

**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
July 8, 2019 2:02 PM**

ROLL CALL

PRESENT: Hipolito "Paul" Roldan, Chair
Polly Kuehl, Commissioner
Nilda Soler, Commissioner
Vicki Reed, Commissioner
Saul Klibanow, Commissioner

HACC STAFF: Richard J. Monocchio, Executive Director and Secretary
Alesia Hushaw, Chief of Staff
Karl Becker, Chief Financial Officer
Jon Duncan, General Counsel
Monica Slavin, Director of Compliance and Occupancy
Debbie Kyker, Executive Assistant
Phyllis Johnson, Paralegal
Sheryl Seiling, Director of Rent Assistance
Darrick Shafer, Regional Manager North
Lekisha Bannister, Regional Manager South

Other Attendee(s): Patrick Hart, Law Offices of Patrick Hart

JOURNAL OF PROCEEDINGS FOR JULY 8, 2019

CALL TO ORDER

Chair Paul Roldan called the July 8, 2019 Regular Board meeting of the Housing Authority of Cook County (HACC) Board of Commissioners to order at 2:02 p.m.

PUBLIC COMMENTS

None.

CONSENT AGENDA

A Motion was made by Chair Roldan and seconded by Commissioner Polly Kuehl and Commissioner Nilda Soler for the approval of the Minutes of the May 1, 2019 Regular Meeting of the HACC Board of Commissioners. The Motion carried with all "ayes."

EXECUTIVE DIRECTOR'S REPORT

Executive Director Richard Monocchio reported that President Preckwinkle went to Washington, D.C. last month to the Illinois Congressional Delegation. She put together a list of 5 topics regarding federal housing priorities that we are facing at the moment.

The first one, because of the Budget Control Act that was passed in 2011, Congress every two years must agree to lift the statutory spending caps. This has been happening for the last 6 years.

The worst case scenario would be that Congress does not lift the budget caps and we would then have an automatic draconian reduction in HUD funding, probably from 15% to 20%. That probably will not happen. But until Congress lifts the cap, that's a possibility.

Now the good news, the House of Representatives has approved an appropriation bill budgeting six billion dollars above last year's level. The Choice Neighborhoods Program was funded at \$300 million in the House bill. We have a Choice Neighborhood application going in next year for Chicago Heights.

There's a bipartisan push to increase the Low Income Housing Tax Credit program. It will add nine percent credits, but also significantly put a floor on the 4% credits to ensure that the equity stays where it needs to be. Currently the percentage floats, and it hurts our program, and the Vera Yates property, depending on the rate.

So this where we have to find more funding to make up the difference. The Board last meeting passed our “Moving to Work” application, this would allow us great flexibility. Not as much flexibility as the Chicago Housing Authority and the other-MTW agencies have at the moment, but it would still be very important, as we move people to self-sufficiency. We have submitted our letter of intent to HUD. Now we have to work on the full MTW application, as await HUD’s acceptance of our letter of intent.

PRESENTATION OF RESOLUTIONS

RESOLUTION NO. 2019 - HACC – 11

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CERTAIN DOCUMENTS AND TAKE FURTHER CORPORATE ACTION IN FURTHERANCE OF REDEVELOPMENT OF PROPERTY IN FORD HEIGHTS, ILLINOIS – VERA YATES HOMES

The Board then considered a resolution to authorize the Executive Director to execute certain documents in furtherance of the redevelopment of the Vera Yates low-income senior and disabled housing property located in Ford Heights, Illinois.

To accomplish the Vera Yates Homes Project, the Housing Authority of Cook County (“HACC”) will be required to transfer or lease certain assets and execute certain financing documents. The Vera Yates Homes Project will meet local community needs by promoting adequate and affordable housing, economic opportunity, and a suitable living environment for residents of Vera Yates Homes.

The HACC staff is asking the Board of Commissioners to approve and authorize the Executive Director to execute the transfer and financing documents and take such further corporate action as required in connection with the Vera Yates Homes Project, subject to all applicable federal, state, local and regulatory guidelines.

Executive Director Rich Monocchio gave an explanation about rehab of every property with 4 percent bond deal from IHDA with 3.5 million dollars from the HOME program. The HACC expects to close on Vera Yates Property on August 13-15, 2019. APEX Construction has been selected to do the rehab work and they are a Section 3 company.

Ford Heights is a lot safer and children have activities to do and have security on site during the warmer months at night to protect residents.

Chair Paul Roldan, requested a motion to approve Resolution 2019 – HACC -11 which was moved by Commissioner Saul Klibanow and seconded by Commissioner Nilda Soler. The motion carried with all “ayes.”

