



**ROCKFORD HOUSING AUTHORITY
BOARD OF COMMISSIONERS**

**REGULAR JULY MEETING
Minutes**

Thursday, July 28, 2016

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

Staff:
Ron Clewer, CEO
Amanda Hamaker, RHA COO
Tim Horning, RHA Legal Counsel

Absent: Ric Cervantes, Commissioner
Karen Hoffman, Commissioner

The meeting was called to order at 5:14 p.m.

MINUTES:

Commissioner Ginestra moved that the RHA Board of Commissioners accept the minutes from the Regular June meeting held June 23, 2016. Commissioner Jenkins seconded the motion.

Ayes: Commissioners: Ginestra, Jenkins, Lumpkins

Nays: None

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 Tac Brantley, provided the board with his monthly financial report card. Received a donation of \$745.00 and spent \$2,928.73 on the following: gas, food, and miscellaneous. John filled out an application to help coordinate youth activities at the Salvation Army, he is looking for funds to help get assistants; as he does not have a 501 © 3. This weekend coming up we registered almost 300 residents that are going to the Washington Park back to school bash to supply kids with book bags etc. we have also been blessed with 100 tickets for Magic Waters. Upcoming summer events: marching in the Labor Day and the Ethnic Parade as well as a some youth performing at Levings Lake.

GORMAN UPDATE

Andre Blakey provided the following information: wanted to come to just provide an update on all housing developments. But first I thank you for the attendance at the Closing Dinner, my apologies for not acknowledging and giving thanks to Ron, Jodi and Adrienne.

Starting with the updates, FG phase I, a construction update: we are under construction we closed on June 27th. We are moving ahead and have a great site superintendent. Construction progress to date includes, on task with cuts and fills the remainder of this week we will be doing some excavation and working to complete remaining haul off work. The storm retention pond will be cut and excavation will begin next week. Retaining walls will begin middle of next week, being complete in 2-3 weeks. Materials for this are being supplied by Rockford Concrete Products, we are trying to locally source our materials and labor as much as possible. Site materials will begin next week. We have had 3 full days of rain which has effected the schedule but not critically, but it did slow us down a bit. FG Phase II, we are happy to report we are working with the city, we have completed recently some very positive housing discussions, we will provide updates as it relates to FG Phase II/III in a more upcoming meeting. Phase III, the revitalization phase where we want to see something back at the existing site; we are going to start that process at the end of the year and get in line to secure the financing. We got lucky with New Towne as we were awarded the first time around usually it takes 2-3 submissions. So we feel it is important to start that process ASAP to secure financing. Timing on Phase II; we are looking at a start date of August 2017 and completion date of March 2018; our next HUD milestone deadline is March 2017. For Phase III start date December 2017 and completion date June 2019 the next HUD milestone is August 2017. We have to submit a formal financing plan that evidence financing commitments and credits etc. = HUD milestone, so it's really when the action starts and HUD begins to ramp up for closing.

Orton Keyes redevelopment, you have before you today a request to release a letter of intent for the donation credits which were brought previously. Describing the changes from before to now: last time when an update was given to the board on the financing of OK we were contemplating the use of (there was a change that occurred and this is the new one) low income tax credit bonds, and equity donation credits, since that time we have had some changing in the financing and really marketing changes. The

