

**JOURNAL OF THE PROCEEDINGS
OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF COOK COUNTY (HACC)**

**REGULAR MEETING
Housing Authority of Cook County (HACC)
Boardroom
July 17, 2014 at 2:05 PM**

ROLL CALL

PRESENT: Hipolito “Paul” Roldan, Chair
Wendy Walker Williams, Vice Chair
Edna Carter, Commissioner
Polly Kuehl, Commissioner
Deniece Jordan-Walker, Commissioner

HACC STAFF: Richard Monocchio, Executive Director and Secretary
Mark Limanni, General Counsel
Olukayode Adetayo, Chief Financial Officer
Jon Duncan, Senior Counsel
Shana Jackson, Legal Counsel
James Harney, Director of Asset Management
Sheryl Seiling, Director of Rent Assistance
Monica Slavin, Director of Public Housing Wait List & Lease-Up
Tina Peterson, Director of Marketing and Communications
Alesia Hushaw, Financial Manager
Jessica Poirier, Assistant Director of Compliance and Management
Debbie Kyker, Executive Assistant

Other Attendee(s): None

Introductions: None

General Public Comments: None

JOURNAL OF PROCEEDINGS FOR JULY 17, 2014

CALL TO ORDER

Hipolito 'Paul' Roldan, Chair, called the July 17, 2014 regular meeting of the Housing Authority of Cook County (HACC) Board of Commissioners to order at 2:05 PM.

CONSENT AGENDA

The proceedings of the May 15, 2014 Regular meeting of the Housing Authority of Cook County (HACC) Board of Commissioners which was moved by Commissioner Edna Carter and seconded by Vice Chair Wendy Walker Williams. The motion carried with all "ayes".

The proceedings of the June 3, 2014 Special meeting of the Housing Authority of Cook County (HACC) Board of Commissioners which was moved by Commissioner Edna Carter and seconded by Vice Chair Wendy Walker Williams. The motion carried with all "ayes".

PRESENTATION OF RESOLUTIONS

The Board of Commissioners next considered pending resolutions, as follows:

RESOLUTION NO. 2014 – HACC-12

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO APPLY FOR LOW INCOME HOUSING TAX CREDIT (LIHTC) AND OTHER SOURCES OF FUNDS, SUCH AS DONATION TAX CREDIT (DTC), TRUST FUNDS AND COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) TO REDEVELOP HACC PROPERTIES IN ARLINGTON HEIGHTS AND SKOKIE, IL – ALBERT GOEDKE AND ARMOND KING SENIOR BUILDINGS

A Resolution authorizing the Executive Director to apply for the LIHTC and other Sources of Funds (Replacement Housing Factor Funds (RHF), Donation Tax Credit (DTC), and Illinois and/or County Trust Funds) to redevelop HACC properties in Arlington Heights and Skokie, IL – Albert Goedke and Armond King Senior Buildings, where HACC cannot utilize operating funds from the current Fiscal Year's budget; and HUD Capital Funds allocation.

The Housing Authority of Cook County (HACC) has found current deficiencies are primarily related to the age of the buildings and flaws in the original design of the exterior wall assembly. This project will meet the local community needs by promoting adequate and affordable housing,

economic opportunity, suitable living environment, and 14 UFAS/ADA compliant units and common areas for long-standing residents of the Evanston community.

Therefore, the HACC staff is respectfully requesting the Board to authorize the Executive Director's decision to apply for LIHTC and other aforementioned funding.

The basis of the recommendation is to prolong the useful life of these buildings and to be in compliance with the requirements of the federal laws and regulations in general, and in particular, with certain regulations, relating to Housing Quality Standards (HQS). The rehabilitation of these two properties will address concerns for elderly and disabled residences, correct major building infrastructure deficiencies, and provide a much needed update to the buildings.

Chair Roldan asked "how many units do we have at these sites? Alesia Hushaw of the Finance Department replied 244 units.

