yes- Stephen Srubas, Terri Refsguard and Sandra Popp, No- None, Abstain- None

2. Consideration with possible action to approve the Payment In Lieu Of Taxes Agreement between the City of Green Bay and GBHA Properties 1 Inc.

Moved by Erin Edwards, seconded by Terri Refsguard to approve the Payment In Lieu of Taxes Agreement between the City of Green Bay & GBHA Properties 1, Inc.. Motion carried.
Yes- William VandeCastle, Stephen Srubas and Sandra Popp, No- None, Abstain- None

F. INFORMATIONAL.

1. Annual meeting of GBHA Properties 1, Inc.

Cheryl Renier-Wigg and Jayme Valentine presents the Annual meeting of the GBHA Properties 1, Inc. No action needed.

2. Occupancy Report

Jayme Valentine presents the Occupancy Report. No action needed.

3. Langan Report

No action needed.

G. ADJOURNMENT.

Moved by Stephen Srubas, seconded by Sandra Popp to adjourn the GBHA Properties 1, Inc meeting. Motion carried.
Yes- William VandeCastle, Terri Refsguard and Erin Edwards, No- None, Abstain- None

G. VERBATIM MINUTES.

- [William] So, we'll call the meeting to order of GBHA Properties One Incorporated for December 20, 2022. We have a roll call via Zoom. The next item would be approval of the agenda for the December 20, 2022 meeting of GBHA Properties Inc. Is there a motion to approve? Well, let me ask this first. Are there any additions or modifications to the agenda? Hearing none, then is there a motion to approve the agenda?

- I motion that.

- [William] We have a motion, is there a second?

- [Speaker] I'll second.

- So we have a motion and a second. All in favor of approval of the agenda signify by saying aye.

- [All] Aye.

- Any opposed? All right, moving on to approval of the minutes of the June 23, 2022 meeting of GBHA Properties One Inc. that was in the packet. Any additions, corrections, or modifications to the minutes? All right, hearing none. Is there a motion to approve?

- I'll make a that.

- [Speaker] I'll second it.

- We have a motion and a second. One of the municipalities that I represent, the village president, when he calls for a motion, he'll just call, you're gonna make the motion and who's gonna second? And he just keeps rotating around the room. So, we may have to get to that point if we keep going like this, so. All right, so we have a motion and a second to approve the minutes from June 23. All in favor, signify by saying aye.

- [All] Aye.

- Any opposed? Hearing none, motion carries. Moving on to item E, irregular business. This one sounds familiar. Consideration with possible action on approval of a memorandum of understanding and a seller's note with Gorman and Company LLC for the redevelopment of Mason Manor and 41 scattered sites of affordable housing.

- So I think the, probably the question for Ted and Paul is are there any nuances that differentiate this agreement from the GBHA, and the GBHA Properties One Inc. entity? So-

- [William] Before we do that, let's open the floor.

- [Cheryl] Okay.

- Is there a motion to open the floor?

- I'll motion that

- [William] And I will second. So, all in favor of opening the floor indicate by saying aye.

- [All] Aye.

- Any opposed? Motion carries. So Ted and guys, you've got-

- [Speaker] Okay. Hey, can you guys hear me?

- [Speaker] Yep.

- [Speaker] Okay.

- [William] Yes.

- [Speaker] So the GB, the Properties Inc. entity is the scattered sites that GBHA owns after they were removed from the public housing portfolio as an entity in and of itself. So, for us to incorporate the scattered sites into the project, we needed to have approval of this entity really exactly the same as we had talked about with the Meson Manor property, GBHA. So it really is the exact same discussion, but it only pertains to the scattered site properties, not the tower.

- Okay.

- [Stephen] So I have a couple questions. The MOU in the agenda is literally identical. It makes no mention of the Properties One-

- [Speaker] The only mention it would be I think in the signature line, check the signature line. I think it's just a signature line for the Inc. property.

- And maybe I clicked on the wrong thing, but I'm not seeing that at all.

