

**MINUTES OF THE MONTHLY MEETING  
HOUSING AUTHORITY OF THE CITY OF WISCONSIN RAPIDS**

The Housing Authority of the City of Wisconsin Rapids held its regular monthly meeting at 1:30 p.m. on Wednesday, February 26, 2020 in the community room of the Tenth Avenue Apartments, 220 Tenth Avenue North, Wisconsin Rapids, WI 54495. Commissioner Grode called the meeting to order at 1:33 p.m.

**1. ROLL CALL:**

Present: Jo Ann Grode, Cheryl Reith- Kincaid, Evan Smith, David Henke, Jean Helmer and Mary Vang

Also Present: Carol Voss, Ben Nikolai and Jolina Janus

**2. MINUTES REVIEWED:**

- A. Commissioners reviewed minutes from the January 29, 2020 meeting. Commissioner Helmer moved to approve the minutes of the January 29, 2020 meeting, seconded by Commissioner Smith. There were no comments. All aye votes.

**3. COMMUNICATIONS:**

- A. Request for Audit Proposal: Mary reported that requests for audit proposals were sent to six audit firms with proposals due by April 24, 2020.

**4. CONSIDERATION OF BILLS**

- A. Approve December 2019 financial statements from fee accountant: Commissioners reviewed the December 2019 financial statements. Commissioner Reith-Kincaid moved to approve the December 2019 financial statements, seconded by Commissioner Smith. All aye votes.
- B. Approve January 2020 bills (QuickBooks register and purchasing card transaction detail): Commissioners reviewed the January 2020 bills. Commissioner Helmer inquired about three items in the purchasing card transaction detail regarding the costs for the purchase of light bulbs and two similar payments for annual report filings. Mary stated that the purchased bulbs were for a quantity of thirty T8 florescent light tubes for the in-unit ceiling light fixtures. She stated that the two annual report filings for similar amounts are related to the two LLC's that were created during the tax credit applications and have been maintained since, in the event that the Housing Authority would reapply for tax credits in the future.

Commissioner Smith moved to approve the January 2020 bills, seconded by Commissioner Helmer. All aye votes.

## 5. EXECUTIVE DIRECTOR'S REPORT

- A. Public Housing Occupancy: Mary reported that there is one vacancy at Parkview for a lease violation. The tenant has been moved out, but personal belongings have been arranged to be moved out at the end of the month. This vacancy will be filled off the waiting list, as there is no longer a need to keep this unit vacant for the purposes of the Huntington House RAD conversion. There are two vacancies at Huntington House. One deceased and one who moved into assisted living. These vacancies are anticipated to remain vacant for the purposes of the Huntington House RAD conversion. There are two vacancies at Tenth Avenue, both of which required assisted living. These vacancies will be filled off the waiting list, as there is no longer a need to keep these unit vacant for the purposes of the Huntington House RAD conversion. There are five vacancies in the scattered site houses; two due to the tenant moving out of town, one due to a transfer from a three bedroom to a four bedroom unit as a result of an increase in household composition, one due to a transfer from a three to a two bedroom unit as a result of a decrease in household composition and one deceased. These vacancies will be filled from the waiting list with tentative move in dates for February 28, 2020, March 20, 2020, April 1, 2020, May 8, 2020 and May 22, 2020.
- B. Section 8 program status: Mary reported that as of February 24, 2020, there are 165 families under contract with private landlords with the current waiting list running approximately 16 months. There are currently 347 families on the waiting list. The Section 8 activity for the month consisted of zero new admissions and vouchers into the program, one portability move-out, nine VASH portability move-ins, five standard portability move-ins, and one end of participation due to a program violation.
- C. Annual unaudited Financial submission report for fiscal year end 12/31/2019: Mary reported that the unaudited FYE 12/31/2019 financials prepared by Hawkins Ash was successfully submitted in the Real Estate Assessment Center (REAC) Financial Assessment Subsystem (FASS) on January 31, 2020.
- D. Rental Assistance Demonstration (RAD) Conversion of Huntington House Apartments Update:

