



**ROCKFORD HOUSING AUTHORITY
BOARD OF COMMISSIONERS**

**Regular June Meeting
Minutes**

Thursday June 8, 2017

Present: Jerry Lumpkins, Chairman
Phyllis Ginestra, Vice Chair
Alice Jenkins, Commissioner
Ric Cervantes, Commissioner

Staff: Tim Horning, RHA Legal Counsel
Angel Mackey, Executive Assistant

Absent: Laura Snyder, COO/CEO
Karen Hoffman, Commissioner

The meeting was called to order at 5:09 p.m.

MINUTES:

Commissioner Ginestra moved that the RHA Board of Commissioners accept the minutes from the Regular April meeting held May 11, 2017 and Special Meeting May 25, 2017. Commissioner Cervantes seconded the motion.

Ayes: Ginestra, Cervantes, Jenkins, Lumpkins

Nays:

MOTION APPROVED

QUESTIONS/COMMENTS FROM THE AUDIENCE

Note:

The Rockford Housing Authority invites comments from our audience, limiting each individual to three minutes. We do, however, refrain from discussion of personnel issues and grievances. The RHA offers to respond to all questions, if provided in writing, regarding sensitive or inappropriate discussion issues. When addressing the Board of Commissioners please provide your name and the topic of discussion.

John T Bradley gave updates on his monthly report donations \$680 received, expenditure for this past month was \$2556.37 the difference from that is \$1876.31 that comes from other sponsors that don't provide the funds but will cover expenses needed. John will be taking 40 to 50 kids this Saturday to help with sharefest and Sunday will be attending Laevings Lake to be involved in a youth talent show to compete for a grand prize of \$2000.00 next Thursday is the Father's Day cookout be held at North Main Manor. Fatally Unique will be performing at the Father's Day cookout. Also on Saturday will be taking fathers to a resource fair that will be being held in Macedonia will also be attending Juneteenth. John is also hoping to get parents who have a CDL license to sign up to be van drivers for RHA so that there will be more van drivers for events. Commissioner made a comment of his appreciation of everything that is going on at Laevings Lake in people taking time to invest the money very excited about all the progress

MONTHLY REPORT SUMMARY

SVA AUDIT REPORT

Barbara B. SVA Auditor, went over the draft audit pages 1 and 2 the portion of the report that the Financial Auditors are responsible for. It is an unmodified opinion which is the best opinion we can receive meaning, nothing was brought to the auditor's attention during the audit procedures that indicates any numbers or disclosures in the financial statement were materially correct. In the final version MDNA will follow the audit report it's not included in the draft.

Chairman Lumpkins made mention that this will be the fourth year in will for us which is a great accomplishment.

Barbara B. SVA Auditor, went over the basic financial statements they used which consisted of revenues, expenses, net position, and income statement equivalents. The financial statements biggest change will be the look due to South New Town Homes. Chairman Lumpkins suggested the name be modified from New Town to The Grove on the documents.

Barbara B. SVA Auditor, also gave a brief overview of pages 9, 13, 17, 29, 37-45 and pg. 49.

Chairman Lumpkins would like to make sure that we are in line on what we are projected to save with regards to the energy upgrades. Michele will follow up on this and provide this information to the board.

Sherry Springer SVA Auditor, went through the Management Letter which consist of recommendations and suggestions that they identified during the audit procedures as well as some required communications as well as a summary discussion on RHA's internal of the on the internal controls.

Some recommendations are the collateralization of all bank accounts, currently have collateralization agreements with PNC and Alpine Bank they just were not sufficient. Other recommendations include periodically checking the HUD release to make sure we're charging the correct fee RHA currently charge \$66.42 HUD allows for \$71.01 effective January 1 of 2016. It's also recommended for tenant files do the necessary income verifications the few files that were found to not have this have since been corrected by management it's recommended that RHA continue to review quality controls.

Chairman Lumpkins, Vice Chair Ginestra, and SVA Auditor Sherry Springer had a brief conversation on whether RHA needs to diversify its portfolio.

Michele Sather Director of Finance, of will check with Alpine Bank about fees she will also research what happened to our account structure and report back to the board.

