



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

Monday, August 24, 2015

MINUTES

OPENING: At 4:35 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, Commissioner Fassino, and Commissioner Robinson
Late Arrivals: Commissioner Brown

ATTENDING PHA STAFF: Brenda Coates, Bret Stone, Robin Redding, Yvonne Long, Thad Edmonds, Elizabeth Tolliver, Timm Krueger, and Nicole Krol

COMMUNITY COMMENTS: None

APPROVAL OF THE JULY 27, 2015 REGULAR BOARD MEETING MINUTES:

On page 2 of the July 27 minutes, there was question about dates listed on page 83 regarding collection losses that should have been pulled during the 1st quarter. B. Coates was to confirm with T. Edmonds, Finance Director. Chairman Zika asked T. Edmonds for an update and he replied that he was unaware and that he would certainly check into it.

Chair Zika asked if there were any comments, corrections, or changes to the minutes of the Regular BOC meeting held on July 27, 2015.

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, Robinson, Brown and Chair Zika.

Nay: None, motion carried.

FINANCIAL REPORTS:

Chair Zika asked if there were any comments, corrections, or changes to the Financial Reports. Commissioner Fassino mentioned the financial committee meeting which took place prior to the Regular Board meeting. The meeting lasted a little over an hour and consisted of reviewing 20 or 30 questions regarding the financial statements. Commissioner Fassino stated there were a number of recommendations made. Commissioner

Fassino felt the meeting was positive and productive and wanted to show appreciation for the responsiveness of management. Chair Zika also thanked T. Edmonds for his efforts.

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

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

Nay: None, motion carried.

SECTION 8 REPORTS:

Chair Zika stated that he would like to comment on the upward progress being made each month and asked R. Redding, Section 8 Director what she sees for the future regarding adding landlords. R. Redding explained that PHA was acquiring quite a few new landlords but this has since tapered off a bit. She believes the landlord meetings need to be held every other month instead of monthly. With the meetings being held monthly, the participation was low.

Commissioner Fassino asked R. Redding to explain the last statement on page 49 regarding the Section 8 reporting rate. R. Redding explained this is the PIC reporting rate which is the Public Housing Information Center. This number reflects recertification submissions. 95% and above must be achieved to qualify and currently PHA is at 99%. Commissioner Fassino commented on the annual average goal of 1560 for units being leased and noted Section 8 was above the requirements to keep this average. R. Redding stated S. Dipietro from HUD advised Section 8 to continue leasing. Chair Zika asked if there was any reason not to continue. Both R. Redding and B. Coates explained that it was based on available funding. R. Redding and T. Edmonds will work together on HUD's two year projection tool, which projects funds available for leasing to the maximum in September. R. Redding stated S. Dipietro indicated that Section 8 was on the right track, and they would like to see 100 vouchers issued a month. As of now, we are doing well to meet 50 per month. Chair Zika stated as long as PHA can afford it, it pays dividend fees later in administrative fees.

J. Fassino mentioned Patricia Sturdivant on page 55, and how he did not recall anything being covered by the news media. The story of Patricia achieving her accomplishments with the assistance of the PHA will help enforce the idea of PHA not being just a landlord, and he would like the news media to pick up on this with the assistance of PHA making it available to them.

Chair 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 Brown, seconded by Robinson. Roll call.

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

Nay: None, motion carried.

ASSET MANAGEMENT REPORTS:

B. Coates stated the PHA will be making a request to HUD to utilize a program called Forced Account Labor, allowing the PHA to bring in temporary workers funded through Capital Funds. Because PHA has awarded contracts in the past to non-union contractors, it has not gone over very well with local union trades resulting in low to no bidding for PHA MOD work. Commissioner Brown asked if there were many bids in the past awarded to non-union contractors. B. Coates stated she thought perhaps two or three, but in this union environment, one is too many. Also, there were two bids that came in extremely over the cost estimate.

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. Motion to approve moved by Commissioner Robinson, seconded by Brown. Roll call.

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

Nay: None, motion carried.

OPERATION REPORTS:

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

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

Nay: None, motion carried.

RESOLUTION #AR082415-01 APPROVAL TO AMEND THE SECTION 8 ADMINISTRATIVE PLAN, CHAPTER 4-III C, SELECTION METHOD TO INCLUDE A RESIDENCY PREFERENCE

Chair Zika asked when the local residency was established. R. Redding answered the preference status is established when they apply. Chair Zika asked what happens if the individual is a student. R. Redding stated whatever preference claimed at application, providing the individual has documentation proving residency allows them to qualify for such preference. Commissioner Robinson asked what percentage of individuals who apply today prior to this going into effect were not local residents. R. Redding was not able to give an actual number, however she will investigate when the new system is up and running and provide the information at a later date.

