

**MINUTES
GREEN BAY HOUSING AUTHORITY
Thursday, May 19, 2016, 10:30 a.m.
NeighborWorks Green Bay's office: 437 S Jackson St
Green Bay, WI 54301**

MEMBERS: William VandeCastle- Chair, Brad Hansen- Vice-Chair (arrived at 10:45), Chiquitta Cotton, and Sandra Popp

MEMBERS ABSENT: Terri Refsguard

OTHERS PRESENT: Robyn Hallet, Stephanie Schmutzer, Ka Vang, Casey Murphy, Ald. David Nenning, Kevin Vonck, Noel Halvorsen, Scott Schoeneman, Tim Denissen, and Alex Smith.

A motion was made by C. Cotton and seconded by S. Popp to move Agenda item #6 to the end of the meeting. Motion carried.

APPROVAL OF MINUTES:

1. Approval of the April 28, 2016, minutes of the Green Bay Housing Authority.

A motion was made by S. Popp and seconded by C. Cotton to approve the minutes from the April 28, 2016, GBHA meeting. Motion carried.

COMMUNICATIONS:

None

OLD BUSINESS:

2. Update and possible action on the status of the loan made to NeighborWorks® Green Bay for the Farmory project.

R. Hallet stated that the Authority is familiar with the Farmory project and invited N. Halvorsen to give an update. N. Halvorsen invited the Authority members to view the project first hand. He explained this project has been in the works for 16 years, before which the current NeighborWorks® headquarters building was dilapidated and the armory behind the headquarters was abandoned. The building that used to be a bottling plant, located across the street, was in disrepair, as well as other structures in the neighborhood that were in need of revitalization. NeighborWorks®, the GBHA, the Planning Department, and other corporations worked together to create the Urban Partnership Community Development Corporation. The organization worked together to revitalize the area and renovate these structures and is now involved with the business of the Farmory. The original plans were to convert the Armory to a residential building but it was not known at the onset that the cement flooring of the Armory building would make that plan cost prohibitive. The Authority was a key contributor in the funding of the revitalization projects NeighborWorks® has done to combat the disinvestment of the area. Today, there is a viable plan for an indoor growing center, which will be the catalyst to numerous upcoming projects.

N. Halvorson introduced A. Smith, an Americorps Volunteer, to explain more on the Farmory project. A. Smith stated she had joined the NeighborWorks® team in September 2015, at which time there were are no set floor plans nor time line for the Farmory, but that developed quickly with cooperation from SMET construction. In there was a public open house for the viewing of the Farmory project and over four hundred people attended to view the indoor growing machine,

demonstrating the surprising amount of public support for the Farmory. Will Allen, a world leader in urban farming, was also in attendance to speak about the project. N. Halvorsen explained Will Allen bought an old farmhouse on the northwest side of Milwaukee to address food availability in the neighborhood by growing food. It has become so successful that Will Allen is now going around the world to promote this idea. He works with a member of the NeighborWorks® Board of Directors and has been instrumental in the planning/building process of the indoor growing machine. A. Smith explained there are active committees under the board that have active volunteers who are helping get the project into its renovation stage. The Farm Grow Committee has been operating the growing machine; they are learning as they go but at the same time trying to be efficient in growing enough produce to support the project. They are setting up volunteer procedures so that when the project is up and running it will be an easy transition from one test grow system to a whole floor of test grow systems. The Education Programming Committee is outreaching to other organizations whose goals align with NeighborWorks®, as the other purpose of the Farmory is to be a community hub where educational courses like jobs skills training courses, self-sustaining practices, and access to other higher education can be held. There is also the Fund Development and Marketing Committee which has been working on increase public awareness about the project, making sure neighborhood residents are staying excited about the project, and has been moving forward with the fund development campaign. N. Halvorsen stated this must raise about three million dollars although NeighborWorks® may have half a million in hand at the moment. N. Halvorsen invited everyone attending the meeting to view the indoor growing center

A motion was made by S. Popp and seconded by C. Cotton to suspend the meeting to view the Farmory project at 10:47am. Motion carried.

The meeting recommenced at 11:03 am.