Vice chair Ginestra, sure suggested rent calculations to be done in a locked and password-protected spreadsheet to prevent any errors.

COO/CEO REPORT

RHA Attorney Tim Homing, shared the latest news from the proposed budget for 2018..."Overall, the Department of Housing and Urban Development (HUD) gross discretionary budget would be slashed by about \$8 billion from 2017 Continuing Resolution (CR) levels. The agency would have approximately \$40.7 billion in gross discretionary funding, a decline from \$48.7 billion in 2017.

- Reducing the Sec. 8 housing choice voucher program to \$19.3 billion, down from the \$19.6 billion fiscal 2017 annualized CR level;
- Reducing the public housing capital fund to \$628 million, down from the \$1.9 billion;
- Reducing the public housing operating fund to \$3.9 billion, down from the \$4.5 billion.

Although it is hopeful that this budget will be DOA, we have to expect and prepare for drastic cuts in the upcoming year. sharing this information not to instill fear in anyone but, to bring attention to the fact that as we are now preparing our 2018 budget projections we will need to review our daily operations including, but not limited to, contracted work. We will need to ensure that we are seeing a return on our investments and that those investments will bring the best scenario to us and those we serve.

Laura will continue to provide updates as they come in...

- **Development Updates**

Conversations took place last week with the City of Rockford and HUD to align our strategy for our proposal to make our Fairgrounds property the property of choice for the MUHL (Madison United Health Linen) facility. The city submitted a letter of support to MUHL on Wednesday 5/31/17.

It is my understanding that the MUHL board will be reviewing and voting to select the new location at their June board meeting on 6/16/17.

We are awaiting the completion of the Physical Needs Assessment for Brewington Oaks. Once completed, findings will be reviewed with Larson & Darby and Heyl Royster to determine our next steps. We are hopeful that we can have all figures together and resident meetings completed within the month of July. A final review meeting will be hosted with HUD prior to submission of our application.

Orton Keyes is scheduled to close on 6/19/17 pending all documentation is received and approved by HUD.

- **Management Updates**

AFSCME and IAM resumed the management and maintenance responsibilities at Brewington Oaks on 6/1/17. IAM was allowed to complete a full property inspection prior to 6/1/17 and will be addressing all health and safety concerns immediately.

Tara Taylor joined the RHA team on 6/7/17 as the Operations Manager. Tara will oversee the day to day operations of LIPH management and maintenance.

- **Procurement Updates**

Linda Dorsey joined the RHA team on 6/1/17 as the Procurement / Section 3 officer and has already proven to be a great addition to our family. Linda has been reviewing all current contracts and working with staff to renew or close these contracts. She is also working with Larson & Darby to procure some of our development needs. You can expect to see several recommendations coming soon!

- **Leadership**

Throughout our transitions our team has pulled together to ensure no one outside of our agency feels the transitions taking place. I have to say that we have assembled a great team that anyone would be proud of and that I for one am happy to call FAMILY. Thank you to all of you for stepping outside of your comfort zones and stepping up!

GORMAN REPORT

Julie Neibarger Property Manager & Ethan Tabakin Development Coordinator, gave updates for The Grove, two people have now moved into the two, 2 bedroom LIHTC units. Working on getting the other four 3 bedrooms

LIHTC units filled. The 43-people moving from Fairgrounds to the Grove have been identified there resident meeting scheduled tomorrow with those 43 residents so that everything can be a nice smooth transition and to give the residents a timeline of how the move will take place, 90-day notice is will also go out tomorrow. Still waiting on the HAP contract to get actual move-in date scheduled. All the HQS inspections have been completed and currently in process of getting the HAP contracts signed from HUD.

