

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

**REGULAR MEETING
Board Room
January 10, 2013 at 2:00 PM**

ROLL CALL

PRESENT:

Hipolito 'Paul' Roldan, Chair
Karen R. Chavers, Treasurer
Polly Kuehl, Commissioner
Edna Carter, Commissioner
Wendy Walker Williams, Vice Chair (via audio conference)
Deniece Jordan-Walker, Commissioner (via audio conference)

HACC STAFF:

Richard Monocchio, Executive Director and Secretary
Susan Weimer, Chief Operating Officer
Olukayode Adetayo, Chief Financial Officer
Mark Limanni, General Counsel and Director of Asset Management
Jon Duncan, Senior Counsel and Director of Human Resources
Sheryl Seiling, Director of Housing Choice Voucher Program
Monica Slavin, Director of Public Housing Wait List & Lease Up department
Maria Lotho, Executive Assistant

Other Attendee(s):

Joseph Evans, McGladrey & Pullen, LLC
Rolake Adedara, McGladrey & Pullen, LLC

JOURNAL OF PROCEEDINGS FOR JANUARY 10, 2013

CALL TO ORDER

Hipolito 'Paul' Roldan, Chair, called the January 10, 2013 regular meeting of the Housing Authority of Cook County (HACC) Board of Commissioner to order at 2:05 PM.

Chair Roldan announced a change of order in the agenda to have the financial auditors present first and then move through the remaining agenda items.

FINANCIAL AND BUDGET ANALYSIS

McGladrey & Pullen, LLC Auditors: Joseph Evan (Partner) and Rolake Adedara (Director)

Mr. Joseph Evan, Partner, and Ms. Rolake Adedara, Director, presented the highlights of the results of the HACC annual audit, which included major accomplishments for the year, identified areas of improvement, overall audit results, findings, and required communications for professional standards.

Mr. Evans reported five findings that were identified in the audit. The HACC has made significant progress in comparison to 2010 when thirteen major findings were reported. The major finding this year had to do with the accounting system. Mr. Evan pointed out that the new YARDI accounting system that was placed into service on April 1, 2012 was not subject to this year's audit because it the audit closed on March 31, 2012. The accounting finding should be eliminated in next year's audit with the continued use of YARDI.

Mr. Evan reported that the HACC received an unqualified audit opinion with no material exceptions, which was a first time in a couple of years. This means that HACC is addressing the issues that were identified in past audits. Mr. Evan also mentioned a change in the reporting entity as a result of the change in the relationship with Turnstone Development Corp. In the past, Turnstone was always included in the reporting entity as required by HUD. This complicated previous audits because separate audits of HACC and Turnstone had to be prepared by separate sets of accounting firms and then combined into a single audit report. This requirement was eliminated by the severing of the relationship between Turnstone and HACC. Only Riverdale and Summit need to be included in the reporting entity at this point.

Mr. Evan reported that 60 participants were tested in the Housing Assistance Choice and Veteran's Affairs Choice Voucher programs, and certain documentation errors were found regarding income eligibility and file maintenance. Mr. Evan suggested that due to the volume of paperwork, it would benefit HACC to move files towards electronic format and with the use of YARDI, the error should be resolved.

Chairman Roldan inquired whether the miscalculations of income disqualified the voucher recipients. Mr. Monocchio noted that most likely income may have not been reported or HACC was in error, therefore, the total tenant payment fluctuated but eligibility would not be affected.

Commissioner Kuehl asked about audit sampling methodology. Mr. Evan explained that sampling methodology is subjected to all properties: sixty sample items are tested over the entire population, not limited to an individual property. Mr. Evan noted that the audit opinion is not for each individual Asset Management Project, but instead the opinion is of the consolidated total.

Commissioner Kuehl asked if 10% of the sample had issues and the assumption is for the whole group, then when does it rise to the point of material weakness? Mr. Evan stated that all exceptions are required by HUD to be reported, which is considered a material finding. The exceptions are then discussed with management. It is a compliance issue rather than a material audit finding. However, these are not considered material for purposes of the financial statements.

Ms. Adedara added that the HACC had significantly fewer exceptions as compared to last year.

Mr. Evan reported that the audit went fairly well and the HACC had made a lot of progress and that management has been engaged and continues to address matters of files.

Commissioner Kuehl asked whether files can be moved to storage after three years. Ms. Seiling responded yes, it should be done, but does not happen all the time. Mr. Monocchio added that files are being purged or moving to Reebie (off-site storage), and electronic storage is really the answer and that is a work in progress.