N. Halvorsen explained some of the produce is being given away to Titledown Brewery in the hope they will buy from the Farmory once it is up and running. ThedaCare has entered into a written commitment with NeighborWorks® stated they are interested in purchasing the produce. N. Halvorsen explained they are looking to other healthcare providers who may want to purchase from the Farmory as well. N. Halvorsen referenced packets for the Authority containing information on the Farmory. Included is a page detailing the proposed usages, sources and fundraising goal for this undertaking. Approximately two million will be needed in order to bring the building back to life, another couple hundred thousand dollars to launch the farming operation, for a total of about \$2.9 million for the project. At the moment, there is a proposed amount of \$550,000 committed if the GBHA loan is counted. N. Halvorsen explained that many years ago the Authority loaned \$400,000 to NeighborWorks® and the Urban Partnership CDC in order to renovate the current headquarters and the armory building. In 2006-07, the Authority split the loan in half, putting one-half into a permanently deferred loan for NeighborWorks® headquarters. If the building is sold, NeighborWorks® will have to repay the \$195,000. Today, N. Halvorsen is asking the Authority to make the balance of \$205,000 into a permanently deferred loan for the Farmory project, payable if the building is sold or to possibly include if the building ceases to be used as a Farmory.

N. Halvorsen opened the meeting to questions about the Farmory project. S. Popp inquired about ramping for accessibility. N. Halvorsen explained there is a ramp in the illustration of the Farmory that not visible since it is on the other side of the steps. There is also an elevator in the building. T. Dennison explained there have been changes made to the entrance since this depiction was created; a solar panel awning will be installed, two semi-circle ramps leading to the entry way and limited use elevator. A. Smith explained the pathways and grow ways will be wide enough to be wheelchair accessible. C. Cotton inquired on when the project will be completed. N. Halvorsen stated NeighborWorks® is working with a fundraising consultant right now; if all goes well, the funds should be acquired by December/January and then construction can begin, which will be a

six-month process. The Farmory could be up and running by summer-time next year. He explained there is an overwhelming amount of community support for this project. This was one of the six recipients of a national grant by the U.S. Conference of Mayors and Wells Fargo Grant Competition and has also received other grants from across the country.

W. VandeCastle explained the agenda item is for an update or possible action regarding the loan. As N. Halvorsen explained, the GBHA has been a partner with NeighborWorks® for a couple decades. It is exciting to see what the Farmory is turning into. However, W. VandeCastle explained he is not ready to make a decision on turning the loan into a permanent deferment. More time is needed in order to decide upon permanent deferment of the loan. W. VandeCastle raised a legal concern regarding whether the loan can be to fund a non-housing related project. S. Schmutzer explained it is unrestricted bond funding so legally it could, however, expressed the focus of the Authority is housing and this project is not housing-related. Agreement was voiced that more deliberation is needed. W. VandeCastle stated the original project was for housing, but circumstances have forced the project to change.

A motion was made by W. VandeCastle and seconded by C. Cotton to table this item for the next GBHA meeting to determine what possible action can be taken with the loan.

NEW BUSINESS:

3. Discussion and approval of GBHA Budget.

S. Schmutzer explained for the budget of the fiscal year 2016-2017 there are a few things to note. The Sisters of Saint Francis paid off their revenue bond so the Authority will no longer receive this revenue. She stated the bond was paid off almost fifteen years early. In the COCC administration salaries, due to a reorganization being done at City Hall, there will be an assistant director position, for which the GBHA and BCHA will be picking up an estimated ten percent of this cost, five percent for each authority. The other reason for the increase in this line is for the two percent raise effective October 1st for all staff.

S. Schmutzer explained for Mason Manor, the revenue is increasing a bit. She explained she is unaware of how HUD will adjust their contributions, but is projecting that dwelling rentals may go down slightly. For Mason Manor expenses, there are a couple things of note. First is the cleaning contract that was just approved. For extraordinary maintenance, the current year's budget is \$17,063, which was for the boilers and water tanks. S. Schmutzer explained she is budgeting \$130,100 for this next year: \$100,000 is for the elevator replacement fund and \$30,100 is for the office conversion, which is the spend down money. These funds must be spent otherwise HUD may recapture them. Another aspect to note is the new Senior Property Manager will be paid at the bottom of pay grade, which is below N. Gerhard's old salary. Furthermore, there will be an increase due to the raise in staff salaries and the addition of hiring two summer help workers for the next coming year. There is an allotted 540 hours for both workers. She explained this is budgeted this way because leftover hours can be used up if the summer help are able to work again over their Christmas breaks from school. There was also an amount budgeted in the event we can hire a temporary maintenance position to help get caught up on work orders. C. Cotton inquired if the temporary maintenance position will be open for Section 3. S. Schmutzer explained it would be opened like any other job and is just part of the budget at the moment.