Ethan Tabakin Development Coordinator, gave updates on Orton Keyes, Fairgrounds Phase I, II, & III

- **Orton Keys**

This project will consist of the redevelopment of Orton Keyes, an existing public housing development located on Rockford's south side. Orton Keyes is comprised of 175 units located in 49 2-story apartment buildings. The apartments were originally constructed in 1972. Gorman & Company, in partnership with Rockford Housing Authority, will convert the development from public housing to private affordable housing utilizing Project Based Rental Assistance under HUD's Rental Assistance Demonstration (RAD) program. All tenants will remain in place, and the anticipated rehabilitation will provide updates to critical systems, modernization of units, and retrofit of existing units to accommodate unit amenity enhancements and energy saving upgrades, as well as provide a central laundry facility that is currently not available on site. Residential buildings will have air conditioning to serve each unit, and the stone veneer exteriors will be removed and replaced. Also on-site are two community buildings that house the Orton Keyes Head Start program and the Orton Keyes Boys and Girls Club, both of which serve the residents of Orton Keyes and the wider community, and will be preserved. As a part of the redevelopment, Gorman and RHA will be partnering with the Park District to improve current services and equipment for activities.

June Update: This project is expected to close later this month, with funding expected the week of June 26 and work beginning in phases. HUD approval of pre-closing items is expected to be signed off by next week. We will provide an update during next month's board meeting pertaining to relocation and construction activities.

- **Fairgrounds Phase I**

Construction on the site is progressing on schedule. The accessory building has trusses and sheathing installed. Two buildings are currently having siding, bricks, insulation, and drywall installed, one building already having windows and exterior doors installed. Three buildings are having shingles installed on the roofs. All but five buildings have foundations and slab in place or underway, with many having windows, walls, trusses, and more constructed. Nine of the 18 buildings were standing by the end of the calendar year. The roadway through the site has been paved and striped and site lighting is being installed. Documentation for the 10% Test was submitted to IHDA at the beginning of December. The first building is expected to be delivered by the end of February 2017, with lease-up beginning the following month.

June Update: 15 certificates of occupancy have been secured with 15 remaining COs expected to be given by the City by the end of June. Lease up has commenced and two residents have moved into units effective May 31. For the RAD units, HQS inspections have been completed, and the HAP is expected to be signed soon by HUD. 43 households from Fairgrounds have been identified to move to The Grove.

- **Fairgrounds Phase II**

This project will be a regional approach targeting locations throughout the greater Rockford area. The project will include the acquisition of both multifamily and single-family scattered sites comprised of two, three, four, five, and six bedroom replacement units for the Fairgrounds residents. Some of the sites may be located in the City of Rockford, however, multifamily sites located outside the City of Rockford will be specifically targeted. This approach effectively deploys a regional deconcentration replacement strategy further meeting the

deconcentration goals. Income will be limited to 60% of the Area Median Income, and homeownership will be offered with the single-family replacement units. The multifamily sites will provide an opportunity to create mixed income communities outside the City of Rockford. The strategy will focus on occupied but non-performing assets. The existing tenant base will not be displaced, and non-occupied units will be offered to residents of Fairgrounds as a replacement option. Inherently, this will intentionally create and support a more diverse income and population mix. The objectives for each phase will be the same in that each replacement option will be renovated to exceed the current living standards and amenities offered at the existing Fairgrounds. Gorman & Company and the Rockford Housing Authority will continue to work with the City of Rockford and Housing Committee on an appropriate housing strategy. A local real estate broker has been engaged to identify properties that are good potential assets for this project.

June Update: No update.

- **Fairgrounds Phase III**

This project will focus on revitalizing the Ellis Heights Neighborhood and proposes to develop a mixed use/mixed income community on the existing Fairgrounds site in which the existing buildings will be completely demolished. Fairgrounds residents and the surrounding community have languished in the shadows of Rockford's more prosperous locations creating isolation from the mainstream economic activities. This must be reversed. A New Community concept must be born out of the old community. Perceptions must change so that the neighborhood becomes a center of activity rather than a backwater of the City. The final phase of the Fairgrounds redevelopment will offer a unique opportunity to develop a mixed income, mixed used community that could be a model for the nation. Gorman & Company would achieve this by proposing to develop a unique, educationally-themed residential community comprised of a mix of innovatively designed multifamily, single-family homes, and townhomes offering a menu of amenities that nourish a lifelong learning lifestyle. The New Community will revolve around a campus-like design that includes a number of elements designed to promote learning: benches for reading and reflection, community and family common areas, horticulture gardens, a small arena for outdoor neighborhood events and family gatherings, and educationally themed playgrounds.