1. HUD Office of Recapitalization Letter Regarding Modification of Existing Multi-phase Award: Mary provided Commissioners with the letter from HUD's Office of Recapitalization regarding HUD's modification of the Housing Authority's existing multiphase award. Mary reported that when the Housing Authority (HA) applied for the RAD conversion of Huntington House apartments, the Housing Authority also received a multiphase award requesting HUD to reserve an additional 83 units for future development of Parkview and Tenth Avenue apartments. The revised RAD notice converts multiphase awards into portfolio awards and requires that the HA convert and close on each project within specified timeframes. Commissioner Grode commented on Parkview apartment's location in an opportunity zone and the ability to leverage this as an opportunity to secure financing that would allow the Housing Authority to rehabilitate Parkview apartments and convert it to a more sustainable platform; and revisiting the removal of Parkview from the 100-year flood plain would be an option to further look into. Commissioners discussed moving forward with the RAD conversion of the remaining portfolio award. Commissioner Reith-Kincaid moved to not pursue the RAD conversion of the remaining multiphase converted portfolio award, seconded by Commissioner Smith. All aye votes.
  
2. Amended CHAP approval for RAD Conversion of 65 Units to RAD Project Based Vouchers (PBV): Mary provided Commissioners with the approved CHAP amendment letter for conversion of all 65 Huntington House units to RAD PBV. She stated that the initial award was to convert 60 one-bedroom units to RAD PBV and the remaining 5 units would fall under the de minimis rule. Sixty of the units would be assisted units receiving subsidy under RAD PBV and the remaining five would be unassisted units with no subsidy attached. The de minimis units would have contract rents set at the fair market rents for the area and be filled with tenant-based voucher holders. After additional training and several discussions with Baker Tilly and the HUD Field Office regarding the Housing Authority's ability to maintain the de minimis units as affordable units under the RAD User Agreement and to remain compliant with the commitments under the Federal Home Loan Bank of Chicago (FHLBC) AHP subsidy period. It was in the best interests of the Housing Authority to convert all 65 units to RAD PBV, so that the units would be assisted units receiving subsidy and remain affordable with both the RAD User Agreement and FHLBC AHP compliance requirements. In addition, by converting all 65 units to RAD PBV, this would streamline the administration of the program.

3. Huntington House Redevelopment Lease Agreement for RAD PBV Program: Mary provided Commissioners with the Huntington House RAD PBV lease agreement. She discussed changes to the lease that included modifications to the format of the lease, removal of public housing specific language, required language as it relates to the RAD PBV termination notice and grievance process, parking, non-standard lease provisions, fees charged, storing of tenant personal belongings after vacating premises, and HUD required lease addendum. Commissioner Grode advised that any changes considered to the lease should remain consistent with the Admissions & Continued Occupancy Policies, Administrative Plan and state regulations. Mary stated that she would make the necessary changes to meet policy requirements and regulations as discussed and recommended to meet policy requirements and regulations. Commissioner Reith-Kincaid moved to approve the Huntington House lease agreement for the RAD PBV program contingent on making the appropriate changes to include provisions as indicated by Commissioners, seconded by Commissioner Helmer. All aye votes.
  
4. RAD Conversion Financial Analysis: Mary provided Commissioners with the current draft RAD Conversion Financial Analysis for review and discussion. She stated that with the conversion of all 65 units to RAD PBV, rents were adjusted to meet the established RAD PBV contract rents. These lowered contract rents would decrease rental income and in turn reduce the amount of permanent debt that could be supported under the current financial analysis and create a small gap. An increase in capital funds of up to \$162,667 and minor adjustments to accurately reflect soft costs related to the market study and appraisal, would reduce the financing gap and provide the HA with a small developer fee. The developer fee can act as a cushion and be deferred for any unforeseen costs. The revised funding sources would include; a permanent loan of \$537,873 at a fixed term of 15 years and rate of 5.25%, \$20,000 from the Legacy Foundation, \$900,000 FHLBC AHP subsidy, and \$162,667 in capital funds. The loan would be a construction loan that would convert to a permanent loan. Interest payments would be made on the construction loan to get the construction project going and once construction is complete, then the loan would convert to a permanent loan; and repayment of the original loan would begin and amortize over 15 years.

Mary stated that the audio/visual alarms that were identified earlier as repairs to be completed before closing will be included in the scope of work at the time construction. She also reported that proper asbestos abatement would be required in the cable room where the new air handler unit will be installed. The asbestos abatement would need to be completed before renovations could begin. Commissioner Reith-Kincaid inquired about the results of the radon testing that was completed at Huntington House. Mary stated that the results of the test for radon were negative.