Moving on to the Scattered Sites budget, S. Schmutzer explained the same issues just discussed apply to the maintenance wages here. Two items of note are garbage and trash removal, which occurs when tenants put garbage to the curb incorrectly, for which the GBHA is then billed, but bills back to tenants; this money comes in as extra income. In addition, there are new contracts out such as Rawhide to clear out abandoned items from Scattered Sites at no charge. R. Hallet explained that this is a new initiative to free up staff from doing such work. S. Schmutzer is still unsure of how the income will flow into the Authority since they still charge back the tenant for

this; it could result in a small gain in revenue. Another item of note is mini sewers. R. Hallet explained these mini sewers divert excess water into the sewer system so that water does not seep into the basements. This has been looked into since some properties get damp during the rain and snow melt. N. Gerhard and R. Lewis had identified about twelve properties that would potentially need these drainage systems. This is not an urgent or new situation, but could be beneficial in the long term. R. Hallet asked the Authority for permission to commence budgeting for a few mini sewer systems each year.

W. VandeCastle inquired if any of the Scattered Site units are under the lead abatement for the removal of the pipes. R. Hallet explained that a letter was received from the Water Utility, which upon further research revealed two Scattered Site properties in the lead zone. One unit was tested, and the results indicated lead presence of three parts per billion. The "action level" is fifteen parts per billion, so this caused some confusion since the report also stated there is no acceptable level of lead in water. Staff contacted the Water Utility and was told to notify the residents that they should flush the water before using it in the morning. S. Popp inquired if this would be discounted off their water bill, this would be a notable increase in water usage. C. Murphy stated the water utility made no mention of any such discount. R. Hallet stated the other unit in question is currently vacant and will need to be tested before a family moves in.

W. VandeCastle inquired if there was a way to determine if there were any lead pipes. To give a little background information, W. VandeCastle explained he is the attorney for the Green Bay Water Utility, so he has been involved in conversations regarding this and shared some information he knows, explaining the water main in the street is not lead, however the partial laterals leading to the house were installed by the City and can contain lead. This is what the Water Utility has been removing. There is no knowledge of what is in the area between the street and the house. There is some testing being done to determine if there is lead in the partial lateral going into the house, which is all on private property. This is why he inquired if there was any recollection of if there was any lead in the pipes to the Scattered Site properties. If there is then that part of the system containing lead will need to be removed. How this will be paid for is still unclear: The City and the Water Utility are still discussing this. At the last Water Commissioner meeting a citizen proposed as an interim measure that the City provide a filter attachment for the faucets. This is still being deliberating by the Commission. W. VandeCastle explained this device could be a possible solution the potential problems with the two Scattered Site properties in the lead zone. The Authority could use these devices since they're cheap and easy to obtain. He explained the staff could look into purchasing these devices.

R. Hallet raised the concern that since the City has no knowledge of which houses have lead piping on the private property there could be more than just the two Scattered Site units affected. W. VandeCastle explained the Water Utility staff would have a good understanding of where the units with lead piping likely are since they have done numerous inspections on this problem. Some lead pipes may have already been replaced in the past since this type of material has been known to break due to the weather. The Utility can dig up the sidewalk and look at the material used in the pipes, however at this point the Water Utility has not touch those pipes. B. Hansen inquired about what the liability issue would be for the Authority. W. VandeCastle explained that at this time he does not know what the liability issue would be, but the purchasing of the filters would be a proactive measure. C. Cotton inquired which faucets would need filters. There was a general agreement that the faucets in the kitchen and perhaps bathroom would need filters since these are most often used for drinking water. B. Hansen explained it is safe to take showers in water with lead; the citizens in Flint, Michigan are even being told they can use the water for showers. W. VandeCastle stated the staff could look into the filter device for the one property since the other one is vacant. K. Vang clarified that a family has just been leased up in the vacant unit but has not moved in yet; they will move in June 1st. K. Vang stated she will send out notices about this. R. Hallet stated the unit will need to be tested before the family moves in. C. Murphy stated the water system will need to be flushed out first. C. Murphy stated he will schedule a

testing with the water utility one the system is flushed. R. Hallet explained C. Murphy could go to the property before the family moves in and flush the system and then have it tested. C. Murphy concurred.