June Update: An application for 9% LIHTCs is being prepared and will be submitted to IHDA on June 23rd. Award date is expected in October, with closing estimated to be eight months after reservation of tax credits. Current preliminary plans reduce housing density on the site by approximately 50%, but no plans have been finalized.

SECURITY REPORT

Sybil Muller Housing Program Manager, currently focusing on getting ready for summer an email was sent to managers to remind them to be sure that they are calling and not calling officers directly because the way the calls are logged managers need to call in directly. As the new Housing Policy Manager comes on Sybil will be working with that person to send out letters to all residents to remind them of the house rules due to currently experiencing people hanging out in parking lots.

Commissioner Cervantes commented on the issues at scattered sites, Sybil encouraged Commissioner Cervantes to have the residents to continue to call the police for any disturbances.

Sargent Sanders spoke about the collaboration with the youth in the developments, and the time his team spend with the children to establish relationships and trust with the youth and community. The Sargent would like to start a program from the Seattle police department that helps children without beds with mattresses for children to sleep on along with sheets, comforters, and frames. Beds for Kids

Tim Horning made comment Orton Keyes will continue to have a police presence

FINANCE REPORT

Michele Sather Director of Finance, she will also continue to work with Barbara and Sherry to wrap up the financial audit. If the board approves everything all audited financial statements must be uploaded to HUD by June 30th. Michele gave the board a report of the April cost center gave the board summary of RHA financial provided in the board. She is currently working on General ledger to make sure everything properly aligned on where items should be charged. The budget for fiscal year 2018 has been started hoping to during the draft budget to the July meeting to review and hopefully the final will be done for the board meeting in August.

UNFINISHED BUSINESS

RESOLUTION#2017-037

Approval -Travel Expense Act

RESOLUTION THAT THE RHA BOARD OF COMMISSIONERS ADOPT THE TRAVEL EXPENSE CONTROL ACT AS DEFINED IN THE TRAVEL EXPENSE REIMBURSEMENT POLICY PROVIDED

Commissioner Ginestra moved that the RHA Board of Commissioners adopt the Travel Expense Control Act as defined in the Travel Expense Reimbursement Policy provided, Commissioner Cervantes seconded the motion.

Ayes: Commissioners: Ginestra, Cervantes, Jenkins, Lumpkins
Nays: None

MOTION APPROVED

NEW BUSINESS:

Resolution #2017-039

RESOLUTION THAT THE RHA BOARD OF COMMISSIONERS APPROVE THE CORRECTION TO THE WRITE OFF AMOUNT FROM \$24,019.78 TO BE CORRECT TO \$13,922.28.

Commissioner Ginestra moved that the RHA Board of Commissioners approve the correction to the write off amount from \$24,019.78 to be correct to \$13,922.28, Commissioner Cervantes seconded the motion.

Ayes: Commissioners: Ginestra, Cervantes, Jenkins, Lumpkins
Nays: None

MOTION APPROVED

RESOLUTION #2017-040

RESOLUTION THAT THE RHA BOARD OF COMMISSIONERS APPROVE THE ROCKFORD HOUSING AUTHORITY'S FISCAL YEAR 2016 FINANCIAL AUDIT AS PRESENTED

Commissioner Ginestra moved that the RHA Board of Commissioners approve the Rockford Housing Authority's Fiscal Year 2016 Financial Audit as presented, Commissioner Jenkins seconded the motion.

Ayes: Commissioners: Ginestra, Jenkins, Lumpkins
Nays: None

MOTION APPROVED

RESOLUTION #2017-041

RESOLUTION THAT THE RHA BOARD OF COMMISSIONERS APPROVE THE PROPOSED VAWA EMERGENCY TRANSFER PLAN, AS PRESENTED, WHICH WILL BE EFFECTIVE UPON APPROVAL.

Commissioner Ginestra moved that the RHA Board of Commissioners the proposed VAWA Emergency Transfer Plan, as presented, which will be effective upon approval, Commissioner Jenkins seconded the motion.