- [Speaker] All right, then that might be the wrong, 'cause we, it is the exact same MOU, and the reason is we caught this at the last second that we couldn't really tell WEDA in our application that the scattered sites are included unless we had that different entity. 'Cause we didn't really realize there was a different entity until the 11th hour. So, maybe you got the wrong version of that. But we actually submitted to WEDA a version that has- I'm sorry, I don't know what the entity is but the Properties Inc. and GBHA as two separate entities.

- Yes. So which is, way to question number two is, is there, and Bill, or maybe Paul, I'm not exactly sure who you're represent, is there an reason for an indemnification clause that would separate the work with the scattered sites from the work with Mason Manor, right? In that there was trouble between one and to not tether to the other, like should we have some physical separation between the two different components in this- or is that not helpful in any way?

- [William] I would defer to Paul on this one.

- Well, I'm not sure that I'm, I mean, is there any, there's no possibility we'd go through with one and not the other, is that correct? Right?

- I believe that's correct. And I'm more thinking about difficulty on one being tethered to the other. Right? So if you have a problem with the construction or contracts related to Mason Manor, do the scattered sites then suffer it also just because of relationship? Or is there a clause in the contract that could keep them in separate piles? I.e. identification- I'm looking at this and I'm reading it, and I see no mention of the Properties One Incorporated, and should there be, and should they be indemnified against each other? Is my two part question.

- [Paul] The only that I could potentially see as occurring that would be pertinent to the difference between the scatterds versus the tower is environmental. So in other words, if the tower, if there was discovered a, you know, huge underground storage tank that was completely contaminated and the deal blew up, you know, and there were costs, the scattered sites shouldn't bear that as a portfolio versus Mason Manor. That would be the only issue that I could maybe foresee as something that could overlap. But if the deal never went through, you'd never close, you'd never make the transfer, and it wouldn't be part of that anyway. So, I'm not sure if that's even an issue, you know? But that would be the only issue I could see that could overlap.

- Yeah, I guess my thought is, I don't know that it would be something we would include in our MOU because that, I think that'd be more as we go through, you know, whether it's the construction contract, or an environmental indemnity, or anything else, kind of being mindful of sort of the separate origins of the property kind of being mindful there. But I don't know that it really is something that you would kind of spell out here in the MOU per se.

- [Speaker] I would agree with that statement.

- [Stephen] I'll take that. I'll take that.

- [Paul] I get what you're saying. That's a, I mean, that's a really good point and we'll need to be mindful as we're-

- How do you, how do you indemnify an entity against an understanding that doesn't make a bunch of sense anyway. All right, I'm with you. Fair. Okay. Thank you.

- [William] All right. I just wanna, the MOU that I looked at talked about Mason Manor and it didn't have any reference to GBHA Properties One, or scattered sites, or had a signature line for GBHA Properties One Inc.

- [Speaker] Yeah, I apologize for that. I think what you did is you got the last version before we submitted it to WIDA, I don't know if Jordan can hear, but if Jordan could maybe forward to the group the MOU that we put into the WIDA app that might give us a little more clarity as to why GB, the Properties Inc. entity, why we're on the agenda here today. You're right, based on what you're seeing, it doesn't look like it's on there, but I know the intent is for the Inc. to be signing off on the MOU because it owns the scattered site, which we need for the project because we do minimal capital expenditures on the scattered site, but use that income that high rent income to justify and source the repairs that we're doing to Mason Manor which are very extensive to extend the useful life of that building.

- So, let me ask you this, both of those, both of the MOUs, well the one MOU, had- that the board approved?

- [Speaker] Correct.

- This, right?

- [Speaker] Yep.

- So shouldn't they be re-executed anyway?

- [Speaker] Sure. Yep. Absolutely. Yep.

- So why don't we just, you know, based on board approval make sure we have that GBHA Properties One Inc. in that document before we re-execute them.

