



**Peoria Housing Authority
Board of Commissioners
Taft Homes Working Policy Session**

**Tuesday, July 9, 2013
1:00 p.m.**

Minutes

ROLL CALL: Chair Zika requested roll call with the following Commissioners present: Commissioner McQuirter, Perkins and Chair Zika.

COMMISSIONERS ABSENT: Commissioner Cannon, Commissioner Krueger and Commissioner Williams.

WELCOME: Mrs. Brenda Coates, Chief Executive Officer (CEO), welcomed everyone to the Taft Homes Working Policy Session. Mrs. Coates stated the Community Update meeting was held last night at the Gateway Building, in which Mary Paumen, the TDA Consultant was introduced who explained the process. She stated individuals from the community spoke and felt this was a great start to the process. Next Community Update meeting is August 19, 2013 at 5:00 p.m. at the Gateway Building. Mrs. Coates then asked individuals present to introduce themselves for those who did not have an opportunity to meet and greet earlier. Representatives present were Mrs. Brenda Coates, PHA CEO, Aurthur Perkins, PHA Commissioner, Ken Zika, PHA Board Chair, Robert McQuirter, PHA Commissioner, Sherneka Cagle, PHA Community Relations Manager, Denise Moore, City of Peoria, 1st District Councilmember, Mary Chapai, Taft Homes resident, Mary Paumen, TDA Consultant, Ainars Rodins, HUD Special Applications Director, Jenn Kriehner, HUD Debt Restructuring Specialist, Antonio Riley, HUD Regional Administrator for Region V Midwest, Steve Meiss, Director, Chicago HUD Office of Public Housing, Carol Merna, Congressman Aaron Schock's Peoria Office, District Chief of Staff, Ray Willis, HUD Community & Development Director, Brandon Holmes, Executive Director of Greater Peoria's LISC office, Anika Foster, Program VP of Midwestern and Pennsylvania National LISC office, Yvonne Long, PHA Modernization and Development Director, Laura Boone, Asset Manager, Taft Homes, Elizabeth Lewis, Director of Asset Management, Chris Setti, City of Peoria Assistant City and Project Manager, Jim Ardis, City of Peoria Mayor, WMBD Radio Station and a Taft intern.

Chair Zika also welcomed everyone present, which included a wide representation of a number of local city officials, councilmember, state, and regional HUD representatives. Chair Zika expressed his appreciation on behalf of the PHA Board for their attendance and interest in this exciting opportunity to redevelop the Taft area, find new affordable housing for the residents, improve Peoria, improve PHA as we embark upon this once in a lifetime endeavor. Chair Zika expressed his desire to make this an open-transparent process and a win-win for the residents, PHA and the community.

OPENING COMMENTS: Mayor Jim Ardis on behalf of the City of Peoria and City Council, expressed his appreciation for the opportunity for the City to participate in this project and for Chair Zika's Board leadership, Mrs. Coates' and the PHA team in moving this project forward.

Mayor Ardis publicly acknowledged Congressman Aaron Schock's office for working closely with the City of Peoria for a number of years discussing opportunities to make this conversion into something new and exciting for the City of Peoria.

Ms. Carol Merna, Congressman Aaron Schock's office, District Chief of Staff – On behalf of Congressman Schock, Ms. Merna thanked PHA Board, PHA staff and HUD officials for their efforts and willingness to pursue this endeavor in the best interests and seek the best case scenario of Taft residents and the community. Ms. Merna further commented on behalf of Congressman Schock, his office is appreciative of being a part of this "improved quality of life mission" for Taft residents. This is a high priority for Congressman Schock and will be attending future meetings as his schedule allows.

HUD PRESENTATIONS:

Antonio Riley, HUD Regional Administrator for Region V Midwest – Mr. Riley stated on behalf of President Obama and Secretary Donovan he is happy to be present. Mr. Riley further stated there are local driven processes and federal processes that are in place not to hinder, but enhance the decision making process of the local agencies and partnering groups.