Chair Roldan requested a motion to approve Resolution 2014-12 which was moved by Commissioner Polly Kuehl and seconded by Commissioner Edna Carter. The motion carried with all "ayes".

RESOLUTION NO. 2014-HACC-13

A RESOLUTION AUTHORIZING THE AMENDMENT OF THE FISCAL YEAR 2014 5-YEAR AND ANNUAL PHA PLANS TO AMEND FLAT RENT POLICIES FOR PUBLIC HOUSING UNITS

Flat Rent Significant Amendment

A resolution to amend the Housing Authority of Cook County's flat rent policies to comply with the statutory changes contained within, Public Law 113 – 76, the Fiscal Year 2014 Appropriation Act.

The HACC will set the flat rental amount for each public housing unit that complies with the requirement that all flat rents be set at no less than 80 percent of the applicable Fair Market Rent (FMR) adjusted, if necessary, to account for reasonable utilities costs. The new flat rental amount will apply to all new program admissions effective October 1, 2014. For current program participants that pay the flat rental amount, the new flat rental amount will be offered, as well as the income-based rental amount, at the next annual rental option.

The HACC will place a cap on any increase in a family's rental payment that exceeds 35 percent, and is a result of changes to the flat rental amount as follows:

- ✓ Multiply the existing flat rental payment by 1.35 and compare that to the updated flat rental amount;
- ✓ The HACC will present two rent options to the family as follows:
 - the lower of the product of the calculation and the updated flat rental amount; and

- the income-based rent.

Richard Monocchio stated that none of our current residents have been affected. Monica Slavin mentioned that if the new flat rent changes did affect current residents, HUD wrote into law that residents would only have to pay 35% of their income. Monica further explained that HUD doesn't require that residents pay this new amount immediately if it is above their 30% income, but that eventually everyone will have to abide by this new rule.

Chair Roldan requested a motion to approve Resolution 2014-13 which was moved by Commissioner Edna Carter and seconded by Commissioner Polly Kuehl. The motion carried with all "ayes".

RESOLUTION NO. 2014- HACC-14

SUPPLEMENT TO THE RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EARMARK ADDITIONAL FUNDS (THREE HUNDRED THOUSAND DOLLARS-\$300,000) FROM THE LOW INCOME PUBLIC HOUSING PROGRAM (LIPH) PRIOR YEARS EXCESS FUNDS ("NET UNRESTRICTED ASSETS") TO FUND THE PRE-DEVELOPMENT SOFT COSTS FOR THE 9% LOW INCOME HOUSING TAX CREDIT (LIHTC) AND OTHER SOURCES OF FUNDS TO REDEVELOP HACC PROPERTIES IN EVANSTON, IL - PERLMAN AND WALCHIRK SENIOR BUILDINGS

A Resolution authorizing the Executive Director to earmark additional funds of \$ 300,000 from the LIPH prior years' excess funds to fund the Predevelopment Soft Costs for the 9% LIHTC and other sources of funds to embark on the redevelopment of HACC properties in Evanston, IL. – Perlman and Walchirk Senior Buildings.

The Housing Authority of Cook County (HACC) has found it necessary to engage Tax Credit professional consultants to assist the Agency to apply for Low Income Housing Tax Credit (LIHTC) to redevelop HACC properties in Evanston, IL – Perlman and Walchirk Senior Buildings, and these Pre-development Soft Costs are necessary for the successful execution of the applications to obtain equity funds for this redevelopment project and rehabilitate the properties. The expertise necessary for this project fell outside the realm of talent found within the agency and IHDA required certain services to be provided by third party vendors; and therefore we deemed it most beneficial to contract for these services.

Therefore, the HACC staff is respectfully requesting the Board to authorize and ratify the Executive Director's earmarking of additional funds in the amount \$300,000 for predevelopment soft costs needed to fund this project.

The basis of the recommendation is to prolong the useful life of these buildings and to be in compliance with the requirements of the federal laws and regulations in general, and in particular, with certain regulations, relating to Housing Quality Standards (HQS) and to bring the buildings in compliance with local ordinances and codes.

