

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

**REGULAR MEETING
Board Room
November 14, 2013 at 2:00 PM**

ROLL CALL

PRESENT: Hipolito 'Paul' Roldan, Chair
Wendy Walker Williams, Vice Chair
Karen R. Chavers, Treasurer
Polly Kuehl, Commissioner
Edna Carter, Commissioner

HACC STAFF: Richard Monocchio, Executive Director and Secretary
Olukayode Adetayo, Chief Financial Officer
Jon Duncan, Senior Counsel
Sheryl Seiling, Director of Housing Choice Voucher Program
James Harney, Director of Asset Management
Monica Slavin, Director of Public Housing Wait List & Lease Up
Maria Lotho, Director of Operations
Alesia Hushaw, Financial Manager
Debbie Kyker, Executive Assistant

Other Attendee(s): Jessica Hotaling, Housing Opportunity Development Corporation (HODC)
Richard Koenis, Housing Opportunity Development Corporation (HODC)

JOURNAL OF PROCEEDINGS FOR NOVEMBER 14, 2013

CALL TO ORDER

Hipolito 'Paul' Roldan, Chair, called the November 14, 2013 regular meeting of the Housing Authority of Cook County (HACC) Board of Commissioner to order at approximately 2:05 PM.

CONSENT AGENDA

The journal of proceedings of the September 12, 2013 Regular Meeting of the Housing Authority Cook County (HACC) Board of Commissioners were approved.

RESOLUTION NO. 2013-HACC-24

AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT RENTAL ASSISTANCE DEMONSTRATION (RAD) APPLICATION FOR SUMMIT SENIOR HOUSING, JUNIPER TOWERS, RICHARD FLOWERS, EDWARD BROWN, TURLINGTON WEST, GOLDEN TOWERS I AND II BEFORE DECEMBER 31, 2013

PHAs may apply competitively to convert rental assistance of projects in accordance with the terms of a recent Public and Indian Housing Notice from the U.S. Department of Housing and Urban Development. Under this component of RAD, PHAs may choose between two forms of Section 8 Housing Assistance Payments (HAP) contracts; namely Project-Based Vouchers (PBV) or Project-Based Rental Assistance (PBRA).

No incremental funds are authorized for this component. PHAs will convert their assistance at current subsidy levels, subject to applicable program rent caps. The 2012 Appropriations Act authorizes up to 60,000 units to convert assistance under this component, to be selected competitively. Upon conversion, covered projects will be removed from the public housing program and will be released from Public Housing Declaration of Trust (DOT). PBV and PBRA contract rents will be equal to the project's current funding level of combined Operating Subsidy and Capital Funds, subject to a cap established in the HUD Notice, and will be adjusted annually by an

operating cost factor at each anniversary of the HAP contract, subject to the availability of appropriations for each year of the contract term. The initial contract for PBV will be for a period of at least 15 years (up to 20 years upon approval of the administering voucher agency) and for PBRA the initial contract period is 20 years and both will be subject to annual appropriations.

Based upon the above, the Housing Authority of Cook County staff recommended that the application be submitted.

RAD is a central part of the Department's rental housing preservation strategy, which works to preserve the nation's stock of deeply affordable rental housing, promote efficiency within and among HUD programs, and build strong, stable communities.

Mr. Monocchio stated that the Housing Authority of Cook County will be submitting the Rental Assistance Demonstration (RAD) application to HUD by the deadline of December 31, 2013. We will be meeting in January with IHDA and the County with some new ideas regarding RAD. Three benefits to this application portfolio are (1) solid financial footing; (2) getting other funding sources; and (3) capital improvements.

Chair Roldan called for a motion to approve Resolution 2013-HACC-24 – Authorizing HACC to Submit Rental Assistance Demonstration (RAD) Public Housing Program Application(s) for Summit Senior Housing, Juniper Towers, Richard Flowers, Edward Brown, Turlington West, Golden Towers I and II, which was moved by Commissioner Polly Kuehl and seconded by Commissioner Edna Carter. The motion carried by with all “ayes.”

RESOLUTION NO. 2013-HACC-25

AUTHORIZATION TO ADOPT THE HOUSING AUTHORITY OF COOK COUNTY'S REVISED BUDGET FOR FISCAL YEAR 2014 ENDING MARCH 31, 2014

HACC'S Fiscal Year 2014 ending March 31, 2014 Original Budget projections did not take into consideration the full effect of the Congressional mandated Budget sequestration and additional reduction in funding or the decrease in the Housing Choice Voucher (HCV) administrative fee proration from 75 to 69 percent. In addition, the Operating Subsidy proration for the LIPH was decreased from 88 to 82 percent from the Original Approved Budget, the Management Fees were increased from \$65.35 to \$66.42, and did not include the impact of the Collective Bargaining Agreement (CBA) between HACC and SEIU Local 73 which resulted in savings to the Agency such as (i) Pension Benefit and (ii) Employee Furlough Days.

Accordingly the Operating Budget has been revised to reflect all these changes.

During the course of each fiscal year audit, auditors typically review the variances between the final version of the operating budget and the actual expenses recorded on the general ledger. Any large discrepancies and/or variances from the final version of the budget are potentially subject to be classified as material findings in the auditor's report. By revising the operating budget each year to more accurately reflect the actual income and expenses of the Agency, it shows the auditors that the Agency is closely monitoring its financial position as well as proactively responding to our constantly changing financial environment.

HACC's Revised Budget for the Fiscal Year 2014 ending March 31, 2014, in the amount of \$24,849,246 must be adopted by the Board of Commissioners of HACC.

The Housing Authority staff requested that the Board of Commissioners authorize the adoption of the Revised Budget for Fiscal Year 2014 ending March 31, 2014.