Ayes: Commissioners: Ginestra, Jenkins, Lumpkins
Nays: None

MOTION APPROVED

RESOLUTION #2017-042

RESOLUTION THAT THE RHA BOARD OF COMMISSIONERS APPROVE THE PROPOSED CHANGES FOR PUBLIC POSTING AND INCLUSION IN THE HOUSING CHOICE VOUCHER UTILITY ALLOWANCE SCHEDULE, AS PRESENTED, WHICH WILL BE EFFECTIVE JUNE 1, 2017.

Commissioner Ginestra moved that the RHA Board of Commissioners the proposed changes for public posting and inclusion in the Housing Choice Voucher Utility Allowance Schedule, as presented, which will be effective June 1, 2017, Commissioner Jenkins seconded the motion.

Ayes: Commissioners: Ginestra, Jenkins, Lumpkins
Nays: None

MOTION APPROVED

RESOLUTION #2017-043

RESOLUTION THAT THE RHA BOARD OF COMMISSIONERS HEREBY RESOLVE TO APPROVE THE COLLECTIVE BARGAINING AGREEMENT NEGOTIATED WITH ASFCME COUNCIL 31 FOR THE TERM APRIL 1, 2017 THROUGH MARCH 31, 2018.

Commissioner Ginestra moved that the RHA Board of Commissioners hereby resolve to approve the collective bargaining agreement negotiated with ASFCME council 31 for the term April 1, 2017 through March 31, 2018, Commissioner Jenkins seconded the motion.

Ayes: Commissioners: Ginestra, Jenkins, Lumpkins
Nays: None

MOTION APPROVED

RESOLUTION #2017-044

Building Trades Contract 2017 2020

Commissioner Ginestra moved that the RHA Board of Commissioners approve to layover the approval of the collective bargaining unit agreement negotiated on building trades for the term June 1, 2017 to May 31, 2020 until the July 13, 2017 board meeting, Commissioner Jenkins seconded the motion.

Ayes: Commissioners: Ginestra, Jenkins, Lumpkins
Nays: None

MOTION APPROVED

RESOLUTION #2017-045

RESOLUTION THAT THE RHA BOARD OF COMMISSIONERS APPROVE THE APPLICATION FOR FAIRGROUNDS VALLEY PHASE III OF A 9% LIHTC APPLICATION TO BE SUBMITTED BY GORMAN TO BE PURSUANT TO THE MASTER DEVELOPMENT AGREEMENT

Commissioner Ginestra moved that the RHA Board of Commissioners approve the application for fairgrounds Valley phase III of a 9% LIHTC application to be submitted by Gorman to be pursuant to the Master Development Agreement, Commissioner Jenkins seconded the motion.

Ayes: Commissioners: Ginestra, Jenkins, Lumpkins
Nays: None

MOTION APPROVED

RESOLUTION #2017-046

RESOLUTION THAT THE RHA BOARD OF COMMISSIONERS APPROVE THE two (2) year contract local government health Plan and use AFSCME caps for employee/employer contribution

Commissioner Ginestra moved that the RHA Board of Commissioners approve the two (2) year contract local government health Plan and use AFSCME caps for employee/employer contribution, Commissioner Jenkins seconded the motion.

Ayes: Commissioners: Ginestra, Jenkins, Lumpkins
Nays: None

MOTION APPROVED

Closed Session

At 7:25 PM Commissioner Ginestra made a motion to enter closed session with action to be taken after closed session, Commissioner Jenkins seconded the motion. At 7:38 PM closed session ended. The meeting was recalled to order at 7:38PM.

RHA COMMISSIONERS:

None

R.A.B – RESIDENT ADVISORY BOARD

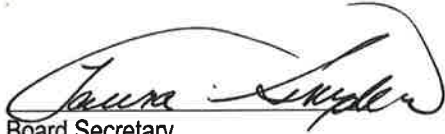
None

AUDIENCE:

At 7:48 p.m. with no future business, Commissioner Ginestra, made a motion to adjourn. Commissioner Jenkins seconded the motion.

Ayes: Commissioners: Ginestra, Jenkins, Lumpkins
Nays: None

MOTION PREVAILED

A handwritten signature in black ink, appearing to read "Laura Snyder", written over a horizontal line.

Board Secretary

/s

A handwritten signature in blue ink, written over a horizontal line. The signature is stylized and difficult to decipher.

Chairman