Steve Meiss, Director, Chicago HUD Office of Public Housing – Mr. Meiss, thanked Mrs. Coates, Chief Executive Officer, for inviting all the HUD officials to the meeting. Mr. Meiss stated to have HUD's Regional Administrator attend this type of meeting shows HUD's commitment to the project and Mrs. Coates skills and ability to bring together the top decision makers together for this type of project. Mr. Meiss stated the HUD officials were present to listen and understand what it is PHA wants to do and see how HUD can fit in and make it work and move along smoothly.

Ray Willis, HUD Community, & Development Director – Mr. Willis stated his division provides federal grant funds for community development projects. Community Development Block Grant (CDBG) comes in at approximately \$1.6 million dollars and adding another \$500,000 Affordable Housing under the Home Program together total approximately \$2.2 million annual allocation. The community gets funds based on their formula basis that Congress approves according to the Appropriations Act. Detailed discussion ensued regarding use and investment of block grant use of Public Housing funds and demolition. Mr. Willis also discussed their ability to assist the Community of East St. Louis, Missouri, with similar funding needs as Peoria Housing. Funds are also available for programs involving the Homeless and the Aids community. Mr. Willis then discussed their 108 Program, which allows communities to leverage and access up to five times (5x) additional resources based on their CDBG. Section 108 can be used for housing, economic development, infrastructure development and other job-producing activities. It is not a grant program so the money must be paid back. Ideally, the community would want to place this money in job-producing activities to create an income stream to assist in the repayment of the funds. Funds may also be used for a public facilities program or for affordable housing, by way of rental or homeownership. Detailed discussion ensued. Mr. Willis ended his comments by saying, his office stands willing and ready to work with PHA, the City of Peoria and all the community leaders and partners involved.

Ainars Rodins, HUD Special Applications Director – Mr. Rodins discussed the project from a redevelopment aspect with options being either, demolition, selling or leasing the units. His office approved through special applications, the removal of over 200,000 public housing units

nationwide. Housing Authorities have actually removed over 180,000 units. Mr. Rodins further commented the Secretary has a new program and Congress has approved it as a demonstration program called the Rental Assistance Demonstration Program (RAD). The RAD program allows you to do a lot of what you could do under program Section 18 of the Housing Act of 1937. The RAD program is another tool to look at in conjunction with the other programs and funding available. There are pluses and minuses of both programs and in working with the consultant, PHA can decide what is best for them.

Jenn Kriehner, Debt Restructuring Specialist – Ms. Kriehner stated her job is working with the RAD program, which improves the quality of affordable housing. Ms. Kriehner stated RAD can be used alone or in conjunction with Section 18 demolition as described earlier. Discussion ensued regarding utilizing different types of assistance, which is what the RAD program does by converting your current use of funding assistance. For example, from public housing or ACC assistance to either Section 8 project based rental assistance or project based vouchers. Discussion ensued regarding a one-to-one replacement-housing factor and it needs to be substantially equivalent. It is all about improving and preserving the quality of public housing. Ms. Kriehner further commented RAD offers residents greater choice in mobility because it is offering both the option of project-based rental assistance in the form of Section 8 Housing Assistance Payment (HAP) contract or project- based vouchers. There is also the option of after one (1) year, the tenant has the option of requesting a tenant-based voucher, which they can take with them and leave the area if they choose to do so. Ms. Kriehner ended by stating her office is willing to meet with the players on an individual basis and discuss with PHA would like to do and her office can provide guidance. Their purpose today was to listen and hear what PHA would like to do.

Q: Chair Zika asked if a housing authority in the midwest has accomplished what PHA is now going through and successfully utilized the RAD program.

R: Jenn responded Greene County Missouri, south of Jacksonville, is currently in process of utilizing their program. Greene County is utilizing both new construction and demolition programs and funding.

Q: Brandon Holmes, Director of Local Initiatives Support Corporation, (LISC), asked how many units were involved in the project.

R: Ms. Kriehner responded she was not sure at this time. Discussion ensued regarding the difference between Section 18 and the RAD programs. Mr. Steve Meiss, Director Chicago HUD Office of Public Housing, stated the RAD program is brand new and gives PHA a lot of flexibility, further commenting RAD is financial tool, and Section 18 has a fair housing component. Mr. Steve Meiss, explained PHA needs to be aware of the relocation process, environmental review process, which includes Taft being possibly listed on the National Register as a fifty (50) plus year old property.