Chair Roldan asked “What ratio is LIPH funds of the \$300,000?” Olukayode Adetayo stated that there is about \$1.8MIL in reserve for LIPH.

Commissioner Kuehl asked “Has the \$800,000 that was used last year been deducted from the \$1.8MIL reserve?” Olukayode Adetayo replied, yes.

Chair Roldan asked “Where is RAD right now?” Mr. Monocchio mentioned that legislation to expand RAD [the Rental Assistance Demonstration project] is still up in the air in Congress and Senator Durbin is working on getting extensions for RAD.

Commissioner Kuehl asked “Are you using any consultants?” Mr. Monocchio stated “No, we are doing in-house.”

Chair Roldan requested a motion to approve Resolution 2014-14 which was moved by Commissioner Polly Kuehl and seconded by Vice Chair Wendy Walker Williams. The motion carried with all “ayes”.

RESOLUTION NO. 2014 – HACC–15

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EARMARK ADDITIONAL FUNDS (ONE MILLION AND TWO HUNDRED THOUSAND DOLLARS- \$1,200,000) FROM THE CENTRAL OFFICE COST CENTER (COCC) PRIOR YEARS EXCESS FUNDS (“NET UNRESTRICTED ASSETS”) TO FUND THE PREDEVELOPMENT SOFT COSTS FOR THE 9% LOW INCOME HOUSING TAX CREDIT (LIHTC) AND OTHER SOURCES OF FUNDS TO REDEVELOP HACC PROPERTIES IN EVANSTON – PERLMAN AND WALCHIRK SENIOR BUILDINGS

A Resolution authorizing the Executive Director to earmark additional funds of \$1,200,000 from the COCC prior years’ excess funds to fund the Predevelopment Soft Costs for the 9% LIHTC and other sources of funds to embark on the redevelopment of HACC properties in Evanston, IL. – Perlman and Walchirk Senior Buildings.

The Housing Authority of Cook County (HACC) has found it necessary to engage Tax Credit professional consultants to assist the Agency to apply for Low Income Housing Tax Credit (LIHTC) to redevelop HACC properties in Evanston, IL – Perlman and Walchirk Senior Buildings,

and these Pre-development Soft Costs are necessary for the successful execution of the applications to obtain equity funds for this redevelopment project and rehabilitate the properties. The expertise necessary for this project fell outside the realm of talent found within the agency and IHDA required certain services to be provided by third party vendors; and therefore we deemed it most beneficial to contract for these services.

Therefore, the HACC staff is respectfully requesting the Board to authorize the Executive Director's earmarking of additional funds in the amount \$1,200,000 for predevelopment soft costs needed to fund this project.

The basis of this recommendation is to prolong the useful life of these buildings and to be in compliance with the requirements of the federal laws and regulations in general, and in particular, with certain regulations, relating to Housing Quality Standards (HQS) and to bring the buildings in compliance with local ordinances and codes.

Chair Roldan asked if "These are costs for the architects/developers?" Olukayode Adetayo replied, yes.

Richard Monocchio explained that since HACC is the developer on this project, there will also be a developer fee.

Chair Roldan asked whether "HACC will be able to take some of the excess cash distribution, if any, at the end of the year?" Executive Director Monocchio replied, yes.

Chair Roldan requested a motion to approve Resolution 2014-15 which was moved by Vice Chair Wendy Walker Williams and seconded by Commissioner Edna Carter. The motion carried with all "ayes".

