COMMUNITY DEVELOPMENT AUTHORITY
MINUTES

04/23/19

MEMBERS PRESENT: Andy Witt, Gary Gisselman, Robert Reinertson, Sarah Napgezek, Tom Neal

MEMBERS ABSENT: David Welles, Rachael Hass

OTHERS PRESENT: Betty Noel, Anne Jacobson, Juli Birkenmeier, Mayor Mielke, Michael Lishner, WSAW, Jennifer Smith, Bridge Community Clinic

(1) Call Meeting to Order
Meeting was called to order at 12:03 pm at 550 E Thomas Street, Wausau, Wisconsin.

(2) Public Comment
None

(3) Approval of Minutes from 3/26/19
Neal made a motion to approve the corrected minutes from 3/26/19. Reinertson seconded. Motion was approved unanimously.

(4) Discussion and Possible Action on Bridge Community Proposal for 2102 N Second Street
Noel provided commissioners with an activity timeline for 2102 N Second Street, covering a period from 2016 to present. Jennifer Smith, Bridge Community Clinic, was present to review and answer questions relative to their $39,000 proposal for the property. She explained that their proposal is contingent on the purchase of two adjacent properties from the City. Smith gave a brief overview of their business plan for the property which includes accessible space usable for behavioral health, staff training and development, potential partnerships with other agencies who have a need for additional space, and the relocation of their community gardens. Smith said she anticipates a project completion between Fall of 2021 and Spring of 2022. Reinertson made a motion to approve the CDA’s portion of the proposal which pertains to the sale of 2102 N Second Street to Bridge Community Clinic. Napgezek seconded. Motion was approved unanimously.

(5) Consideration and Possible Action on Resolution #19-002 Administrative Plan Update – HCV Program and Riverview Towers LLC
Noel explained that the CDA is required to secure board approval for any revisions made to its Administrative Plan, which is applicable to the Housing Choice Voucher program, Riverview Terrace and Riverview Towers. Noel gave an overview of a minor revision made to Chapter 8-II.F. Inspection Results and Reinspections for Units Under HAP Contract. She explained that the revision was based on a recommendation made during the HUD Office of Inspector General’s (OIG’s) recent review. Noel stated that once approved, she will forward the revision and Resolution to HUD for their records. Neal made a motion to approve Resolution #19-002. Reinertson seconded. Roll call vote 5-0.

(7) Operational Issues and Current Activities
CDA Audits – Noel reported that HUD’s OIG auditor has been onsite since March 12, 2019, and is nearing completion of a thorough compliance review of the CDA’s Housing Choice Voucher program. She said the review is progressing well and she is optimistic that the review will not trigger a full OIG audit.
Noel then reported that auditors from Clifton Larsen Allen (CLA) were on site April 8-10, 2019, to complete the CDA’s single audit. Noel explained that although the exit interview went well, she was unable to provide the auditor with the renewed Aspirus contract for Riverview Terrace, which expired on December 31, 2018. She stated that she did receive the proposed contract from Aspirus in January, but it has not yet been signed. Witt questioned the extent of liability the CDA assumes for not having a signed service contract. Noel stated that Aspirus has continued to provide services and the CDA has continued to pay Aspirus based on their 2019 proposal. Gisselman said he would like to see an action agenda item for the May meeting. Noel said that she will follow up with Schock on the contract and furthered that CLA plans to present both the Riverview Towers and CDA single audits at the June board meeting.

**Occupancy Overview** – Noel reported 97% occupancy at Riverview Towers, 88% at Riverview Terrace and 97% for the Scattered Sites. She stated that Michael Loy, NCHC, has scheduled another tour of Riverview Terrace reflecting their continued interest in a potential partnership.

(6) **Public Housing Program Updates**

Noel reported that in November 2018, HUD sent a letter to Executive Directors notifying them of their strategy relating to the repositioning of their public housing properties. She said HUD is encouraging agencies to repposition their public housing properties to help address reduced public housing funding and overwhelming capital needs, and notified them of repositioning options. Noel reviewed three available options and sought board input; 1) Rental Assistance Demonstration (RAD); converting funding to either Project-Based Vouchers or Project-Based Rental Assistance (PBRA), 2) Voluntary Conversion (Section 22); public housing tenants are given either tenant-based or project-based vouchers, 3) Section 18 Demolition; PHAs may demolish or dispose of an entire development or portion of a development for various reasons.

Noel reminded commissioners that in 2013, the CDA submitted RAD applications for both Riverview Towers and the scattered sites but withdrew the scattered site application after receiving an unfavorable Commitment to enter into a Housing Assistance Payment (CHAP) contract as it reflected lower than expected contract rents. She furthered that since the 2013 application process, HUD has streamlined voluntary conversions, providing small PHAs with less-burdensome repositioning strategies to better manage affordable housing resources to meet current and future needs. Noel also restated that as early as 2001, staff had initiated discussions with HUD relative to disposing of, or selling, some of the scattered site units in an effort to provide home ownership opportunities on an affordable basis.

Noel also stated that she has had some initial brainstorming dialog with Baker Tilly and Gorman, at various housing conferences, related to a potential conversion utilizing the Section 18 option to create an affordable home ownership program. Mayor Mielke expressed favor in putting units back on the tax roll and offering homes at an affordable price. Gisselman expressed concerns relative to reducing affordable rental units the CDA currently offers. Birkenmeier stated that as a result of employment or similar factors, we have several program participants who are currently paying monthly rents over the market rate, making a mortgage payment a very viable option. Noel stated that the HUD field office plans to reach out in the coming months to help ensure that PHAs understand the benefits and requirements of repositioning options and assist in helping them to make an informed decision on any future direction they may consider. Noel said she will present more information as it becomes available from HUD.

Respectfully Submitted,

[Signature]

Andy Witt
Chairperson