

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

**REGULAR BOARD MEETING
Housing Authority of Cook County
175 W. Jackson Blvd., Suite 350
Chicago, IL
February 15, 2018 2:05 p.m.**

ROLL CALL

PRESENT: Hipolito "Paul" Roldan, Chair
Wendy Walker Williams, Vice Chair
Deniece Jordan-Walker, Commissioner
Polly Kuehl, Commissioner
Nilda Soler, Commissioner
Saul H. Kilbanow, Commissioner
Vicki Reed, Commissioner

HACC STAFF: Richard Monocchio, Executive Director and Secretary
Alesia Hushaw, Chief of Staff
Karl Becker, Chief Financial Officer
Shana Jackson, Legal Counsel
Monica Slavin, Director of Compliance and Occupancy
Monique Bond, Communications Director
Candice Grimes, Paralegal
Debbie Kyker, Executive Assistant
Crystal Jones, Housing Specialist

CALL- IN: Deniece Jordan-Walker, Commissioner
Jon Duncan, General Counsel

Other Attendee(s): Joe Evans, RSM US LLP
Dan Seidman, RSM US LLP

JOURNAL OF PROCEEDINGS FOR FEBRUARY 15, 2018

CALL TO ORDER

Chair Paul Roldan called the February 15, 2018 Regular Board meeting of the Housing Authority of Cook County (HACC) Board of Commissioners to order at 2:05 p.m.

PUBLIC COMMENTS

None

CONSENT AGENDA

Approval of the Minutes of the December 14, 2017 Regular Meeting of the HACC Board of Commissioners which was moved by Chair Roldan and seconded by Commissioner Klibanow. The motion carried with all "ayes."

AUDIT PRESENTATION

A presentation regarding the results of the annual audit was given by Joe Evans from RSM US LLP.

Chair Roldan requested a motion to approve the audit which was moved by Vice Chair Wendy Walker Williams and seconded by Commissioner Polly Kuehl. The motion carried with all "ayes."

EXECUTIVE SESSION

In public session, Chair Paul Roldan moved to go into an Executive Session to consider the compensation of Executive Director Monocchio. A closed session for this purpose is authorized by Section 2(c)(1) of the Illinois Open Meetings Act, 5 ILCS 12/2(c)(1) . The motion carried with all "ayes." The executive session began at approximately 2:19 p.m. and ended at 2:51 p.m. with no votes taken other than to adjourn the Executive Session. [Minutes of the non-public Executive Session of the Board of Commissioners are kept separately from these minutes of the public session].

PRESENTATION OF RESOLUTIONS

The public session of the Board of Commissioners resumed at 2:51 p.m. with the presentation of Resolutions.

RESOLUTION NO. 2018 - HACC-01

ADOPTING THE HOUSING AUTHORITY OF COOK COUNTY (HACC) OPERATING BUDGET FOR THE FISCAL YEAR 2018 ENDING MARCH 31, 2019.

The question was raised regarding the inconsistencies between LIPH and the Central Office budget. The RAD Conversion is the reason for the discrepancy. There is an approximate two million dollar difference in operating subsidies that the HACC would receive. The HACC was initially projected to have the central office show more income and less expense. Additionally, investments have been made to various Human Service Programs. For instance, the HACC Scholar Program has been expanded to three colleges and the Forest Preserve Program has been expanded from including 50 kids to now hosting 100 kids.

The HACC will receive additional funds from the interest from loans and partnership participation fees.

Chair Paul Roldan requested a motion to approve Resolution 2018-01 which was moved by Commissioner Polly Kuehl and seconded by Commissioner Saul Klibanow. The motion carried with all "ayes."

RESOLUTION NO. 2018-HACC-02

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CERTAIN DOCUMENTS AND TAKE FURTHER CORPORATE ACTION IN FURTHERANCE OF REDEVELOPMENT OF A PROPERTY IN ROBBINS, ILLINOIS - RICHARD FLOWERS HOMES.

Chair Paul Roldan proposed considering Resolutions 2, 3 and 4 together since they are pertaining to the redevelopment process in the HACC's public housing properties.

Chair Roldan requested a motion to approve Resolution 2017-02 which was moved by Vice Chair Wendy Walker Williams and seconded by Commissioner Saul Klibanow. The motion carried with all "ayes."

RESOLUTION NO. 2018-HACC-03

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CERTAIN DOCUMENTS AND TAKE FURTHER CORPORATE ACTION IN FURTHERANCE OF REDEVELOPMENT OF A PROPERTY IN CHICAGO HEIGHTS AND PARK FOREST, ILLINOIS – GOLDEN TOWERS I & II AND JUNIPER TOWERS.

Chair Roldan requested a motion to approve Resolution 2017-03 which was moved by Vice Chair Wendy Walker Williams and seconded by Commissioner Saul Klibanow. The motion carried with all "ayes."

RESOLUTION NO. 2018-HACC-04

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CERTAIN DOCUMENTS AND TAKE FURTHER CORPORATE ACTION IN FURTHERANCE OF REDEVELOPMENT OF A PROPERTY IN HARVEY, ILLINOIS – EDWARD BROWN APARTMENTS AND TURLINGTON WEST APARTMENTS.

Chair Roldan requested a motion to approve Resolution 2017-04 which was moved by Vice Chair Wendy Walker Williams and seconded by Commissioner Saul Klibanow. The motion carried with all "ayes."

