



**Peoria Housing Authority
Board of Commissioners
Regular Board Meeting**

Monday, June 22, 2015

MINUTES

OPENING: At 4:36 p.m., Chair Zika opened the meeting with the Pledge of Allegiance, a moment of silence and roll call.

ROLL CALL: Commissioners Present: Chairman Zika, Commissioners Fassino, Commissioner Cannon, Commissioner Williams, and Commissioner Brown

ATTENDING PHA STAFF: Brenda Coates, Yvonne Long, Elizabeth Lewis, Timm Krueger, Robin Redding, Thad Edmonds

COMMUNITY COMMENTS:

None

APPROVAL OF MINUTES:

Minutes of the May 18, 2015 meeting – Chair Zika asked if there were any comments, corrections, or changes to the minutes. Commenting on page 3, Chair Zika asked for an update regarding the meeting with Jerry Mitchell, Chief of Police and a loitering policy.

B. Coates stated that she has not heard anything, and she believes Jerry McKean is looking into it.

J. McKean stated that a juvenile policy has been finalized, and they are working on implementing an adult curfew.

- Chair Zika asked this item be placed on the open items list.

Chair Zika asked for an update on the cutoff date problem with the TARS also mentioned on page 3 of the minutes.

E. Lewis stated that T. Switzer did look into the issue and explains that it is still a software problem. However, they were able to do things manually but it creates extra work.

- Chair Zika asked that E. Lewis continue to look into it and give an update in our pre-financials meeting next month.

B. Coates stated that this issue was already added to the open items list.

Chair Zika asked if it was possible that our pending notice for evictions was a HUD suggestion rather than a requirement. Chair Zika was under the impression that if there was a state law or statute that described a process, you could refer to that instead of HUD.

B. Mooty stated that a 14-day notice takes precedence over the state law.

Chair Zika asked what the status was for our 2015 Goal Report.

B. Coates stated that the updates would be distributed after the close of the board meeting.

Commissioner Cannon asked if there was a follow up letter sent to the contractor's attorney mentioned on pg. 3, and if we were ok with the June timeline.

B. Mooty answered yes.

Chair Zika asked if there were any comments, corrections, or changes to the minutes. Hearing no further comments, Chair Zika asked for a motion to approve. Motion to approve moved by Commissioner Cannon, seconded by Commissioner Brown. Roll call.

Ayes: Commissioner's Fassino, Cannon, Williams, Brown and Chair Zika.

Nay: None, motion carried.

Financial Report:

Commissioner Fassino stated that performance for 2015 is running behind plan and unfortunately running behind the 2014 actuals. The primary drivers appear to be on the revenue side, rent and occupancy. Secondly, Commissioner Fassino suggests that management make changes to the variance report, only including items that are actual new information. This will help the board understand the numbers that exist.

Chair Zika added that if we look at the cash positions, this organization is approaching bankruptcy. It's not going to happen this year, but this board is responsible for this operation and we have to make things happen or we'll be bankrupt in two years.

Commissioner Cannon questioned if alternative ways of making payments was still an option.

B. Coates stated that this item was not on the open items, but listed on the goals as rent re-payment alternative options.

Chair Zika asked if there were any comments, corrections, or changes to the Financials.

Hearing no further comments, Chair Zika asked for a motion to approve. Motion to approve moved by Commissioner Fassino, seconded by Commissioner Brown. Roll call.

Ayes: Commissioner's Fassino, Cannon, Williams, Brown and Chair Zika.

Nay: None, motion carried.

Section 8 Reports:

Chair Zika congratulated R. Redding on her numbers. Chair Zika asked about VASH vouchers being at 24 in April, and wanted to know if the 31 represented the new ones. R. Redding answered yes, it does. R. Redding stated that she met with the case manager and they are pushing to get a couple of new referrals. R. Redding included that there were a couple of participants that have left the program because of being able to become more self sufficient.

➤ Commissioner Fassino suggested to R. Redding to revise the Section 8 Family Self-Sufficiency Report on pg. 55. \$ Amount of Total Income From All Escrow Accounts should be renamed to something more representative, such as current balance.

Chair Zika asked how we achieved a rate of over 100% listed on the bottom of pg. 50.