- [Speaker] Yes, exactly. And then I guess the approval would be couched today, such as, would the board approve GBHA, or GBHA Properties One Inc., and the scattered site portfolio within that entity ownership of ownership, would they approve this MOU as- that entity to be in this MOU, i.e. the scattered sites in this MOU, that would be what would be approved today. And then, like Cheryl said, you'd have staff execute it in the way that we intended, re-execute the MOU. Does that make sense? Or-

- It does.

- Big boss Bill?

- [William] Yeah.

- [Stephen] I mean, I think we're talking about voting on a document we're not actually looking at, is that, what- Is that what we're like, I mean I, best of intentions and all, how do we-

- [Speaker] Well, the only the only addition that would be in the document that you are looking at is that Mason Manor and the scattered sites would be mentioned right alongside Mason Manor, and then there would be a signature line down below. But those would be the only two changes to the MOU document that you're seeing. 'Cause I remember I literally made those myself, as we were finalizing this, and then- Paul when we submitted the app. Isn't that right, Paul? Is that your understanding?

- [Paul] Well, Ted, what I was remembering was we changed, we added to the- the Properties entity, but we weren't gonna change the, I didn't think we were changing the MOU based on the fact it does mention both Mason Manor and the scattered sites.

- [Speaker] Okay.

- And we talk about the housing authority or an affiliate, you know, broad language as to who might be, you know, executing what in the future. I thought, I know I didn't do up a separate MOU. Maybe you did one, but I remember, and I'm looking through the emails here, that there was a separate seller note-

- [Speaker] Now that you say that you're right. It was the seller note. I apologize. I was thinking it was the MOU. The MOU is the same, it was a separate seller note. You are correct, because we had to have that entity sign the seller note in order to bring it into the deal. You are correct.

- It's both Mason Manor and the scattered sites are listed to the recital of the memorandum of understanding what, so if we're only talking about a signature line for the Properties Inc., are we okay to approve it conditional on adding a signature line for the Properties Inc.? Is that a reasonable statement?

- [Trent] Well, and can I actually add something to this? Sorry, this is Trent from Gorman and Company. I'm looking at the two agreements. So the MOU is really like, for co-developers and the GBHA is the co-developer in this situation. GBHA Properties One is merely selling their properties into the project entity, which is why they're on the seller note. But GBHA Properties One will not be a co-developer. So I don't think there's a need for them to be in the MOU. Does that make sense to everybody?

- Yep. Yes. Ted does that track?

- [Ted] Yeah, that makes sense. Thank you for that explanation. I think that's good.

- [Trent] Absolutely.

- Okay. So then that, then that raises a question that does Properties One really need to approve the memorandum of understanding?

- Brilliant.

- I mean we certainly can but I don't something that that is, it doesn't involve us, so to speak.

- [Trent] Well, I think it does involve you, because you're seller noting the properties into a project. I think you probably wanna approve the whole thing, you know?

- Yeah, okay.

- Although I don't think you probably technically need it, but I think in your minutes it'd be nice that you reviewed it and thought it was okay, and that's why you're doing a seller note.

- Yeah. Okay. All right.

- [Cheryl] Ted, can you screen share it?

- [Ted] The seller note?

- [Cheryl] Yes.

- [Trent] I can do that quickly-

- [Ted] Trent should do that.

- [Trent] Yep. Yeah, lemme just pull it up quick.

- [Cheryl] Would that be reasonable enough for us?

- Well, the seller note does, it's in the agenda-

- [Speaker] Does reference GBHA Properties One.

- [Speaker] Yep.

- So that's covered there.

- [Trent] Can you all see this?

- [All] Yeah.

- [Sandy] So that's got, covers both of them?

- [Trent] Yep. So this is the seller note with signature lines for both entities for Gorman and Company and with an appendix listing all of the scattered site locations, legal, what is it? Legal descriptions, and all the pertinent information. Is it okay if I share out now, or does anybody-

- Is it the M- No, is it the MOU that we're talking about that doesn't have that in there?

- Yes, that is correct.