RESOLUTION NO. 2019 - HACC – 12

A RESOLUTION RATIFYING THE EXECUTIVE DIRECTOR ENTERING INTO A CONTRACT WITH THE STATE OF ILLINOIS DEPARTMENT OF HUMAN SERVICES TO ADMINISTER THE *COLBERT* CONSENT DECREE

The Housing Authority of Cook County has committed to furthering *Olmstead* implementation by implementing a preference to assist *Olmstead* class members and Money Follows the Person (MFP) enrollees to transition from institutional settings into community-based living. The State Referral Network, Illinois' lead referral agency, has been established to create a means of referring *Olmstead* class members and MFP enrollees for housing as a remedial action to achieve compliance with the *Olmstead* Consent Decrees, which consist of the *Colbert* Consent Decree, the *Ligas* Consent Decree, and the *Williams* Consent Decree.

Because the HACC took a lead role in working with the State of Illinois for *Olmstead*, the HACC responded to the state's request to submit a proposal to administer the *Colbert* Consent Decree. The HACC considered this invitation an opportunity to extend its support of this important initiative. The HACC submitted a proposal to provide all the services necessary to ensure the *Colbert* Decree Class Members' transition into independent living is effortless and sets them up for success.

The HACC has worked since 2013 with the Managed Care Entities under a contract with the Illinois Department of Healthcare and Family Services to place eligible Class Members in housing that meets the Members' needs. The contract expired June 30, 2019. The administration of the *Colbert* Consent Decree will mimic the administration of the Housing Choice Voucher (HCV) Program in that the HACC will be determining eligibility, processing all necessary paperwork, inspecting units, negotiating rent, executing Housing Assistance Payment contracts, and ensuring continued compliance. In addition to routine functions, the HACC will also process payments to Class Members to cover costs such as security deposits, the purchase of furniture and household supplies, etc.

The State of Illinois wishes to continue the relationship and enter into a new three year agreement to perform the same services as HACC is currently performing with a different department. The new agreement will be with the Department of Human Services / Division of Mental Health.

The HACC will perform these functions based on a per unit per month administrative fee for Class Members transitioning into independent living. The fee will be equal to the current HUD administrative fee paid per unit in the HCV Program, adjusted accordingly. Additionally, for those Class Members transitioning to Supportive Living Facilities, there will be a one-time fee of \$35 per unit for managing and processing expenses paid on behalf of Class Members.

Richard Monocchio explained some background regarding the *Colbert* Consent Decree Program. HACC is the fiscal agent with the State of Illinois. The HACC has helped to house nearly 1,000 people from nursing homes and now they are living independently and have earned additional revenue of \$3.4 million in administrative fees since 2013.

Richard Monocchio noted his appreciation of Karl Becker and Sheryl Seiling for doing a great job with the *Colbert* Program.

Commissioner Polly Kuehl asked whether the administrative fee of \$35 is a one-time fee.

Director of Rent Assistance, Sheryl Seiling, explained that the *Colbert* Consent Decree Program's Administrative fees are similar to the fees in the HCV Program. The HACC receives the administrative fees for *Colbert* Program clients who are under a HAP contract on the last day of the month. *Colbert* Program fees have been based on the HUD's administrative fee for the HCV program. Commissioner Kuehl asked about *Colbert* clients moving into Low Income Public Housing (LIPH). Sheryl Seiling responded no *Colbert* clients will move into any LIPH property. They must find a unit to live independently.

Chair Paul Roldan asked whether the *Colbert* clients are capable of living on their own independently. Sheryl Seiling responded that they are. Commissioner Nilda Soler asked whether the all states were sued in the litigation. Sheryl Seiling responded that only those states that were alleged to have administered the program inefficiently were named as defendants. Sheryl Seiling explained further that the HACC still has approximately 250 people in the *Colbert* program to house by the end of the year. *Colbert* clients were transitioning from the Department on Aging, which is moving out, and DHS is coming in to assist with *Colbert* Program.

Sheryl Seiling explained further that a bridge subsidy is provided by the State of Illinois to house *Colbert* Clients via the HACC.

Chair Paul Roldan asked whether the *Colbert* clients are currently working. Ms. Seiling noted that most of the *Colbert* clients are not working and are on fixed incomes.

Commissioner Vicki Reed asked whether the HACC has a policy for clients with mental health issues.

Executive Director Richard Monocchio gave an explanation of the resources for mental health for HACC residents and clients.

Sheryl Seiling noted that *Colbert* clients are assigned Case Managers through the State of Illinois to assist with resources for mental health issues.

South Region Director, Lekisha Bannister, mentioned that when residents with mental health issues put other residents at risk they may be evicted, but HACC still works to find a safe, suitable home for the resident.

Commissioner Nilda Soler asked who makes the initial assessment for client living independently.

Sheryl Seiling responded that resources such as Thresholds, Trilogy, and a few others will help client find a unit that will help with mental health needs.

Chair Paul Roldan, requested a motion to approve Resolution 2019 – HACC -12 which was moved by Commissioner Saul Klibanow and seconded by Commissioner Nilda Soler. The motion carried with all “ayes.”