B. Coates stated in the first paragraph in the resolution, the word amended will be changed to amend.

Chair Zika asked for a motion to approve RESOLUTION #AR082415-01 APPROVAL TO AMEND THE SECTION 8 ADMINISTRATIVE PLAN, CHAPTER 4-III C, SELECTION METHOD TO INCLUDE A RESIDENCY PREFERENCE.

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

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

Nay: None, motion carried.

RESOLUTION #AR082415-02 TO POST THE FY2015-2019 5 YEAR AND FY2016 ANNUAL AGENCY PLAN FOR A 45-DAY COMMENT PERIOD

B. Coates stated this is an annual exercise PHA is required to submit to HUD. This document is basically a template or guide to outline any plans or changes taking place in the future. At this point in time, with Board approval we are planning to post this plan for a 45 day comment period, however we have not yet received HUD approval for the 2015 plan. The 2015 plan was submitted last October in accordance with the due date, and there has been follow up with the HUD representative. Approval of the plan was expected in August, but HUD is currently short on reviewers, and it could possibly be pushed to September.

B. Coates gave a brief review of the highlights in the current PHA plan up for Board approval.

- Pg. 15 - the local residency preference was added
- Pg. 21 – regarding smoke free housing, the last sentence in the paragraph will be revised to say “a policy could be revisited in 2016.” Chair Zika asked if it would be possible to slowly phase this policy in now. B. Coates answered it would be extremely difficult to monitor. Commissioner Robinson asked about the connection between smoke-free housing and the PHA’s current occupancy levels. B. Coates explained we can’t risk residents moving out because they smoke, and additional administrative time to monitor is not available as well. Commissioner Robinson asked about our current waiting list. B. Coates stated we do have a waiting list; however any move out means another unit to renovate. Commissioner Robinson stated she was swayed by the cost of renovating a unit after being occupied by a smoker. B. Coates stated this was the reason for revising the plan to say this could be revisited in 2016, should PHA want to move forward with a smoke-free policy. Chair Zika commented on the second paragraph on pg. 21, which states there are limits on actions the PHA can take regarding its employees and smoking during times while they are not on the job at PHA. Chair Zika questioned if this paragraph need to be included. B. Mooty, PHA Legal Counsel confirmed this entire sentence could be removed and it would not impact the PHA plan. It was recommended by Chair Zika this sentence be removed.
- Pg. 24 – PHA policy community services and Self Sufficiency Programs. Chair Zika asked if we currently allow volunteer work from residents utilizing their community service hours. B. Coates stated the only opportunity she was aware residents being involved in were litter removal. Chair Zika asked if we should expand the work and give residents the opportunity to earn service hours by helping the PHA. Y. Long stated we have had other opportunities with residents picking up litter, cleaning community space, and helping out with the summer food program, which did go toward their community service hours; however some Asset Managers are more aggressive than others about using it to benefit the property. Chair Zika asked Elizabeth Tolliver, interim Asset Management Director if she was aware of other housing authorities using resident service hours on-site. E. Tolliver explained that the housing authority she previously came from utilized free help quite often. The residents were from the FSS and ROSS programs which screened their abilities and make it easier for the housing authority to place them accordingly. The only restrictions for outside work were the residents not being able to use power tools. Chair Zika suggested the PHA look further into this option.
- Pg. 30 item 10 Civil Rights Certification, B. Coates identified a reference that PHA will comply with the HUD Final Rule that was published on Affirmatively Furthering Fair Housing.
- Pg. 31 PHA intends to renovate 3 turnkey homeownership units and convert to public housing. B. Coates stated in the past PHA had approximately 30 turnkey homes which were sold. There are 3 remaining, and the PHA would like permission to renovate and convert to public housing for either sale or rental.
- Pg. 30, the street name Mollusk needs to be changed to Molleck.
- Pg. 35 Chair Zika requested the sentence “PHA would work with its non-profit entity and the co-developer to create a viable mixed, finance option for Phase I that can include RAD should the cap be lifted” be removed.
- Pg. 36 Section B Demolition and Disposition applies to the properties previously discussed. Development applies to the Rental Assistance Demonstration (RAD) award for the 80 units at Taft. During the RAD conference call, PHA was reminded to include a checklist which ensures various pieces regarding RAD are in this document. Once the 2015 plan has been approved, there will be a significant amendment to add the RAD award to the plan.
- Pg. 38 Project Based Vouchers references 8 vouchers the PHA has committed to for persons with disabilities in partnership with the Access Peoria project that is occurring on the East Bluff.