RESOLUTION NO. 2014 – HACC-16

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EARMARK FUNDS (TWO MILLION AND THREE HUNDRED THOUSAND DOLLARS-\$2,300,000) FROM THE CENTRAL OFFICE COST CENTER (COCC) PRIOR YEARS EXCESS FUNDS ("NET UNRESTRICTED ASSETS") TO FUND THE PREDEVELOPMENT SOFT COSTS TO APPLY FOR LOW INCOME HOUSING TAX CREDIT (LIHTC) AND OTHER SOURCES OF FUNDS TO REDEVELOP HACC PROPERTIES IN ARLINGTON HEIGHTS, IL AND SKOKIE, IL – ALBERT GOEDKE HOUSE AND ARMOND KING APARTMENTS SENIOR BUILDINGS

A Resolution authorizing the Executive Director to earmark \$2,300,000 from the COCC prior years' excess funds to fund the Predevelopment Soft Costs to apply for LIHTC and other sources of

funds to embark on the redevelopment of HACC properties in Arlington Heights, IL and Skokie, IL. – Albert Goedke House and Armond King Apartments Senior Buildings.

The Housing Authority of Cook County (HACC) has found it necessary to engage Tax Credit professional consultants to assist the Agency to apply for Low Income Housing Tax Credit (LIHTC) to redevelop HACC properties in Arlington Heights, IL and Skokie, IL –Albert Goedke House and Armond King Apartments Senior Buildings, and these Pre-development Soft Costs are necessary for the successful execution of the applications to obtain equity funds for this redevelopment project and rehabilitate the properties. The expertise necessary for this project fell

Therefore, the HACC staff is respectfully requesting the Board to authorize the Executive Director’s earmarking of funds in the amount \$2,300,000 for predevelopment soft costs needed to obtain funding for this project.

The basis of this recommendation is to prolong the useful life of these buildings and to be in compliance with the requirements of the federal laws and regulations in general, and in particular, with certain regulations, relating to Housing Quality Standards (HQS) and to bring the buildings in compliance with local ordinances and codes.

Commissioner Kuehl asked “In addition to the tax credit money are you going to need any GAP money? Richard Monocchio replied yes, IHDA trust fund, CDBG and donation tax credit.

Chair Roldan requested a motion to approve Resolution 2014-16 which was moved by Vice Chair Wendy Walker Williams and seconded by Commissioner Edna Carter. The motion carried with all “ayes”.

FINANCIAL REPORT

The Financial Reports was presented by Olukayode Adetayo, Chief Financial Officer.

OTHER BUSINESS

Chair Roldan asked about background checks on the tenants. Richard Monocchio replied that the background checks are on prospective tenants. Monica Slavin explained that background checks are performed for criminal history, sexual predators and evictions.

Chair Roldan asked if HACC does drug testing on the tenants, Monica Slavin replied “No.”

Chair Roldan asked if there was a policy for concealed weapons. Jon Duncan replied that this is state statute that was passed by the Illinois state legislature. The decals were installed on our property doors after the law was passed.

James Harney discussed the Virtual High Grant in Ford Heights and Robbins Community Centers where they will be helping our tenants and other residents in their areas to get their GED.

EXECUTIVE DIRECTOR'S REPORT

HUD

Gary – Our engagement with HUD and the City of Gary ended at the end of June. Richard Monocchio met with Mayor Freeman-Wilson of Gary and HUD officials to notify them that we believe our work is done there, in light of the fact that new outside contractors were hired to run the Gary PHA. Both expressed gratitude for our work over the past 9 months. A copy of the progress made was attached to this report, and was sent to both the Mayor and the HUD Secretary (attachment).

CONGRESS

Rental Assistance Demonstration – We continue to urge Members to support raising the cap from 60,000 units to 185,000 units. HACC and 88 other PHAs have units on the RAD waiting list. In our case, 1020 units would be rehabbed and converted to RAD (project-based subsidy), leveraging \$78 million in public and private funding.

President Preckwinkle informed Senator Durbin that this is a priority for Cook County. The Senator's staff has followed up with Richard Monocchio, and given assurances that they will do everything they can to include the lifting of the cap in the FY '15 Budget. The House failed to include the increase in its bill.

COOK COUNTY

Justice Advisory Council – HACC was awarded a \$100,000 grant to operate virtual high schools in Ford Heights and Robbins.

