

BARRON COUNTY HOUSING AUTHORITY

Tuesday, April 29, 2025

MINUTES

CALL TO ORDER

Commissioned Jost called the meeting to order at 9:20 AM at Berger Woodland Apartments, Barron, WI. A quorum of directors was present, and the meeting, having been duly convened, was ready to proceed with business.

Motion (Edwardsen/Tyler) to approve the agenda.

Motion carried; unanimous.

ROLL CALL

Commissioners Present: Doug Edwardsen, Marge Jost, and Terri Tyler. Commissioner Moen arrived at 9:36 AM.

Excused Absence: Gary Nelson.

Other(s) Present: Barron County Board Chair Louie Okey, Robert Kazmierski, Executive Director and Tom Landgraf (remote).

PUBLIC COMMENT

No one registered or appeared for public comment.

MINUTES

Discussion and review of the minutes from the previous meeting.

Motion (Edwardsen/Tyler) to approve the minutes of March 25, 2025, and Special Meeting minutes from March 28, 2025, as presented. Motion carried; unanimous.

DIRECTORS REPORT

The committee reviewed and discussed the Director's Report, which included current and future program activities. BCHA's Housing Choice Voucher program is trending towards a shortfall. The HUD Shortfall Team will be reviewing the situation, and they will reach out to us directly and assist BCHA to access HHR (HUD Held Reserves) funding. HUD mandated that we utilize the remaining (N=9) PBV's for Water's Edge by the end of the year. Clifton Larson Allen (CLA) completed the annual audit. The MFH assets and liabilities will be transferred to the new LLC on the closing date. SVA Certified Public Accountants will be performing future audits for the LLC's MFH (a.k.a. LIHTC/Section 42) program. HUNT mandated that BCHA hire a consultant to guide us through the Section 42 compliance process. The first step in compliance is the approval of the new leases for all MFH tenants as well as the management plan. Considering BCHA is the managing partner that will be responsible for Section 42 compliance, tax credit tracking and delivery, we have negotiated with HUNT an annual management fee of \$36,960 (\$44 Per Unit Per Month-PUPM). This amount will escalate at 3% annually. The loan closing deadline of April 11th was not met but scheduled for May 1. The three biggest issues preventing closing are insurance, GC contract and tax credit delivery. HUD approve our new HAP assignment. The new rents approved are listed in the Rent Schedule (see packet) and will add an estimated \$100,000 of annual cash flow to our MFH program. The annual utility adjustments were reduced nominally (\$1 to \$3 a month). McGann has started demolition in Almena, Berger Woodland and the Barron Family Duplexes. Both Lone Oak and Park Lawn boards support a 2-year renewal of the management contract with BCHA. LO rates will increase from \$67.19 PUPM to \$86.00 PUPM. PL rates will increase from \$64.20 PUPM to \$86.00 PUPM. The committee accepted the Director's Report by unanimous consent.

PROGRAM FINANCIAL REPORTS AND COMMUNICATIONS

The Committee reviewed the financial statements for MFH, HCV & OBA programs ending February 28, 2025, including the Check Register ending March 31, 2025, and corresponding in-house reports. The committee received and accepted the available financial reports by unanimous consent.

Commissioner Moen arrived at 9:36 AM and assumed Chairperson seat from Moen.

UNFINISHED BUSINESS:

MULTIFAMILY HOUSING REHAB UPDATE

Kazmierski announced that loan closing is set for May 1, 2025. BCHA had to request and pay for a 5th loan extension. Tom Landgraf agreed to subtract the loan extension fee from his developer fee that he will receive at closing. This arrangement is codified in the developer's agreement. Tom Landgraf reported that BCHA will apply for additional \$1.1MM AHP funding in mid-May to apply towards the LLC's rehab project. Awards will be announced in October 2025. If BHCA receives an award, those funds will be applied to any remaining contingency items and/or cost overruns. Kazmierski provided handout of project schedule. There is a major change with Berger Woodland and Duplexes. The goal is to complete all the scattered 8-plexes in 2025. BW and Duplexes will be "paused" until 2026, except for the north addition, some exterior work (windows and siding) and the 8 BW units that have already been demoed. These items will also be completed in 2025. Staci will disseminate all tenants in early May. Landgraf reported the signatory at the State Bank of Reeseville has just come home from a lengthy hospital stay and likely will not be able to attend to the \$900K AHP documents, including execution, in time for closing (May 1st). The Resolution on the agenda is a gap loan note (no mortgage) from BCHA for the \$900K that will not be necessary and will be replaced with the AHP loan documents as soon as we can get the signatures. This will also avoid another subordination agreement.

NEW BUSINESS:

CONSIDERATION OF REHABILITATION RESOLUTIONS

Discussion of Resolution.

Motion (Jost/Tyler) to approve the Resolution for executing and delivering an unsecured sponsor loan note in the approximate amount of \$900,000, if needed. Motion carried; unanimous.

CONSIDERATION OF SECTION 42 LEASE AND MANAGEMENT PLAN

Discussion of documents and new lease. Staff will implement within 120 days.

Motion (Edwardsen/Jost) to approve the new management plan. Motion carried; unanimous.

Motion (Tyler/Jost) to approve the new tenant lease. Motion carried; unanimous.

DISCUSSION AND CONSIDERATION OF ASSISTANT HOUSING PROGRAM MANAGER POSITION

Kazmierski presented revenue and expenses projection of the BCHA portfolio. Also, Kazmierski provided details of the number of applicants, position description and overall need. New management contracts will inject \$14,650 into additional revenue. Section 42 management fee will provide \$37,000 annually. Developer Fee and New Rents will provide roughly \$210,000 in increased revenue. The new position will cost approximately \$52,000 annually with fringes.

Motion (Jost/Tyler) to approve the Executive Director to begin the hiring process for new Assistant Housing Program Manager.

SET NEXT MEETING DATE

The next meeting will be held on Tuesday, April 29, 2025, at 9:00 AM in the Berger-Woodland Manor Community Room. Agenda items include updates of the Multifamily Housing Rehab project, update of staff addition (assistant HPM) and consideration of Section 42 compliant documents.

ADJOURNMENT

The meeting adjourned by unanimous consent at 10:56 AM

Respectfully Submitted,
Bob Kazmierski, Recording Secretary