



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

**Monday, March 19, 2018
MINUTES**

OPENING: At 4:30 p.m., Chairman Fassino opened the Special meeting with the Pledge of Allegiance, a moment of silence and roll call.

ROLL CALL: Commissioners Present: Chairman Fassino, Vice Chairman Cannon, Commissioner Fox, Commissioner Draeger, and Commissioner Childs

Late Arrival: Commissioner Brown 4:32 p.m.

ATTENDING PHA STAFF: Theresa Switzer, Aldisa Slaughter, LaMonyka French, Bret Stone and Nicole Krol

COMMUNITY COMMENTS:
None

DEVELOPMENT UPDATES:

C. Herrera stated the main reason the Rental Assistance Demonstration Program (RAD) being used is because of a large amount of unfunded capital needs of Public Housing properties nationwide. RAD will allow Peoria Housing Authority to access private sector financing to recapitalize properties as needed. In addition to tax credits, additional subsidy will be provided through HUD by converting Public Housing money to the Voucher Program through an Annual Contributions contract.

C. Herrera explained under RAD, no new or additional money will be brought to the Housing Authority. The Operating Fund and Capital Fund will be combined and moved over to Housing Assistance Payment (HAP). The tenant rent will remain the same under the RAD conversion. RAD financing sources required by HUD to access private capital are Conventional Debt or Secondary financing, FHA Insurance, LIHTC, and Public Housing Funds.

RAD is a Project Based Voucher program. Project Based vouchers are used when the property has units designated as Project Based units, rather than Tenant Based Vouchers where the participant receives a voucher and chooses the property most suited for them. Under RAD, the subsidy will be tied to the property rather than the tenant. C. Herrera noted, after one year, the tenant may request to transfer to a Tenant Based Voucher. The Project Based Voucher will remain with the property.

Taft RAD challenges include a limited number of appropriately zoned sites available, very little community and local support, limited financial resources, and RAD rents being significantly lower because of current funding. Additional mechanisms such as Transfer of Assistance and Development Partner could also be used to convert RAD units at Taft. Transfer of Assistance will allow the subsidy from Taft to be moved to other properties throughout Peoria and surrounding areas, and obtaining a Development Partner will allow PHA to develop new sites. When working with a Development Partner, the basic LIHTC ownership structure would consist of an Owner Entity (LP of LLC), Managing GP, and the General Partner.

PHA issued and RFQ in July 2017 for a Development Partner. A Master Development Agreement was drafted with Gorman and Company, being the highest scored firm based on experience and financial capacity. The final draft of the agreement is still pending legal review by PHA.

PHA issued a RFQ in January 2017 for properties interested in taking RAD assisted units. Three responses for 9% LIHTC applications were received in 2017 but never funded. One response from an existing project built in 2015 will be moving forward as RAD Phase 1.1. In January 2018 four additional 9% proposals were received from properties under the Transfer of Assistance. PHA has provided each property with a commitment letter securing the properties for RAD units if tax credits were approved.

Chairman Fassino introduced the members of the River Valley Foundation Board in attendance. River Valley Foundation is an affiliate of the Peoria Housing Authority.

C. Herrera explained, the Housing Authority is not the direct member, rather the affiliate of the authority that becomes the member in the Ownership Structure. The River Valley Foundation would be the representative member that would go into the Ownership Structure for these transactions.

C. Herrera stated, if any of the four projects received in 2018 are successful in obtaining the 9% tax credits, she believes it would make sense for the RVF to be part of the structure.

Andre Blakely, Illinois Market President, presented background on Gorman and Company, Inc. Gorman & Company brings a wide range of development experience to its communities. Its neighborhoods range from upscale condominium communities to mixed-use developments in downtown redevelopment areas. Gorman's unique affordable housing communities offer high quality amenities that serve the creative class, seniors, accessibility-challenged, entrepreneurs, families, and individuals.

RESOLUTION 031918-01 APPROVAL OF THE LEASE AGREEMENT WITH PCCEO FOR LEASE OF WAREHOUSE SPACE

The Peoria Citizens Committee for Economic Opportunity, Inc., (PCCEO) is a nonprofit organization. PCCEO is seeking warehouse space for the use of the Peoria Area Food Bank. PCCEO intends to use the warehouse space to store equipment and other materials for its nonprofit purpose, which will also benefit the residents of PHA and others in need in the community. Chairman Fassino asked if there were any further comments or questions regarding Resolution 031918-01 Approval of the Lease Agreement with PCCEO for lease of warehouse space. Hearing none, Chairman Fassino asked for a motion to approve Resolution 031918-01. Motion made by Commissioner Fox, seconded by Commissioner Brown. Commissioner Draeger stated he has a working relationship with PCCEO, and for that reason, he will refrain from voting.

Roll call:

Ayes: Commissioner's Cannon, Childs, Brown, Fox, and Chairman Fassino

Nay: None, motion carried

MASTER DEVELOPER AGREEMENT:

Chairman Fassino stated in discussion with PHA legal counsel, it was recommended to consider other legal firms specializing in development to review the draft agreement between Gorman and Company Inc. and Peoria Housing Authority.

EXECUTIVE SESSION:

The board may adjourn to, or meet solely in, executive session for, 5 ILCS 120/2(c)(5-6) – the purchase or lease of real estate or the settling of a price for sale or lease of real estate, 5 ILCS 120/2(c)(11) – litigation, 5 ILCS 120/2(c)(2) – collective negotiating matters, and 5 ILCS 120/2(c)(1) – the appointment, employment, compensation, discipline, performance or dismissal of specific employees.

Commissioner Cannon requested a report to the BOC regarding the Two Heartbeat Policy for the Regular Board meeting scheduled for March 26, 2018. Commissioner Cannon reminded T. Switzer of the need for customer service training for the entire agency. Motion moved Commissioner Cannon by seconded by Commissioner Brown.

Roll call:

Ayes: Commissioner's Cannon, Childs, Brown, Fox, Draeger and Chairman Fassino

Nay: None, motion carried.

Entered Executive Session at 5:29 p.m.

ADJOURNMENT of EXECUTIVE SESSION, and RETURN to the REGULAR BOARD MEETING:

Chairman Fassino asked for a motion to adjourn from Executive Session and return to the February Regular Board Meeting. Motion moved by Commissioner Brown, seconded by Commissioner Childs.

Roll call:

Ayes: Commissioner's Cannon, Childs, Brown, Fox, Commissioner Draeger and Chairman Fassino

Nay: None, motion carried.

Meeting adjourned at 5:45 p.m.

Respectfully Submitted by:

A handwritten signature in cursive script, appearing to read "Alma Brown".

Alma Brown

Board Secretary

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