Returning to the budget, S. Schmutzer explained the costs for the training needs for the upcoming year are for the two commissioners to attend the NARO conference and two commissioners for the fall WAHA conference, along with the staff training. There are also extra expenses for training the new Senior Property Manager. S. Popp inquired about what training for HAPPY is, to which S. Schmutzer explained this is the software the staff uses. R. Hallet explained there is an extra module for the HAPPY software that was not yet included in this budgeted. This module would allow the staff to print custom verification forms in order to more easily verify the income, assets and expenses of the residents. R. Hallet requested an additional \$325 for the purchase of this module plus \$285 for the annual fee be budgeted; this would fall under the computer support for Mason Manor and Scattered Sites.

A motion was made by W. VandeCastle and seconded by C. Cotton to approve the GBHA Budget with the amendment for the additional HAPPY software module.

B. Hansen inquired about the negative net income for the Scattered Sites. S. Schmutzer confirmed it is a negative number, but they do have reserves that need to be spent down. She further stated that Scattered Sites are generally in the red, due to the turnover of the tenants there; if we could keep responsible tenants who pay their rent in these units, costs associated with background checks, vacant unit cleaning, administrative expense, etc., would decrease. S. Schmutzer stated that the Scattered Sites have \$87,000 more in reserves than the suggested threshold of six-month expenses

Motion carried.

4. Approval of updated Passbook Savings Rate.

R. Hallet explained that the Passbook Savings rate comes into effect when a tenant has more than \$5,000 worth of assets. Then the Authority must count the greater of the actual interest earned on the assets or an imputed dollar amount by applying the Passbook Savings Rate to the total market value of their assets. She explained HUD used to set the Passbook Savings Rate at a flat amount of two percent, however recently PHAs have been given the discretion to set their local Passbook Savings Rate within +/- 75 basis points of the National Savings Rate. The National Savings Rate is currently at 0.06 percent, so the Authority can choose a Passbook Savings rate between zero and 0.81 percent. R. Hallet stated the Authority's Passbook Savings Rate is currently set at zero percent and it is her recommendation that it remain at zero.

A motion was made by S. Popp and seconded by W. VandeCastle to approve the Passbook Savings Rate to 0 percent. Motion carried.

INFORMATIONAL:

5. Explanation of reorganization of Community Services Agency.

R. Hallet explained K. Vonck is now officially the Director of the Department of Community and Economic Development and invited him to explain the reorganization. K. Vonck explained he has been serving as the Economic Development Director. For six months deliberation has taken place regarding a reorganization of the Community Services Agency so that it can be as efficient as possible for the City. With the reorganization that was just approved, there will be one director who will oversee the Community Services Agency and the Economic Development Department, which will enable more efficient work on big development projects in the City. The Economic Development Director position will be replaced with an Assistant Director position. He explained

this position will act as a chief operations officer of the department working on day to day operations and policy improvements. The three divisions will be kept mostly the same; Development Service will deal with the new construction, planning, zoning, building etc. Next will be the Division of Community Investment which is involved with inspections of housing and zoning inspection along with reinvesting Community Development Block Grant funds. The third division is Housing. K. Vonck explained there were conversations on whether or not the Housing Department should continue to be a part of the City and it was ultimately decided that it since it is a continuation of services for residents of the community. One of the topics discussed was integrating the Housing Division into the projects of the other divisions and in the long term the creation of an additional position to leverage more HUD funding for different types of housing-related projects. He explained with the other changes in staff there may a full-time position made in the Neighborhoods Division focusing on real estate. The City has a lot of untapped real estate that can be utilized or reutilized. Also, there will be a person to help with GIS design work. There is also the temporary Clerk Typist III position in the Housing Division that will become permanent.