Commissioner Kuehl asked whether HACC management conducts internal audits at the sites, such as picking a sample of certifications, to check how well property managers are doing prior to the audit. Mr. Mark Limanni, General Counsel and Director of Asset Management, responded that a training program was conducted to ensure staff completed certifications at a proper time and knew how to complete the process, and that management worked closely with the property managers for the process to be completed.

PARTICIPATION OF CERTAIN COMMISSIONERS BY AUDIO CONFERENCE

Commissioner Kuehl moved, seconded by Commissioner Carter, for Commissioner Deniece Jordan-Walker and Commissioner Wendy Walker Williams to participate in the meeting via electronic (audio) conference. The motion carried with all "ayes."

CONSENT AGENDA

The minutes of the proceedings of the December 13, 2012 regular meeting of the Board of Commissioners were approved pursuant to a motion by Commissioner Carter and seconded by Commissioner Kuehl. The motion carried with all "ayes".

EXECUTIVE SESSION

Pursuant to the Illinois Open Meetings Act, 5 ILCS 120, §2(c)(2), Chair Roldan called for an Executive Session for the purpose of discussion of collective negotiating matters between the HACC and its employees. A motion to go into Executive Session was made by Commissioner Chavers and seconded by Commissioner Kuehl. The motion carried with all "ayes." The Executive Session convened at approximately 2:40 PM.

Following the discussion, Chairman Roldan called for a motion to conclude the Executive Session. Moved by Commissioner Chavers and seconded by Commissioner Kuehl. The motion carried with all "ayes." The Executive Session adjourned at approximately 3:05 PM and the public session resumed.

RESOLUTIONS

RESOLUTION NO. 2013-01

A RESOLUTION RATIFYING COLLECTIVE BARGAINING AGREEMENT FOR MAINTENANCE EMPLOYEES

Chairman Roldan called for a motion to approve Resolution 2013-01 to ratify a Collective Bargaining Agreement with the HACC's Maintenance Employees, which was moved by Commissioner Carter and seconded by Commissioners Kuehl and Walker Williams. The motion carried with all "ayes."

HOUSING CHOICE VOUCHER (HCV) PROGRAM

Mr. Monocchio suggested that in the interest in time that Ms. Seiling and Ms. Slavin next discuss the proposed changes to the HACC Administrative Plan which was being submitted to HUD on the same day.

Ms. Sheryl Seiling, Director of the Housing Choice Voucher ("HCV") Program, discussed the pertinent information and provided an overview to provide a better understanding of what is done in the HCV program on a day-to-day basis.

Commissioner Kuehl asked whether violence against women is covered. Ms. Seiling noted that the Violence Against Women Act ("VAWA") is referenced throughout the Administrative Plan and in the special regulations mentioned within it.

Chairman Roldan asked whether there was an equivalent for children, violence against children? Ms. Seiling responded that there was no federal Violence Against Children Act of which she was aware. Commissioner Kuehl noted that Illinois state law would apply.

Ms. Seiling discussed the income eligibility requirements of the HCV program and the administration of the Wait List for program applicants. Ms. Seiling also discussed the effect of preferences for working families, homelessness, veterans, and victims of domestic violence.

Ms. Seiling also discussed mandatory reasons for denial as set forth by HUD and what HACC also added that included any criminal activity and previous behaviors. Chairman Roldan asked whether a background check of criminal sexual offender type was completed. Ms. Seiling responded yes, and that the entire record is checked, not just felony convictions, and patterns of behavior are also reviewed.

Ms. Seiling described the application process, hearing, paperwork completion, eligibility determination, and removal from the Waiting List for various instances such as undeliverable mailings/incorrect address. Chairman Roldan asked whether they may reject an apartment. Ms. Seiling explained that the HCV program provides the voucher and it is the client's responsibility to find a unit wherever they want. Commissioner Chavers asked how many days are provided for a client to find a unit. Ms. Seiling noted that the voucher is good initially for sixty days and that extensions can be granted up to 180 days. Mr. Monocchio added that we can go to 180 days to help clients find a place and not have to take away their voucher for being unable to find an acceptable unit.

Commissioner Chavers asked what percentage of mail is returned as undeliverable. Ms. Seiling responded from the most recent mailing about 10%. Commissioner Kuehl asked if Cook County was part of the universal waiting list or if it was only for the City of Chicago. Ms. Seiling responded that it was the City of Chicago.

Commissioner Walker Williams asked if income eligibility was determined by all income of the family or just the primary lease holder. Ms. Seiling responded all family income is considered except for a minor's earned income. Chairman Roldan asked if there are negative rents. Ms. Seiling responded yes, there are sometimes. One example that Ms. Seiling mentioned was zero income and utility assistance.