R. Redding explained that we are ahead of schedule on annual recertification's and above the HUD requirement. Zika asked if there were any comments, corrections, or changes to the Section 8 Reports. Hearing no further comments, Chair Zika asked for a motion to approve.

Motion to approve moved by Commissioner Cannon, seconded by Commissioner Fassino. Roll call.

Ayes: Commissioner's Fassino, Cannon, Williams, Brown and Chair Zika.

Nay: None, motion carried.

Asset Management:

B. Coates commented on pg. 61 under Scattered Sites, the units that are under MOD have been placed for bid with a bid opening that has been rescheduled to June 30th. On pg. 60, Harrison Amp 2, 11 units under MOD will most likely be advertised this weekend with a pre-bid meeting of June 30. On pg. 62 there are 4 units at Taft that will be advertised this weekend and pre-bid July 1. B. Coates wanted to note that this work, upon awarding the contract will not be started until the release of our Capital Fund Grant for 2015. Per the HUD engineer, it's pending remaining documents for the environmental that are coming from the city. Y. Long is following up with the HUD engineer to make sure he is obtaining the remaining documents.

B. Coates wanted to remind the board of the Sterling Towers renovation abatement work that is currently being done. It is underway; however we are still waiting on 2015 Capital Funds. These units are in MOD, and the residents will be transferred to other units to complete renovations.

Under Harrison Homes on pg. 60, 2034 Friedan that is listed under category 3, this unit has been leased. Unit 105, which is at 2612 Krause had an applicant in place, however it is delayed now because they could not get utilities in their name. A new applicant has been forwarded to the manager. Any of our properties at the Scattered Sites and also new construction are covered by the housing incentive program. This requirement means that you have to be working or in school, have a good rental history, and also have to be able to get utilities in your own name.

Pg. 61 1203 Lincoln has been leased, and 2512 Lavalley had to be used for an emergency transfer for a resident from Harrison. Under Taft, unit 92 has been leased. Unit 25 is ready, but there is another delay with the resident not having the money to move in. A new applicant has been forwarded. Under Sterling Towers, which is page 63, unit 520206 has been leased. Chair Zika asked where in the process do we find out if the applicant can get utilities in their own name. Chair Zika stated that it seems like a shame to go through the entire process and at the end find out that they aren't able to get this done.

E. Lewis stated that it is done at the eligibility process. The applicant could have had lights in their name at that time, however they were actually in someone else's name. When it came time to transfer the utilities, they found that they were unable to do it.

Commissioner Williams questioned the applicant previously mentioned not having sufficient funds to move in.

B. Coates stated that the security deposit was the issue for that particular individual. B. Coates also mentioned that our staff does take money in escrow, helping the resident be ready for when the unit does become available. The money is already there.

Chair Zika asked if our overall occupancy rate, which is 91.7 is going to be up significantly by the end of June?

B. Coates replied no, not significantly. It takes about 7 units to go up by 1%.

Chair Zika stated that there has been not much progress made since the end of May. The goal for June was 95%.

Commissioner Fassino stated that we might benefit as a board to see the asset management report numbers on pg. 57 not as a snapshot, but in a format that shows trends.

Chair Zika asked B. Coates if we are at approximately 92% and should be at 95%, what do you think about tracking for the rest of the year?

B. Coates stated that with the units that we are planning to bid out, that is going to take probably 60 days for completion.

Commissioner Fassino asked that when these units switch over to approved for MOD, won't they reduce the denominator?

B. Coates stated that when the units are offline, they are not approved by HUD until we have a contract in place. We are bringing in three temporary maintenance employees for approximately three weeks to work at Harrison.

Chair Zika asked what the total number MOD units were.

B. Coates answered approximately 31.

Chair Zika stated that if seven units equal about one point, that's four points.

B. Coates explained that's also taking into consideration that we don't have ongoing move outs. Commissioner Fassino questioned pg. 58 on what was being communicated in the last two paragraphs.

B. Coates explained that we have several positions that are vacant in the Asset Mgmt. department. We are currently down an Assistant Manager for Harrison, and also a Manager for Scattered Sites, and unfortunately we have at least one possibly two out on leave. As a result, we are falling behind in completing annual recertification's and interims, which means lost income and more TARs.