As far as a relationship with the Authority and the Director, K. Vonck explained he will be the Director of the Economic Development Authority while the Assistant Director will be the Executive Director of the Authority. Timing is good considering it's the Authority's budget time. Once hired, the Assistant Directors will track the amount of time dedicated to Housing Authorities so as to properly charge his or her time. Adjustments can then be made in the future budgets. K. Vonck stated he likes the idea of separately accounting for the time spent on the Authorities versus other City projects, as it will help spread the responsibilities and narrow down the staffs' focus. There will not be many big physical changes in City Hall; however there are still some things to figure out.

R. Hallet stated she would provide the new organizational chart at the next Authority meeting. She explained the biggest impact the Authority will see is the Assistant Director position since it is a new position and the Authority will need to contribute toward its funding. The other factor of note is the Clerk Typist III position being made permanent and thus needing to be opened to accept applications. C. Cotton inquired if the Assistant Director position will be covered under Section 3. K. Vonck stated it will not since that position will be primarily working with the City and only a portion of the time with the Authority.

FINANCIAL REPORT AND BILLS:

S. Schmutzer explained that there have not been many changes from last month. She stated the Authority is getting close to the end of the budget, so this is the time where concerns or issues would arise.

A motion was made by C. Cotton and seconded by W. VandeCastle to approve and place on file the Financial Reports for the month of April 2016. Motion carried

In regards to the bills, S. Schmutzer stated there are a couple of security deposit refunds to note. Another bill interest is the mileage reimbursement for Donna Erland, who is a WAHA Scholarship recipient. R. Hallet explained Donna Erland is a Scattered Site resident who applied for the WAHA scholarship. Every year WAHA provides an opportunity for residents or clients of any PHA in the State to apply for a scholarship; this year one of the winners was a local resident. The recipients were invited to the WAHA scholarship ceremony and their mileage to attend is what is reimbursed to them by the PHA, who can then request reimbursement from WAHA.

A motion was made by B. Hansen and seconded by S. Popp to approve and place on file the Bills for the month of April 2016. Motion carried.

STAFF REPORT:

7. Langan Report for the Month of April, 2016.

A motion was made by S. Popp and seconded by C. Cotton to accept and place on file the Langan Report for the month of April 2016. Motion carried.

8. Occupancy Report for the month of May, 2016.

K. Vang explained there have been more move outs due to residents wanting larger units, however, now residents have been informed that in-house transfers are being suspended in order to allow staff to get caught up. There is also another infestation of bed bugs staff is currently dealing with. Another factor is that a large number of annual reviews are taking place and some resident's rent will be increasing. Some residents believe they can find a less expensive rental unit elsewhere with just as much room as Mason Manor apartments. There are people on the waiting list ready to fill in the vacant units; however, it takes a lot of staff time to turn over a unit. S. Popp inquired if the Clerk III Typist will assist in the moving of residents or if that will be the duty of the temporary maintenance personnel. R. Hallet explained the hope in hiring the temporary maintenance personnel is to help staff get caught up with work orders and vacant unit prep. She had hoped that one of the summer maintenance help would have been able to stay on past summer, however, since both are college students, they will not be available to continue after the new school year begins. The staff will have to discuss how they want to go about hiring an additional, temporary maintenance staff. A careful selection must be made to not upset the residents.

A motion was made by C. Cotton and seconded by B. Hansen to accept and place on file the Occupancy Report for the month of April 2016. Motion carried.

9. CFP Report

S. Schmutzer explained there is not much of note at the moment. The Authority just received the dates for 2016 funding: the obligation date is April 12, 2020; funding needed to be spent down by the obligation date of May 12, 2016.

A motion was made by S. Popp and seconded by W. VandeCastle to accept and place on file the CFP Report for the month of April 2016. Motion carried.

10. Status of Senior Property Manager

R. Hallet stated a Senior Property Manager has been hired: Jayme Valentine, who has been working at ICS. W. VandeCastle stated he had worked with J. Valentine with the housing fraud for the HCV Program through ICS.

6. Review of Budget section of Lead the Way training.

The members took the quiz of the section together. There was general agreement toward continuing the training and discussing one segment per meeting in the future.

A motion for adjournment was made by S. Popp and seconded by B. Hansen. Motion carried.

The GBHA meeting for May 19, 2016, adjourned at 12:10 pm.

CM:RAH