Economic Development – We are working with the Bureau on a Choice Neighborhoods Grant, due 8/12. The grant would help redevelop parts of Chicago Heights, which include HACC family housing. The Bureau has also been very helpful in assisting HACC with the

Villages of Skokie and Arlington Heights. We are seeking CDBG funds to accompany our Low Income Housing Tax Credit application to IHDA due 7/31. If awarded we will substantially rehabilitate high rise buildings in those two towns.

Homeland Security – During the recent storms of the week of 7/1, the County’s Homeland Security Department provided invaluable assistance to HACC and its residents. The Department worked with Com Ed to prioritize power restoration to our sites and, in conjunction with the Salvation Army, provided meals and water to seniors.

Sheriff – We met with the Sheriff’s Office and the IL Department of Corrections regarding ex offenders returning to their families who live in subsidized housing. Also toured the jail and met with Veterans’ advocates as well as the alternative sentencing division which houses women serving sentences for non-violent crimes. Also, recruiting kids in Ford Heights, Chicago Heights and Robbins for the annual Camp Nabad.

Forest Preserve – Preparing for 2nd annual ‘Scientists in Action’ summer camp. Kids from Ford Heights and Chicago Heights ages 13-18 spend one day in a classroom setting and one day in the Forest Preserve studying and enjoying nature.

Health Department – Met with Health Dept. Officials regarding the transition of the expanded Medicaid program from the County to the State. The County is working with building managers and residents to ensure that they have access to health care.

Human Rights – Met with Director Hakim to review enforcement of the Source of Income Protection, which was extended to Housing Choice voucher holders last year. HACC has conducted extensive outreach to landlord and realtor associations throughout the County, and the response has been positive. HACC expanded its Community Choice Program by offering security deposit assistance to those households moving to opportunity areas (areas with lower crime and poverty and better access to jobs and transportation).

Budget – HACC participates in the County health insurance plan. Officials discussed with HACC the potential for increased contributions due to the fact that one of the health plans is partially self-insured, and costs associated with HACC employees will be passed on to HACC.

ADMINISTRATION

Retirement Plan – HACC successfully completed the overhaul of its retirement plan. There will now be one plan, instead of two, and employees will have more control over their investments. Plan professionals will have individual meetings with employees to educate them on the new plan.

SELF- SUFFICIENCY

Job Fair – Over 100 residents and 15 employers participated in a job fair held at the Turlington West Apartments in Harvey.

SUMMER PROGRAMS

Breakfast and Lunch – In conjunction with Catholic Charities, meals are being served on site in Chicago Heights, Ford Heights and Robbins. Staff and volunteers serve the meals to kids who live in the communities as well as to kids coming from the surrounding areas. Educational and recreational programs, including field trips, are being delivered by community agencies including PLCCA, Brother’s Keeper, the Boys and Girls Club and the International Association for Human Values with Gabriella Savelli. The 3rd Annual Ford Heights Picnic and Basketball Tournament was a gain a great success. A mobile dental van was available to attend to kids’ dental needs.

EVENTS

City Club – Executive Director Monocchio spoke at the City Club in May on national housing policy and the transformation of HACC.

Hines/VA Housing – Richard Monocchio spoke at the groundbreaking of Freedoms Path, which will provide 72 units of permanent housing to veterans. HACC and the County provided critical financial support for the project.

Kimball Courts/Matteson Supportive Housing – Richard Monocchio spoke at the groundbreaking which will provide 16 units of supportive independent living for people with behavioral disabilities.

Chicago Rehab Network – Richard Monocchio spoke or President Preckwinkle at the 35th Anniversary celebration of the Chicago Rehab Network.

ADJOURNMENT

Chair Roldan requested a motion to adjourn the Regular Meeting of the Board which was moved by Commissioner Wendy Walker Williams and seconded by Commissioner Polly Kuehl. The motion carried with all “ayes”.

Accordingly, the Regular Meeting of the Housing Authority of the Cook County Board of Commissioners adjourned at 3:16PM.

Respectfully submitted by:

Hipolito 'Paul' Roldan
Chair

September 11, 2014

DATE

Richard J. Monocchio
Executive Director

September 11, 2014

DATE