RESOLUTION NO. 2018-HACC-05

AUTHORIZING THE EXECUTIVE DIRECTOR IN HIS CAPACITY AS CHIEF EXECUTIVE OFFICER AND PRESIDENT OF FRANKLIN HENRICH, LLC., TO DIRECT SELECTION OF THE GENERAL CONTRACTOR IN CONNECTION WITH FRANKLIN TOWER AND HENRICH HOUSE RENOVATION PROJECT

This project is the HACC's most recent 9% deal from the Illinois Housing Development Authority. The HACC has to find 3.2 million dollars to fill the gap. A procurement bid is currently out for this contract. There were 50 participants and 12 general contractors that are interested in bidding on this job. The HACC has projected the closing date for this project as May 2018. Therefore, the HACC has to take immediate action.

Chair Roldan requested a motion to approve Resolution 2017-05 which was moved by Vice Chair Wendy Walker Williams and seconded by Commissioner Saul Klibanow. The motion carried with all "ayes."

RESOLUTION NO. 2018-HACC-06

AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND THE PROCURMENT POLICY OF THE HOUSING AUTHORITY OF COOK COUNTY

A discussion ensued regarding three types of procurement options.

First are micro purchase orders are not to exceed three thousand dollars.

Second are small procurements, which are currently defined as procurements of less than one hundred thousand dollars, but the small procurement limit is being increased to one hundred and fifty thousand dollars to match the increase in HUD's small procurement limit. The difference between a small procurement and an invitation for bid is the advertisement and how long the bid is left open.

Third, is full and open competition, which states that an individual does not have to reside in the State of Illinois to bid on a contract, in accordance with 2 CFR 200 Uniform Administrative Requirements, cost Principles, and Audit Requirements for Federal Awards.

Chair Roldan requested a motion to approve Resolution 2017-06 which was moved by Vice Chair Wendy Walker Williams and seconded by Commissioner Saul Klibanow. The motion carried with all "ayes."

RESOLUTION NO. 2018-HACC-07

TO RATIFY PARTICIPATION OF THE HOUSING AUTHORITY OF COOK COUNTY IN OPERATING RESERVE LITIGATION TO RECOVER HUD OPERATING SUBSIDY UNDERPAYMENTS FROM THE YEAR 2012.

In 2012, Congress in the Appropriation Act instructed HUD to use a different calculation method for distributing the operating subsidy payments to Public Housing Authorities (PHAs). The Act took into account each PHA's funds on hand in deciding how to distribute the funds that Congress appropriated in that year.

As a result, about three hundred PHA's filed a law suit in 2013 challenging the Appropriation Act. The premise of this lawsuit was that the instructions given by Congress to HUD were invalid because the funds were not distributed on a strict *pro rata* basis. The HACC opted at the time to not enter into the 2013 lawsuit. However, about a year ago the Federal Court of Claims ruled that the Appropriation Act of Congress from 2012 was not effective and HUD should have ignored it and followed their contract with the PHAs in making the distributions for that year on a *pro rata* basis. The Court's ruling was not appealed by the government.

A second round of litigation has been initiated by about five hundred and fifty PHAs that did not participate in the first lawsuit. If the ruling from the first suit is applied to the second suit, the HACC would be entitled to approximately \$937,000. The HACC authorized the lawyers for the

class of PHAs to name the HACC as a plaintiff in the case. This had to be done between HACC board meetings because the statute of limitation was quickly approaching for the filing of the second case. The HACC is now asking the board to ratify that decision. The attorney and court fees for the HACC's participation in this matter were three thousand dollars.

Chair Roldan requested a motion to approve Resolution 2017-07 which was moved by Vice Chair Wendy Walker Williams and seconded by Commissioner Saul Klibanow. The motion carried with all "ayes."

EXECUTIVE DIRECTOR'S REPORT

The Executive Director's report was given by Richard Monocchio. He announced plans for a Hands-on Expo on March 1, 2018 at the Chicago Heights Recreation Center. Approximately three hundred and fifty-one people have signed up thus far.

Director Monocchio also publicized another upcoming event, One Million Degrees at Prairie State. The intentions of this program are to get people interested and activated.

Director Monocchio mentioned another program that will take place at South Suburban College. The HACC has more residents in Thornton Township than any other municipality. This will encourage the HACC's clients to get enrolled in college.

The HACC was mentioned in an article published nationally by the Thomson Reuters Foundation regarding the national debate about the Small Area Fair Market Rent (SAFMR) Program, which sets rent standards by Zip Codes rather than by larger geographical areas. The HACC participated in a HUD pilot program to test the SAFMR idea and has pioneered in moving as many people as possible from segregated areas to areas that have more opportunities.

The SAFMR Program has been controversial and many PHAs have objected to its national implementation. The Trump Administration attempted to stop the program. However, a Court order temporarily enjoined HUD from ending it.

The average voucher cost increased by about forty dollars. The HACC has conducted studies on the quality of life following their moves into opportunity areas. The survey showed that as a result of moving to the opportunity areas at least 86% of the tenants felt that their quality of life had improved.

FINIANCIAL REPORT


A financial presentation given by Karl Becker, Chief Financial Officer.

ADJOURNMENT

Chair Paul Roldan requested a motion to adjourn the regular meeting of the Board, which was moved by Commissioner Polly Kuehl and seconded by Vice Chair Wendy Walker Williams. The motion carried with all "ayes."

The Regular Board Meeting was adjourned at approximately 3:40 p.m.

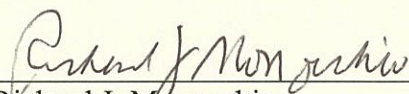
Respectfully submitted by:



Hipolito 'Paul' Roldan
Chair



DATE



Richard J. Monocchio
Executive Director



DATE