Q: Commissioner McQuirter asked what impact the sequestration has on decisions PHA has to make.

R: Mr. Ainars Rodins, HUD Special Applications Director, responded one of the advantages of applying for the RAD program is the sequester has impacted the amount of operating subsidy the housing authority gets. This year 2013, RAD is using the 2012 subsidy (higher percentage) to calculate your 2013 RAD rent calculations as opposed to the 2013 subsidy. Ms. Jenn Kriehner, Debt Restructuring Specialist, stated RAD published a revised notice that if applications were submitted by the end of the calendar year 2013, the 2012 rents would be locked in. Detailed discussion ensued regarding calculation of PHA's new operating subsidy or new project voucher.

Q: Chris Setti, City of Peoria Assistant Manager, asked how long the application process is.

R: Ms. Jenn Kriehner, Debt Restructuring Specialist, responded the application is to be submitted by December 31, 2013 in order for RAD to utilize 2012 rent levels. The time between application submission and approval is approximately 30 days. HUD staff is flexible and are willing to work with PHA to attain the goal they want.

Q: Mrs. Brenda Coates, PHA Chief Executive Officer, asked for clarification by stating the approval only locks in the 2012 rates, but is there an impact on the capital fund and operating subsidy until the whole transaction is complete and there is a HAP contract.

R: Ms. Kriehner responded that is correct.

Q: Mrs. Coates, CEO, asked is there a maximum number of months or years that the RAD application or transaction could be in process to get the locked in rate, but not complete until a final closing.

R: Ms. Kriehner, responded not that she is aware of.

Q: Chris Setti, City of Peoria Assistant Manager, asked how intense is the application process now that we know it takes approximately 30 days to get approval if application submission is on November 30, 2013. Especially, knowing other housing authorities are submitting applications at the same time in 2013 to get better rates.

R: Ms. Kriehner responded the application does require signatures and board approval, tenant meetings, letter of commitment from a private lender, previous three years (3) of annual financial and operating totals and one (1) year of projected operating expenses.

Mr. Ainars Rodins, HUD Special Applications Director explained the time frame for Section 18 Demolition. Mr. Ainars stated once an application is submitted, he will not be able to talk to the housing authority. If information is missing, that is not minor, he has to reject it, and the process would start all over again. However, they offer technical assistance. Detailed discussion ensued. Mr. Ainars explained, due to a loss in staff, his processing time has gone from 90 days to 200 days. Mr. Ainars further stated before he gets the application, Mr. Steve Meiss, has to sign off on the environmental portion of the application for demolition purposes. Detailed discussion ensued regarding physical assessments, lease agreement, use agreement, Operating Cost Adjustment Factor (OCAF); it is a factor to adjust for annual inflation.

Q: Mrs. Coates, PHA CEO, asked if the acquisition of land or complexes is subject to the 90 – 200 day process or waiting time Mr. Ainars Rodins mentioned earlier.

R: Mr. Rodins responded acquisition is Mr. Meiss' office and disposition goes through his office of special applications.

R: Mr. Steve Meiss, agreed and stated if it straight acquisition of property, it goes through his office and can be done quickly. Discussion ensued regarding ACC units and use of federal funds versus private funding or donations. If using federal funds to either build new units or subsidize units, the application must go through Mr. Steve Meiss Chicago HUD office. Mr. Steve Meiss then discussed the Chicago Housing Authority's, Cabrini site, in which a large Target store is built on part of the site. Part of the agreement and contract is that Target is to employ a certain number of residents to include management positions. This is another alternative and entrepreneurial option for PHA to consider. Mr. Steve Meiss stated the ultimate the goal is for both the PHA and the City of Peoria to have the same vision and the City's buy-in and sign off on the final decision. Mr. Antonio Riley, Regional Administrator for Region V Midwest, stated on behalf of the federal government and the Secretary, he wanted PHA to know they are here to assist in the best way they can throughout this process. Mr. Willis then discussed Section 941 Affirmative Development guidelines, in which along with the provision of affordable housing,

schools, job opportunities, transportation and other goods and services are available to the residents.

Q: Mr. Chris Setti, City of Peoria Assistant Manager, questioned if there are guidelines as to where and how in terms of location, the public housing units may be located.