As a part of the Agency's continued dedication to actively monitoring and responding to changes in our financial environment, the Operating Budget has been revised to more accurately reflect both the actual activities that have taken place at the Agency during Fiscal Year 2014, as well as to be a more effective guide in our efforts to operate an efficient Housing Authority.

Mr. Kayode Adetayo discussed the revised budget in details. He gave some specific items that were affected in the budget: (1) Operating expenses – removing the allowance for the Sequestration; (2) The Collective Bargaining Agreement; (3) The Pension Contribution Reduction is for 2014.

Chair Roldan asked what the future will be with regards to the Sequestration. Mr. Monocchio stated that the Administration and the Senate budget legislation would restore the housing authority to their pre-sequestration levels. The House of Representatives version would reduce public housing more as a result of fewer reductions in the budget for defense. Mr. Monocchio also stated that if there is another sequestration it would be in January of 2014 at 5-8%.

Chair Roldan than asked, what would be the biggest expense and the downside for the Labor/Union Contract? Mr. Jon Duncan stated the Collective Bargaining Agreement provides that if Congress restores the funding amount to 75% of the pre-sequestration level, we will reopen the discussion with the Bargaining Unit. A lot of concessions made by the Union were due to the budget cuts.

Chair Roldan called for a motion to approve Resolution 2013-HACC-25 – Authorization to Adopt the Housing Authority of Cook County's Fiscal Year 2014 ending March 31, 2014

Revised Budget, which was moved by Commissioner Karen Chavers and seconded by Commissioner Wendy Walker Williams. The motion carried by with all “ayes.

RESOLUTION NO. 2013 – HACC – 26

**VOUCHERS TO HOUSING OPPORTUNITY DEVELOPMENT CORPORATION (A
RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AWARD
PROJECT BASED HODC) FOR THE MILWAUKEE AVENUE SUPPORTIVE
RESIDENCES IN GLENVIEW IL**

The Housing Authority of Cook County (HACC), pursuant to 24 CFR Part 983, issued a Request for Qualifications (RFQ) in November 2011 seeking proposals from owners and developers who are interested in creating and/or preserving affordable housing utilizing Project Based Vouchers (PBV). In offering the PBV assistance, the HACC has two primary objectives: producing the highest quality rental housing units for low-income families within diverse and healthy communities located in suburban Cook County and promoting stabilization and revitalization of communities located in suburban Cook County.

On April 10, 2012, the Executive Director executed a pre-qualification letter to Housing Opportunity Development Corporation (HODC), one of the respondents to the PBV RFQ. HODC has submitted a proposal for 13 PBVs for the Milwaukee Avenue Residences, a permanent supportive housing development serving people living with disabilities, located in Glenview IL.

Under the Illinois Housing Development Authority’s (IHDA) Permanent Supportive Housing Development Program, HODC will develop the Milwaukee Avenue Supportive Residences. The development will consist of a mix of one bedroom and three bedroom units. Supportive

services will be provided on site so that residents can live independently. Zoning is in place as the site was initially annexed by Glenview for a developer to build 13 large townhomes. \

The HACC can provide PBV assistance for up to 100% of the excepted units in communities that lease to the elderly, persons with disabilities, and/or persons receiving supportive services, which is the case for the Milwaukee Avenue Supportive Residences. The HACC's ability to provide commitments for PBVs is contingent upon appropriations authorized by the Congress of the United States of America, the HACC's budget authority, and the HACC's voucher utilization at the time the units come on line.

The Housing Authority staff requested that the Board of Commissioners approve a resolution authorizing the Executive Director to award PBVs to HODC.

Mr. Richard Koenis from Housing Opportunity Development Corporation said they are based out of Northbrook area. They purchased land from a foreclosure and stated that they were looking for development financing. This would be a new building project for 13 units for which the zoning has been approved by the village that will be used for supportive housing. We would provide assistance to the tenants from Thresholds.

Chair Roldan asked whether these units were for supportive housing and how do you manage the scattered sites along with supportive housing? Mr. Koenis responded by stating that they will be concentrating on the scattered sites and units for those with disabilities. Thresholds has the funds available to assist in those services.

Commissioner Kuehl asked whether there is a requirement of need in order to participate, Mr. Koenis replied "No". Commissioner Williams asked if there is a long wait list? Mr. Koenis

replied “No.” Commissioner Williams asked, “What tenant do you select?” The service provider recommends the tenant. Sheryl Seiling indicated that they have to have a disability.

Chair Roldan called for a motion to approve Resolution 2013-HACC-26 – Vouchers To Housing Opportunity Development Corporation (A Resolution Authorizing the Executive Director to Award Project Based HODC) For The Milwaukee Avenue Supportive Residences in Glenview, IL, which was moved by Commissioner Karen Chavers and seconded by Commissioner Edna Carter. The motion carried by with all “ayes.

EXECUTIVE DIRECTOR’S REPORT

Mr. Monocchio announced that HACC received our tax credit. \$19M will be to invest in Evanston.

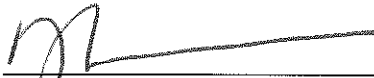
We had a sequestration in March and may have to face another sequester in January.

ADJOURNMENT

Chair Roldan requested a motion to adjourn the Regular Meeting of the Board which was moved by Commissioner Williams and seconded by Commissioner Carter. Accordingly, the Regular Meeting of the Housing Authority of the Cook County Board of Commissioners adjourned at 3:30PM.

The next scheduled Regular Meeting of the Board of Commissioners of the Housing Authority of Cook County is Thursday, January 16, 2014.

Respectfully submitted by:



Hipolito 'Paul' Roldan
Chair



Wendy Williams vice chair



Richard J. Monocchio
Executive Director

January 16, 2014

DATE

January 16, 2014

DATE