Commissioner Kuehl asked if hardship was considered. Ms. Seiling noted that we do and that it is becoming more prevalent in the Veteran's Assistance Supportive Housing (VASH) program.

Commissioner Edna Carter inquired about how applicants get into the VASH program. Ms. Seiling responded that they have to go through their Veteran's Administration office and that the qualification criteria are set by the VA. The VA then informs the HACC of the qualified participants, and the only eligibility requirement that is completed is income, and the only criterion that disqualifies them is if they are a lifetime criminal sex offender.

Ms. Seiling discussed verification through HUD's Enterprise Income Verification (EIV) and through the Department of Human Services (DHS). Mr. Monocchio asked if there was electronic access to DHS and Ms. Seiling responded yes, there is a data sharing agreement with them.

Ms. Seiling further discussed the inspection and recertification processes, and added that HACC screens for tenants for eligibility to the program, but it is the landlords' responsibility to screen the tenants for suitability, determination of leasing, and security deposit amount. Ms. Sue Wiemer, Chief Operating Officer, added with landlord meetings, HACC has provided more education about the program and understanding of their responsibility.

Ms. Seiling also described the portability aspects of the HCV Program. Commissioner Kuehl asked whether another Housing Authority has the right to say no to a client porting to Cook County. Ms. Seiling replied they really do not, but have stated that they cannot afford for the client to move to Cook County at this time (because the subsidy standards are higher from where they coming from). However, once funding is available, they must port out that client.

Ms. Seiling briefly discussed annual examinations, interim income adjustments, termination of assistance versus termination of tenancy.

Chairman Roldan asked about possession of firearms, where it is allowed by law. Ms. Seiling responded that she has not received any communication from landlords regarding firearms being an issue, but periodically there have been reports of criminal activity where firearms were found. Ms. Slavin added that firearms are prohibited on HACC properties and is stated in the LIPH lease. Chairman Roldan asked if HACC can do that. Mr. Limanni responded that a Seventh Circuit Court of Appeals ruling recently found that the Illinois concealed carry gun law was unlawful and as result referred to the Supreme Court's ruling of right to bear arms as a constitutionally protected privilege. However, the Supreme Court's opinion and the Seventh Circuit's recent decision both noted that guns could be banned from particular locations, including government property. Mr. Limanni further stated that HACC has limitations on bringing and storing on HACC property for the safety protection of fellow residents, closed quarters, seniors, etc. and can evict based upon that.

Ms. Seiling further discussed ownership interest, program integrity, housing and program standards, and then concluded her report.

SCHEDULING OF BOARD OF COMMISSIONERS MEETINGS

Mr. Monocchio requested a sense of the Board on moving the Regular Meeting of the Board to every other month. Commissioner Walker Williams responded that the Board is committed to attending the Regular Meetings as needed. Mr. Monocchio stated that every other month was doable and, if needed, a special meeting can be called. Mr. Jon Duncan, Senior Counsel and Director of Human Resources, added that a special meeting can be called within three (3) business days and a quorum would just be needed. Mr. Monocchio stated that operationally, every other month can be done, but it is the decision of the board.

RECOGNITION OF HACC EMPLOYEES OF THE YEAR

The Board then turned to the agenda item for recognizing the outstanding employees of the year.

Ms. Wiemer then brought in the employees who were being awarded outstanding employees of the year and presented letters of commendation, a certificate and gift card. The employees were not told in advance of why they were being asked to attend the Board meeting and seemed to be genuinely surprised. The employees who were recognized were

Sinan Milanovic
Steven Reed
Lance Penro
Evelyn Mosley
Fred Calhoun
Muharem Fale
Patricia Montenegro
LaToya Norfleet
Alesia Hushaw
Kenneth Atkins

ADJOURNMENT

Chairman Roldan requested a motion to adjourn the Regular Meeting of the Board which was moved by Commissioner Kuehl. Accordingly, the Regular Meeting of the Housing Authority of the Cook County Board of Commissioners adjourned at 4:17 PM.

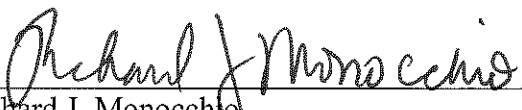
The next scheduled Regular Meeting of the Board of Commissioners of the Housing Authority of Cook County is Thursday, March 14, 2013.

Respectfully submitted by:



Hipolito 'Paul' Roldan
Chairman

March 14, 2013
DATE



Richard J. Monocchio
Executive Director

March 14, 2013
DATE