- Pg. 41 LISC Americorps has been added as a new section. The board was made aware of the work being done by LISC Americorps members.

B. Coates stated the remaining attachment is the City of Peoria's consolidated plan, followed by an update on the PHA goals progress which the Board had previously received. Also, on the actual resolution memo, under the present situation, we will be deleting "HUD regulation Final Rule (24 CFR Par 903) published in the Federal Register on 10/21/99, and Non- Qualified PHAs." If approved by the Board, the plan will be posted for comment beginning tomorrow through October 8, 2015. All of the resident meetings were held this week enabling the PHA to obtain feedback prior to asking the board for approval. There will be a special meeting scheduled for the second week in October for approval of the plan in order to submit by the October 17th due date. Commissioner Fassino suggested making the plan available for viewing at all of the public library branches.

Chair Zika asked for a motion to approve RESOLUTION #AR082415-02 TO POST THE FY2015-2019 5 YEAR AND FY2016 ANNUAL AGENCY PLAN FOR A 45-DAY COMMENT PERIOD.

Motion to approve moved by Commissioner Robinson, seconded by Brown. Roll call.

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

Nay: None, motion carried.

RESOLUTION #AR082415-03 REQUEST FOR AUTHORIZATION FROM THE BOARD TO REVISE NEXT STEPS FOR THE REDEVELOPMENT OF TAFT HOMES (IL003000004)

B. Coates stated in September 2013, the Board passed the resolution regarding next steps. PHA has received the Rental Assistance Demonstration (RAD) award and approximately 3 million dollars in replacement funds that must be obligated on or before October 2016. Initially, the plan was to redevelop four to six development sites around the community. With no support from the city or community for moving public housing into other neighborhoods, PHA is asking to look at other alternatives which include vacant land at Taft and Harrison homes and acquisition of existing property.

Y. Long mentioned a conversation from a previous Board meeting regarding all options on the table to do what we had to do to protect that second increment fund that was accumulated from 2010 to 2014. Y. Long presented 4 concept options which were distributed in a hand-out to the Board members.

Y. Long stated her understanding from RAD is that it is a streamline process with a goal to do whatever possible to complete the project. Y. Long mentioned the RAD notice issued by HUD being rather lengthy. To assist the Board she identified the most critical assumptions as they relate to planning and how it impacts PHA.

Various options were also identified on the hand-out. One option already mentioned by B. Coates would be to develop on vacant land at Harrison Homes. There is already a planned unit development (PUD) in place which consists of multi-family and single family home designs.

Y. Long explained, there are enough RAD awards in the state of Illinois that the Illinois Housing Development Authority would take years to be able to fund all of them, and none of us get years to put our deals together. The PHA has 180 days from the date of the RAD kick-off call, which takes us to the end of December to get our financing plan and various other documents submitted in order to keep RAD. PHA has been encouraged to try to make a 4% tax credit application work first and if necessary a 9% would be the alternative.

PHA does have a targeted soft and hard cost of 175-200K. Regardless, there are numerous soft costs that cannot be eliminated, such as requirements for environmental reviews.

Y. Long stated that there have been phone calls regarding existing multi-family acquisition rehabilitations and a target range of 90k-140k a unit to include both hard and soft costs was established. In an acquisition case, the 4% tax credit application would be available. However, if an existing property is not owned by the

property owner for more than 10 years, PHA will not receive an acquisition credit, resulting in fewer units and more replacement housing funds being used to pay for the acquisition costs.

Single Family acquisition and rehabilitation which consists of acquiring single family homes within a certain mile radius in order to help facilitate the operation costs and de-concentrate poverty. These properties are already zoned and vacant reducing the number of vacancies in the neighborhood and no added relocation expenses.

Rebuilding on Taft would also assume a low-income housing tax credit application. Y. Long noted a Supportive Services Requirement which states if more than 50% of the RAD units are in one location, Supportive Services must be offered to the tenants.