**6. RESOLUTIONS:**

- A. Resolution 2020-1 Approving the Budget to the Housing Authority of the City of Wisconsin Rapid's HUD 2017 Capital Fund Grant Program (CFP) Grant: Commissioners reviewed Resolution 2020-1. Commissioner Smith moved to approve Resolution 2020-1 Approving the Budget to the Housing Authority of the City of Wisconsin Rapid's HUD 2017 Capital Fund Grant Program (CFP) Grant, seconded by Commissioner Reith-Kincaid. All aye votes.
- B. Resolution 2020-2 Acceptance of Capital Funds 2019: Commissioners reviewed Resolution 2020-2. Commissioner Helmer moved to approve Resolution 2020-2 Acceptance of Capital Funds 2019, seconded by Commissioner Reith-Kincaid. All aye votes.
- C. Resolution 2020-3 Approving the Budget Revision to the Housing Authority of the City of Wisconsin Rapid's HUD 2018 Capital Fund Grant Program (CFP) Grant: Commissioners reviewed Resolution 2020-3. Commissioner Smith moved to approve Resolution 2020-3 Approving the Budget Revision to the Housing Authority of the City of Wisconsin Rapid's HUD 2018 Capital Fund Grant Program (CFP) Grant, seconded by Commissioner Helmer. All aye votes.
- D. Resolution 2020-4 Approving the Budget to the Housing Authority of the City of Wisconsin Rapids HUD 2019 Capital Fund Grant Program (CFP) Grant: Commissioner reviewed Resolution 2020-4. Commissioner Reith-Kincaid moved to approve Resolution 2020-4 Approving the Budget to the Housing Authority of the City of Wisconsin Rapids HUD 2019 Capital Fund Grant Program (CFP) Grant, seconded by Commissioner Smith. All aye votes.
- E. Resolution 2020-5 Approving the Public Housing 2020-2024 5 Year Capital Action Plan: Commissioners reviewed Resolution 2020-5. Commissioner Helmer moved to approve Resolution 2020-5

Approving the Public Housing 2020-2024 5 Year Capital Action Plan, seconded by Commissioner Smith. All aye votes.

- F. Resolution 2020-6 Approving Revision to Chapter 4 Applications, Waiting List and Tenant Selection of the Public Housing Admissions & Continued Occupancy Policy: Commissioners reviewed Resolution 2020-6. Commissioner Reith-Kincaid moved to approve Resolution 2020-6 Approving Revision to Chapter 4 Applications, Waiting List and Tenant Selection of the Public Housing Admissions & Continued Occupancy Policy, seconded by Commissioner Helmer. All aye votes.
  
- G. Resolution 2020-7 Approving Revision to Chapter 4 Applications, Waiting List and Tenant Selection of the Housing Choice Voucher Administrative Plan: Commissioners reviewed Resolution 2020-7. Commissioner Smith moved to approve Resolution 2020-7 Approving Revision to Chapter 4 Applications, Waiting List and Tenant Selection of the Housing Choice Voucher Administrative Plan, seconded by Commissioner Henke. All aye votes.
  
- H. Resolution 2020-8 Approving Revision to Chapter 18 Project Based Vouchers (PBV) Under the Rental Assistance Demonstration (RAD) Program of the Housing Choice Voucher Administrative Plan: Commissioners reviewed Resolution 2020-8. Commissioner Helmer moved to approve Resolution 2020-8 Approving Revision to Chapter 18 Project Based Vouchers (PBV) Under the Rental Assistance Demonstration (RAD) Program of the Housing Choice Voucher Administrative Plan, seconded by Commissioner Smith. All aye votes.

- 7. **PUBLIC INPUT:** There was no public input.
  
- 8. **NEXT MEETING:** The next monthly meeting is scheduled for 1:30 p.m. on Wednesday March 25, 2020 in the community room of the Huntington House Apartments.
  
- 9. **ADJOURNMENT:** Commissioner Smith moved to adjourn the meeting at 3:47 p.m., seconded by Commissioner Henke. All aye votes.

Submitted for approval by:

Approved by:

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Mary Vang  
Executive Director

\_\_\_\_\_  
Jo Ann Grode  
Chair

Date:\_\_\_\_\_

Date:\_\_\_\_\_