R: Denise Moore, City of Peoria Councilmember, responded by stating from a comprehensive economic approach we are not only talking about the one piece of housing location, but all the other "soft issues" like day care, grocery stores, transportation, etc., that are inclusive elements that go along with the larger picture of making this deconcentration of poverty successful. Mrs. Moore ending by stating she knows what she wants to see happen in her district and wants to make sure the City move in that direction.

Mr. Ray Willis, HUD Community & Development Director, then discussed the three program areas of HUD in which there is an annual allocation of funds from Congress.

1. Community Planning and Development
2. Public and Indian Housing – deals with Section 8 and public housing
3. Multi-family – deals with higher level housing that is not public housing (this is the area of HUD programs most affected by downsizing)

SUMMARY – OVERALL PROCESS:

Ms. Mary Paumen, TDA Consultant, gave an overall summary of the process from today's meeting with HUD as follows:

- Rental Assistance Demonstration (RAD)
- Rebuilding
- Strengths of PHA
- City of Peoria strong partnership
- Financial and corporate community support (private sector and private dollars)
- What are the financial possibilities thru support and partnership with LISC
- Maintain schedule through the end of September 17th (4 more meetings)
- Meet HUD's end of December 2013 deadline and not miss other financial opportunities
- Look at how PHA can create 216 affordable housing units and look at all possibilities
- Request for proposals (RFP's) from development firms who will meet PHA's requirements

Mary Chapai, Taft Homes resident – Ms. Chapai asked Mr. Ray Willis to expand on his comment regarding issues and challenges PHA may encounter regarding Taft Homes. Mr. Willis responded by stating strengths being currently in a central location, unified set of residents; and challenges being education, lack of access to shopping, grocery stores, and gang involvement. Mr. Willis explained it is the challenges you want to leave behind and move forward with the redevelopment process with the positives in mind.

Q: Ms. Chapai, then asked Ms. Jenn Kriehner, Debt Restructuring Specialist, if the two (2) tenant meetings she referenced in the RAD application requirements had to be of specific topic or informational.

R: Ms. Kriehner responded she would have to confirm if the meetings had to be one with subsequent opportunity for submission of two sets of community comments. Ms. Kriehner

continued by stating the purpose of the meetings are to inform the residents about RAD and what it all means and how it will affect the residents in regards to rent payment, location, etc. The purpose is eliminate resident fears.

Q: Ms. Chapai asked if the meeting has to take place after a plan is in place so residents know exactly what they are facing.

R: Ms. Kriehner responded the meetings take place as part of the RAD application. The PHA would be presenting their vision to the residents. Ms. Kriehner, then clarified she reviewed the RAD revisions and wanted to answer a previous question in which it is stated your application has to be submitted prior to December 31, 2013, not necessarily approved by that time. She also clarified earlier comments regarding the one-to-one replacement ratio. Ms. Kriehner referred to the deminimus standard. There is a specific calculation for this standard in which you have to replace all but the greater of either five (5) of the units or five (5) percent of your total units. For example, if PHA were demolishing 100 units, the greater of those five units or five percent would be five (5) units. Therefore, if you are demolishing 100 units, PHA would have to replace 95 of those units. Ms. Kriehner further commented there is a RAD Inventory Assessment tool available and she would provide the contact information to those who would be interested in having that information.

Brandon Holmes, Director of Local Initiatives Support Corp. (LISC) – thanked PHA for partnering with LISC and he looks forward to working together in the future.

Ray Willis, HUD Community & Development Director – stated he looks forward to everyone coming together again as PHA continues moving forward in this consolidated development process plan and benefits that can accrue greater than just the housing component. Mr. Willis also discussed challenges of local non-profit organizations and Peoria's need for homeless clients to continue receiving services. Mr. Willis ended by stating he looks forward to continuing their good working relationship with the City of Peoria. Chair Zika made the comment to Mr. Willis if there anything PHA can do to help in these other areas please let us know.

No further comments, Chair Zika adjourned the meeting.

ADJOURNMENT: Meeting adjourned at 2:56 p.m.

Respectfully submitted by,

PEORIA HOUSING AUTHORITY



Arthur Perkins,
Board Secretary

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