- Can we see the newest version? Will that, I mean is that doable for us to vote on something if we see the newer version? Or do we have to have-

- [Speaker] Oh, well I think that what was understood is that we were, or I think there was a little confusion that actually the MOU you were looking at is the most current MOU and there is no signature line for GBHA Properties One, because GBHA Properties One is not a co-developer, they're only technically a seller, which is why they're on the seller note, but not on the co-developer MOU.

- [Sandy] Okay. Thank you.

- [Trent] Of course.

- Any other questions? All right, then are we ready to close the floor?

- I mean, yeah, unless it proves to continue to be super helpful as it has. We'll make that motion.

- All right, so I have a motion to close the floor. I will second. All in favor of closing the floor signify by saying aye.

- [All] Aye.

- [William] Any opposed? All right. So now back to our agenda. We have, let me get back to the right spot here. Consideration with possible action on approval of the memorandum of understanding. So, jump in if they think this is not correct, but I would make a motion to approve the memorandum of understanding on behalf of GBHA Properties One, Inc., To the extent that it is necessary to move this matter forward.

- I will second that. That's hilarious.

- [William] Any further discussion on the memorandum of understanding?

- Very solid, Bill. And Gorman and folks, thank you guys. Sorry to, don't mean to come at you with my gloves on. You guys are awesome. Really appreciate everything you're doing.

- [Ted] Yeah, of course. Thank you for your time.

- [Trent] Yeah, thanks for your great questions

- [William] And thanks for the explanations. That's really helpful.

- [Speaker] It is, it is.

- Thank you.

- [William] All right, so we have a motion and a second to approve the memorandum of understanding from the perspective of GBHA Properties One, again, any further questions? Otherwise, all in favor signified by saying aye.

- [All] Aye.

- [William] Any opposed? Hearing none. The motion carries. I will also make the motion to approve the seller's note letter with Gorman and Company on behalf- and to the extent it involved GBHA Properties One, Inc. Is there a second?

- I will second that.

- [William] We have a motion and a second. Any further discussion or questions on the letter of, the seller's note letter? All in favor of approval of the seller's note letter on behalf of Properties One Inc., signify by saying aye.

- [All] Aye.

- Hearing none the motion carries. Thank you all very much for your time and patience and giving us all the explanations we need.

- [Speaker] Thank you so much.

- [Speaker] Merry Christmas.

- [Speaker] Merry Christmas.

- [Speaker] Merry Christmas.

- [William] All right. Moving on to regular business item number two for GBHA properties. That is consideration with possible action to approve the payment in lieu of taxes agreement between the city of Green Bay and GBHA One Inc. That is in your packet.

- And this is simply, you know, we've always paid taxes. Now that there's a separate entity that owns the scattered sites where, you know we're asking that the pilot then be assumed by the GBHA Properties One Inc., to pay the payment in lieu of taxes to the city.

- All right. Any questions on how this pilot agreement works? Hearing none. Is there a motion to approve the payment in lieu of taxes agreement with the city?

- I will motion that.

- [William] All right. We have a motion. Is there a second?

- [Speaker] I'll second.

- All right. We have a motion and a second. Any further dis discussion or questions?

- Did they go up?

- Everything went up.

- Actually no, they would've gone down, because we did this in, we made this agreement like all the other- city has with all other nonprofits. So this isn't a specialized one, which was what we had before between the housing authority and the city. It was at a 35%. And this goes down to the standard tax rate amount that the city has. And this is just an estimated amount, because with the restructuring I don't exactly know how this is all gonna shake out in the end, but it would adjust to whatever the current mill rate would be for the city.

- Okay. Okay. Makes sense. All right, any other questions? Hearing none, then all in favor of the- payment in lieu of taxes with the city, signify by saying aye.

- [All] Aye.

- [William] Any opposed? Hearing none. Motion carries. All right, moving on.

- annual meeting of GBHA-

- So we're required to have an annual meeting and if you were in house, I'd have cookies and drinks.

- Yeah.