Commissioner Williams asked if there has been any contact with temp agencies.

B. Coates stated that we have been working with the temp agencies; however had trouble finding candidates with adequate experience. We are also looking into a former employee that has offered to help.

B. Coates replied that we do get quite a large number of "decrease in income" in the interims.

Chair Zika asked what happens if it is an increase in rent? Are we able to apply that retroactively?

B. Coates explained that's where you see a lot of the retroactive rent. It is either a repayment agreement, they move out, or we are still trying to collect rent.

Chair Zika stated that he had a question relative to TARs. The overall rate actually did go down from 5.6 to 3.9 which is a pretty big increase. Do we know if some of that was from repayment agreements?

B. Coates replied no.

Chair Zika stated that from April 30 which was 5.6 to May 31, which is 3.9, that is a 1.5 improve. Is there something odd about that, or is it just very good?

B. Coates answered that apparently there is a problem with that. Legal counsel, who had mentioned that sometime before the end of May, there were no pending rent evictions. Upon E. Lewis looking into that, a software problem for creating the court list on the 14 day notices was found. So, in actuality the numbers are higher. We have resident receivables from May that have not gone to legal counsel.

Chair Zika asked how this affects the AR balance.

- B. Coates was unclear as to why the number was so low, and advised that it will be reviewed by Finance and revised for next month's board meeting

Chair Zika stated that it is the lowest that it has been in a long time.

Commissioner Fassino commented that back in October it was discussed to develop a plan to improve unit turnaround and how it should be sustained. The report we are looking at shows the units that are going off line and into Modernization. This will help our numbers, but it does not help our revenue. This needs to improve, and the board is still eagerly waiting to get that plan.

Chair Zika commented on pg. 60 on the very lower left hand corner which states average monthly rent 132. This is what the tenant pays us. This is lost revenue from the tenant. It does not include the HUD amount, which would probably be another \$300 or more on top of that. So, were not losing \$132 per unit, we're losing more like \$450-500 each month.

Chair Zika stated that it is nice to get the number we report to HUD to improve, but what is really important is increasing our bottom line. Taking units off line does not help that at all.

On pg. 66 Chair Zika commented on the number of participants added to the FSS programs, and how pleased he is to see the increase.

Chair Zika asked if there were any comments, corrections, or changes to the Asset Management Reports. Hearing no further comments, Chair Zika asked for a motion to approve the Asset Management reports. Motion to approve moved by Commissioner Fassino, seconded by Commissioner Williams. Roll call.

Ayes: Commissioner's Fassino, Cannon, Williams, Brown and Chair Zika.

Nay: None, motion carried

Operations Report:

B. Coates stated that the 10-12 page eLOCCS report has been removed and replaced with a summary report on pg. 71.

Chair Zika stated that he had a question on pg. 70 regarding the first item Architectural Services. Is this a new item?

Y. Long stated that this is a contract with Farnsworth Group and it shows what has been assigned. It does not show the percentage.

Commissioner Cannon questioned pg. 68, Taft window screen replacement.

B. Coates stated that we are going to take that item up under litigation during executive session.

Chair Zika questioned on pg. 71, PHA number 850 which has a June 11 deadline. Was this deadline accomplished?

Y. Long stated yes.

Commissioner Fassino also questioned the June 11 obligation deadline date.

Y. Long answered that this means 90% of the award had to be in contract by that date.

Chair Zika asked if there were any comments, corrections, or changes to the Operations Report. Hearing no further comments, Chair Zika asked for a motion to approve the Operations reports. Motion to approve moved by Commissioner Cannon, seconded by Commissioner Brown. Roll call.

Ayes: Commissioner's Fassino, Cannon, Williams, Brown and Chair Zika.

Nay: None, motion carried

RESOLUTIONS:

#AR062215-01 – Approval to post for a 30-day comment period a revision to the section 8 Administrative Plan Chapter 4-III. C selection method to include a residency preference.

B. Coates stated that this item came up for discussion several months ago, and after R. Redding's review, we are making a recommendation to post for a 30 day comment period. The language on page 77 would be added to the Administrative Plan.