Chair Zika questioned why there were only 35-55 units listed for new development under Taft Homes and wanted to know if the number could be raised to 60 or above. Y. Long stated the target range was based on having a combination of options and what PHA could possibly cover if a 9% tax credit application is not achieved. Without the 9% we will get less units. Chair Zika stated if we are building new, unless we get the 9%, which is a highly competitive situation, we will not be able to build all 80.

Y. Long stated PHA must have a source of equity to substantially rehabilitate an existing project or to build new units.

B. Coates added the majority of residents of Taft want to stay where they are, which leads her to believe redeveloping on the vacant land at Taft would be the best option. If the City Council can approve River Trail apartments, and give no consideration for affordable housing, it would put the city in an awkward position to hinder PHA from redeveloping on its own land.

Y. Long stated the current zoning at Taft would allow the target range of numbers we are talking about in a little over an acre.

Y. Long explained the last option would be to surrender the RAD CHAP award and utilize Replacement Housing Factor (RHF) Funds with a private leveraging source of approximately 1.2 million.

Chair Zika asked if PHA would have to find private leveraging even if we use RAD. Y. Long replied yes, because we do have second increment funds that would go into the deal.

Chair Fassino stated the Taft property has a higher value, and the desire was to re-deploy the value of the property to help create other opportunities. Commissioner Fassino questioned if 40-50 new units are built, what kind of effect it will have on the remaining property. Commissioner Fassino also mentioned the need to de-concentrate and the possible benefits which could be achieved, and for this reason he prefers the multi-family acquisition.

B. Coates stated she envisioned part of the units remaining in the first district and other smaller developments out in the community. There is some value in making sure there is affordable housing near downtown. As these other developments come along, B. Coates stated she did not see any support from the city or the community to ensure affordable housing in the downtown/warehouse district.

Y. Long stated PHA is still working with the Model Group who believes it would be more manageable to do a new construction deal, but also easier to accomplish with the restricted time limit. PHA is continuing to try to be supportive of a community engagement process which addresses the need for affordable housing for the entire community. Until a greater level of support is achieved, there is little confidence in acquisition of raw land with the required zoning changes.

Chair Fassino asked if the Model Group benefits more financially from one of these alternatives than the other. Y. Long replied the developer fee is higher on a larger project, however they seem to be supportive in whatever direction the PHA decides to move forward with. It's all about finding a deal that will actually work and get through in time to keep RAD and the second increment funds.

A. Brown asked if Y. Long had a sense of which option would be most likely to pass through city council.

Y. Long believes Harrison homes would be the easiest because the planned unit development (PUD) is already in place, and there is plenty of vacant land to move forward.

Chair Zika stated the resolution is allowing the Board to look at all options being presented, but the Board should be aware of what is being evaluated and there is little time left to make a decision. Chair Zika asked for a motion to approve RESOLUTION #AR082415-03 REQUEST FOR AUTHORIZATION FROM THE BOARD TO REVISE NEXT STEPS FOR THE REDEVELOPMENT OF TAFT HOMES (IL003000004) Motion to approve moved by Commissioner Robinson, seconded by Fassino. Roll call.

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

Nay: None, motion carried.

OLD BUSINESS: NONE

NEW BUSINESS: NONE

CEO REPORT:

B. Coates noted the validation process is underway this week for the software conversion. T. Edmonds commented he was hoping to have validation completed by Thursday and possibly going live by Friday.

BOARD COMMENTS:

Chair Zika welcomed Commissioner Robinson back to the Board. Commissioner Robinson is a member of the CEO search committee. Anne Fox, the retired Executive Director of our local Red Cross has also joined the committee. Commissioner Fassino mentioned a request for proposal (RFP) was sent out with a deadline of last Monday. Four firms have responded, and the committee will meet tomorrow to begin the process of reviewing.

Chair Zika mentioned Commissioner Robinson agreeing to become the Chair of the Personnel Committee. Commissioner Brown also agreed to become the Chair of the Resident Safety Committee.

Chair Zika has had conversation with the Chairs from all three Board Committees, Finance, Personnel, and Resident Safety to come up with new charters for their committees.

EXECUTIVE SESSION:

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

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

Nay: None, motion carried.

ADJOURNMENT of the REGULAR BOARD MEETING

Meeting adjourned at 6:10 p.m.

Respectfully Submitted by:

A handwritten signature in cursive script that reads "Aurthur Perkins". The signature is written in black ink and is positioned above the printed name and title.

Aurthur Perkins
Board Secretary

/nk