- [Cheryl] Be maybe appropriate, but, so we're holding this annual meeting. The elections for board members are, you have two year terms, so those won't be until next year. So we won't have to elect the board. And just, I think as attached is the finances GHA Properties One, which is scattered sites. Right?

- Yep.

- [Cheryl] And talking with Jamie and Stephanie, we're actually receiving more income now that these units are part of the section 18 program than we did before. when they were under our old standard public housing. Tenants are receiving a project-based voucher that ICS is administering, so there's administration that's happening through ICS for income qualifications. Our staff is still looking at background checks, and other screening types of things. Right? So jump in here, Jamie, at any moment. We had no tenants were displaced as a result of this transfer over, just so you guys are all aware of that. And I think any additional revenue, we'll use it for maintenance and for- on a project we have coming up. So Jamie, any comments? I don't think the tenants have really, there's really been much of a change, right? Or-

- It was a learning curve for them to send their income change forms in their annual recertification packets, and to communicate with ICS. That was a learning curve, as ICS case workers have changed, but we do have one, like, dedicated caseworker so we all are participating as much as we can. So that was a little bit of a change for our tenants, but they still pay us rent and we adopted a new rent program that seems to be very user friendly. Erin, I guess you can speak on that behalf for the first time since I've been here, tenants can pay rent online, they can request work orders online. We can send mass communications like, hey pick up next week, instead of sending like emails. So it's very user friendly. We really like the system internally. I guess Erin, you can put your two cents in if you feel it's user friendly, but I guess like the transition has been really awesome.

- Yes, to me it's very user-friendly, and very helpful, and you don't have to worry about the paper mail 'cause you do the alerts on that app. So-

- All right.

- [William] Very good. Good. All right. Any other questions or issues on the annual report portion of this? I think there's some financial documents in the packet related to this. Any questions on any of those financial statements that are attached as part of this? Stephanie, I'm assuming you put all this together. So anything, any highlights from your perspective?

- No, it's pretty much what we had always done before. It's, you know, everything's going well. It's nice to have a little bit more revenue than expenses, so.

- [William] Okay. All right. Since this is informational, any other questions? Otherwise we'll move on to the occupancy report for GBHA Properties One Incorporated.

- So, yep, we just have two, or well one right now, and we have that projected to lease for January 1st because of our project-based voucher program and collaboration with ICS, we do get a vacancy claim for the month of December, so we don't lose rent out for the 30 days that we've flipped it, but like I said, we do have a tenant signing the lease for January 1st and then we do have another one coming up and we have a Mason Manor family moving into that scattered site, so that's a good success on our end.

- Yeah. All right. Very good. Any questions for Jamie on any of this? All right, then we move on to the next item, which is the Langen report. And if you've seen the report in your packet, there were no applications or no inspections done.

- [Speaker] Nope.

- So, I guess accept and place on file. Anything else for the good of the order? All right, hearing none, looks like we're coming to the end of the meeting here and as we do, I guess I'd just like to say that, you know, as we close out another year, I wanna thank all of you for all your service, both board members and staff for everything that you've done. You know, obviously we all lead busy lives, and all have lots of demands on our time, but I think we should never lose sight of the fact that what we do here matters. And it matters to a lot of folks whose lives we serve and whom we work for to provide safe and affordable housing. So for all of that, for all what we've done. and the major projects that are ongoing, thank you all for taking the time to be involved and to help us get through all of this. So, on that note, happy holidays and Merry Christmas to all. I hope you all have a great holiday, and spend time with your family, and be well, be safe. So-

- [Speaker] Thank you, Bill.

- [Speaker] Merry Christmas.

- [Speaker] I'll make a motion to adjourn.

- Get across town.

- Yeah. Alright, so we've got a motion to adjourn. Is there a second?

- I'll second. We have a motion and a second. All in favor of an adjournment. And then we're all gonna come over to Cheryl's office for the cookies and the drinks. So-

- Thanks guys. Merry Christmas.

- [William] All right. Thank you very much.

- [Speaker] Thanks guys. Merry Christmas.

- Bye.