B. Coates asked R. Redding, the Section 8 Director if she had any comments on the impact of this preference.

R. Redding stated that we are going to service our local residents first.

Chair Zika commented that he was surprised that there was no minimum length of time required, and questioned how you establish a person has local residency.

R. Redding stated the applicant would need to verify by identification. For example, a driver license, current bill, or a previous lease could be used. R. Redding stated that it's understood that some people will find ways to play the system, however she believes that the regulations do require at the time of application, they must prove they are a resident.

Chair Zika questioned having a one month minimum. Without a waiting period, we really aren't accomplishing anything.

Chair Zika commented that there has been some criticism about people coming to the area and getting in while locals are still waiting.

Commissioner Cannon commented that this is why he is in favor of this resolution.

Chair Zika stated that the positive way to look at this is we are serving our local population, and the not so positive is that we are also trying to keep people out.

Chair Zika asked if Redding was aware of other housing authorities using a waiting period.

➤ R. Redding stated she was unsure, but she would certainly look into it.

Commissioner Fassino recommended that the board go ahead and approve this resolution. If during the 30 day comment period, we do find that it is necessary to have a waiting period, it can be brought up again next month for revision.

Chair Zika asked for any additional information related to the resolution being submitted.

Hearing none, Chair Zika called for a motion to approve resolution #AR062215-01 – Approval to post for a 30-day comment period a revision to the Section 8 Administrative Plan Chapter 4-III.

C selection method to include a residency preference. Motion to approve moved by

Commissioner Fassino, seconded by Commissioner Brown. Roll call:

Ayes: Commissioner's Fassino, Cannon, Williams, Brown and Chair Zika.

Nay: None, motion carried

#AR062215-02 – Authorization to exceed 10% of the total dollar amount of the original contract for the purchase and installation of fire and domestic water pumps at Sterling Towers East

Chair Zika commented that he does not think it should be stated in the resolution that we are doing something in accordance with directions from the legal counsel. We should be making resolutions because it's the right thing to do.

Chair Zika suggested that the verbiage be rewritten to say the Administration has prepared a contract modification for work that was necessary to place the fire pump back in service after the casualty loss.

Chair Zika asked for any additional information related to the resolution being submitted.

Hearing none, Chair Zika called for a motion to approve resolution #AR062215-02 –

Authorization to exceed 10% of the total dollar amount of the original contract for the purchase and installation of fire and domestic water pumps at Sterling Towers East as written with the exception of the phrase in accordance with direction from PHA legal counsel, which should be struck. Motion to approve moved by Commissioner Cannon, seconded by Commissioner

Fassino. Roll call:

Ayes: Commissioner's Fassino, Cannon, Williams, Brown and Chair Zika.

Nay: None, motion carried

#AR062215-03 – Demolition and disposition of 2120 North Peoria

B. Coates stated that the commissioners should have received a letter from legal counsel regarding this property, as a result of a hearing that took place June 16, 2015.

B. Coates commented that the actual resolution does not include an estimated cost.

Y. Long commented that it was estimated not to exceed \$10, 000.

Chair Zika asked that this be inserted in the resolution and asked if there were any specific plans for the property after demolition.

B. Coates stated that there was conversation about selling the lot.

Chair Zika stated that there is no sense in sitting on it, and if we know we are not going to use it, put it up for sale.

Commissioner Fassino also suggested that instead of using the word approximately, replace with not to exceed 12K.

Chair Zika called for a motion to approve. Motion to approve moved by Commissioner Fassino seconded by Commissioner Cannon. Roll call:

Ayes: Commissioner's Fassino, Cannon, Williams, Brown and Chair Zika.

Nay: None, motion carried

OLD BUSINESS:

Taft Redevelopment Update

B. Coates stated that we plan to come back in July, which we stated in the Working Policy Session, with the analysis on the scenarios. The kick off call for the RAD is scheduled for Monday, so we expect to have a little more information for the July board meeting.

Commissioner Fassino commented that he was not in attendance of the Working Policy Session, and asked if our status with HUD from our PHAS scores affect RAD.

B. Coates stated that she was unsure; however we have a new team leader for PHARS (Public Housing Agency Recovery and Sustainability) Kevin Laviano, who is scheduled to be here tentatively for the entire week of July 6. We should know more after the visit.