FINANCIAL REPORT

Karl Becker, Chief Financial Officer, presented a financial report. He reported that the Public Housing Sector is right where it should be financially. The Housing Choice Voucher program is doing very well.

The Annual Debt Service Coverage Ratio is 2.69% for Evanston Senior Apartments, which is excellent. North Suburban Housing had a Debt Service Coverage Ratio of 1.70%, which is good.

Mr. Becker explained the finance reports year-end begins in April, so we are reporting one month of activity and based on that we are in good shape for public housing. We have \$34,875.00 of revenue over expenses as opposed to budget of \$28,971.00, a positive of almost \$6,000.00 for the month. Mr. Becker noted that in restricted funds for the HAP, there is a slight loss for the period, but that represents just one month as a result of a timing issue for the current month.

Regarding the Central Office budget, Mr. Becker noted that we have income for the period. The HACC has not received \$390,000.00 in developer fees for closing on the Vera Yates property.

Mr. Becker noted further that approximately \$23,000.00 of revenue in Management fees was not received from the four percent deals because of the delays in funding from HUD. There were delays in getting the HAP contracts approved. Part of that is because of the federal government budget shutdown, and Monica Slavin has been working diligently on this.

OTHER BUSINESS

General Counsel, Jon Duncan, introduced Phyllis Johnson as the new Paralegal for the Housing Authority of Cook County.

Richard Monocchio gave a brief summary of the homeownership event that was held in Harvey on July 2, 2019. Cook County Board President Toni Preckwinkle was in attendance.

General Counsel, Jon Duncan, discussed the conclusion of the Voluntary Compliance Agreement between the HACC and HUD which was agreed to about nine years ago. The Housing Authority agreed to greatly expand the number of units that were available for wheelchair accessibility and other Uniform Federal Accessibility Standard (UFAS) issues. The rehabilitation work under the RAD projects provided the opportunity to expand our number of accessible units as we had agreed with HUD to do. The HACC had agreed to add about 80 UFAS units, but with all the RAD conversions we were able to almost double that. Last week HUD announced that the HACC was in full compliance with our agreement and they congratulated us for going over and above the number of UFAS units contemplated by the agreement to even making more accessible units in our inventory.

Jon Duncan also discussed the extension of our contract for eviction legal services, and he introduced Attorney Patrick Hart, who was the winning Bidder of the contract for eviction cases.

Mr. Duncan gave a Power Point presentation on how attorney fees work. He noted that attorney fees are based on experience and other factors. He discussed the pros and cons of entering into flat fee arrangements in eviction cases. The biggest issue for flat fee arrangements has had to do with that the fact our cases are in diverse courtrooms around the county and in the municipal suburban districts as opposed to being at the Daley Center.

More lawyers are willing to do flat fee work at the Daley Center when they have all of their cases coming into one spot. For their case management, it's easier to do that and that's more amenable to flat fee work. Our cases, however, are in the suburbs where our witnesses, properties, and our employees are located, and that means that we going to have cases in the Skokie, Markham, Arlington Heights courthouses, etc., around the county, and that is less amenable to flat fee arrangements.

Mr. Duncan also presented a summary of our eviction cases for the past two years runs through April 2017. There were 181 eviction cases filed in which we were the plaintiff. Of those, ninety-three were resolved with the entry of orders of possession, meaning that the court found in the housing authority's favor and ordered the tenant to vacate the premises. Sixty of those cases were non-suited dismissals with agreed orders. Often in those cases the property manager, with the guidance of attorney Patrick Hart, will come to an agreement with the tenant to tender the arrearage if it is a non-payment of rent case and agree to stay in compliance with the rules of their tenancies.

Nine cases of these 181 cases were situations where the tenant moved before the lawsuit was filed. Six of the cases were agreed settlements following informal administrative hearings.

In three of those cases, judgments were entered in the tenant favor. In two cases, the tenants filed bankruptcy, which stays in the eviction proceedings. In one case, the tenant paid the rent within the fourteen day cure period allowed in the public housing program.

Jon Duncan also discussed the hiring of outside counsel and billable hours. Attorney Patrick Hart also summarized the eviction process.


Mr. Duncan also discussed ongoing legal issues regarding firearms and medical marijuana in public housing. Executive Director Richard Monocchio noted that firearms and drugs are not allowed on our properties.

ADJOURNMENT

Chair Paul Roldan requested a motion to adjourn the regular meeting of the Board, which was moved by Commissioner Nilda Soler and seconded by Commissioner Saul Klibanow. The motion carried with all "ayes."

The Regular Board Meeting was adjourned at approximately 3:30 p.m.

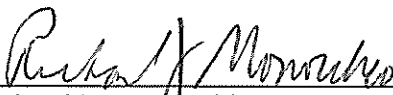
Respectfully submitted by:



Hipolito 'Paul' Roldan
Chair



DATE



Richard J. Monocchio
Executive Director



DATE