Chair Zika stated that he will be here on the 6th but gone for the rest of the week.

OPEN ITEMS LIST

Chair Zika stated that he did not have anything specific that he wanted to bring up on this, but wondered if there were any conversation/comments by the board.

B. Coates explained that we updated the list with comments to update the status for some of the items.

Commissioner Fassino stated that on the third page of the report, it indicates the vacant unit turnaround plan due date for today.

B. Coates stated that the only partial plan that has been approved at this time is what I already mentioned earlier in the meeting.

Chair Zika asked if we could expect to get the rest of the plan in July.

B. Coates replied certainly.

NEW BUSINESS:

Security Update

Signs have been posted at Taft, and a juvenile curfew has been put into effect. The adult curfew is still in progress, and there have been security cameras installed.

Commissioner Cannon commented on the parking problem on Wayne.

J. McKean stated that Parking Enforcement has been contacted, and tickets have been issued.

Chair Zika asked if there was any way to spotlight the owners of the vehicles who were repeat offenders.

J. McKean stated that they do use the boot program.

Chair Zika asked if it would help if the board made phone calls.

- Commissioner Cannon requested that the contact information for Code Enforcement be emailed to the board.

Chair Zika asked Officer McKean about the plans for the 4th of July.

J. McKean stated that it will be the same as the last two years. He will be working the gate, which has proven to be quite successful.

B. Coates stated that the letters informing the residents of the security guidelines will be going out tomorrow.

FY2014 PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)

B. Coates stated that upon discussions with the finance committee, if there is approval for transferring excess cash, PHA could gain another possible 2 points on the financials.

Chair Zika stated that we should certainly look at that when we get the results, however I don't think we should move the cash just to get a better score.

Commissioner Fassino asked if receiving these scores was cause to update our corrective action plan.

B. Coates replied yes. Technically we are under the recovery center; our direction will now come from the Chicago HUD office and the PHARS team.

Chair Zika asked what report they will be focusing on when they visit in July.

B. Coates stated that this has been driven by the 2012 score, which wasn't released until 2014. While there has been some progress made, the recovery team is also interested in sustainability.

Chair Zika commented, unfortunately the management score has gone down every year for the past 5 years.

Chair Zika stated he had a question on page 88 regarding the individual scores. He asked why RiverWest Amp 8 and RiverWest Home Ownership scored below 30.

E. Lewis stated that RiverWest failed due to every window being defective, and the remedy is to replace all of them.

E. Lewis stated that Amp 8 has ground (cement) issues as well.

Chair Zika stated that the reality is, we failed again.

B. Coates stated for the record, the designation of failing would be "troubled". It is a substandard designation, which means there were indicators financial and management where we did not score at least 60% of the possible points.

Chair Zika stated that the designation of substandard is not anything any of us are proud of.

B. Coates agreed, however our staff worked very hard to go from 23 to 34 points on the physical indicator. I don't want the message to them to be that they failed. Every employee knew how important it was to pass the physical, because we scored a 23 two years in a row.

CHIEF EXECUTIVE OFFICER'S REPORT

B. Coates stated that there is a status update to share regarding the Taft homes city code violation and litigation.

BOARD COMMENTS:

Commissioner Cannon handed out sample pamphlets of what he would like to give to residents coming to apply for housing, and T. Krueger, Community Relations Manager was asked to review.

Commissioner Cannon stated that he went to the website to look at the FAQ board, and brought ideas from that into his sample.

Cannon suggested that this was something we could do to better inform the residents.

EXECUTIVE SESSION:

Chair Zika called for a motion to move into Executive Session for the purpose of Personnel issues. Chair Zika called for a motion to approve. Motion to approve moved by Commissioner Fassino seconded by Commissioner Williams. Roll call:

Ayes: Commissioner's Fassino, Cannon, Williams, Brown and Chair Zika.
Nay: None, motion carried

ADJOURNMENT of the REGULAR BOARD MEETING

Meeting adjourned at 6:13 p.m.

Respectfully Submitted by:

A handwritten signature in cursive script that reads "Aurthur Perkins".

Aurthur Perkins
Board Secretary

/nk