state credit has been at risk and tied to the budget in pass. So we were told by IHDA that they were not going to open up their cycle so we had to come up with an alternative financing source for that. And that is the HP and we submitted in the original app we included a request for home funds. We went to IHDA because we did not get the HP funding that we were requesting 1.7mil from the federal home bank in San Francisco. We went back to IHDA at the possibility of the state credits being alive for this next financial. And there has been a change with IHDA in terms of their ability to open the 2016-17 cycle. But it will be limited, so they are capping all request at 1.5mil in total donation credits. We actually qualify for 3.8mil in donation credits. We are still willing to move forward with the ask, IHDA came back saying they will allow us to submit the donation credit app with the amount of 1.5mil in total credits. So we substituted that source back in due the loss of HP funding. We resized our home funds, slightly lower and were able to keep the scope of work the same to keep the same budget. We went back and looked at the underwriting consumption, some areas we were being extremely conservative; vacancy rate 100% PB Section 8. The lender was ok with the assumption and was able to bring it down from 7 to 5. We were able to hold the scope of work intact and we took a look at the operating expenses some very conservative assumptions, we maneuvered a few items. Reserves will be strong, HUD requires an initial deposit of 1k per unit so we will start off pretty healthy. On top of that we will have annual deposit of 350/per unit. Also realized some savings in transaction cost and real estate taxes. We also increased our deferred fee by 15%. Something we will hold in our back pocket just to keep things static is to a 5% instead of 6% management fee and subordinated the other 1% to cash flow. We are asking that you authorize the execution of the letter of intent to IHDA, the changes that occurred are favorable changes, we went through each structuring aspects with our attorneys: the initial payment going to the unrelated nonprofit is netted out of principal balance. The 2nd change, annual fee that goes to the nonprofit used to offset cost of community services hours, wasn't clear originally and yes it should be netted to insurance payments and subjected to cash flow. This allows us to again secure our financing commitments. We will continue to work with the city on housing discussions and hope for positive conversation. We will be submitting this tomorrow. We should expect feedback in the next 3 weeks, non-competitive application which moves quickly.

Scattered Sites, closing December 2016 and a completion (3-5 year) rehab plan, HUD milestone date September 30, 2016. We are looking at a non-competitive execution (non-LITCH). However difficult when you have multiple assets you don't want to compete. We wanted to come up with an approach that wasn't dependent on the LITC and the cycles, etc. We would combine monetize /leverage with 3 non-competitive resources. 1. Potential for additional DOJ from Citibank. They offered after a tour to explore more, offered to take a look at supporting SS. 2. Donation credits, not as large as the sizing for OK, but has potential. 3. Investment energy credits for the 45Lcredit. We have an accountant doing research for us now, doing a full vetting of the development to determine if we are eligible. 3.7 mil hard cost in hard cost a 2 mil gap but these three sources should cover the 2mil gap. The proceeds from the refinance with additional sources will address the critical and immediate needs as required by HUD. Any additional proceeds will establish a rehab escrow and create a deferred maintenance plan which can complete in the next 3-5 years, although can be sooner. As well as OK and with all of the development we will continue to have discussions with the cities. The question was asked when the closing date of OK is: Jan-Mar 2017, possibly a 22 month construction schedule. HUD milestone September 15, 2016. One last comment on OK I represented to the board earlier side agreement with the nonprofit that, which allows us RHA to replace or substitute at their discretion.

CHECKS

Commissioner Ginestra moved to place the checks from June 2016 on file for audit. Commissioner Jenkins seconded the motion.

Ayes: Commissioners: Ginestra, Jenkins, Lumpkins

Nays: None

Financial and Cash Position

Michele Sather, Finance Manager, provided the following information; reported that: all programs are producing at net income at this point. Public Housing YTD 1mil it's up about 4k over last month. COCC YTD is 28k a little over projected budget at this point. HCV program showing a large income of over 118k, again operating revenue and admin is a major piece of that increase in revenue. The Capital fund program for the 2013 grant year is almost fully expended, as we meet monthly to review how things should be allocated correctly into programs. Grant programs for the resident programs we have 164k remaining funds to utilize for specific FSS positions to run that program. Cash position for the agency, unrestricted cash flow under 3mil; no worries for the agency. We have supplied our draft FY17 budgets for review, we are looking to schedule a few meetings to finalize decisions that need to be made internally in regards to operations for the agency and changes in the next fiscal year. Some of the holes are to make sure we take a little more time to work with staff individually so we can get as close as we can to the numbers and make sure we get it right going into the budget. We have submitted our FY15 audited submission, I will bring the hard copies to the next meeting. We are anticipating an approval-rejection to our numbers. Typically, we get a rejection with their comments and we have to respond to their notes in regards to our audit. We have not received any word on that and as of early next week it was still on review. OK has no contract, by the times these budgets were submitted and these drafts they had all gone through, but we have also had a change in staff at that site. We will still have our meetings before we submit the final.

HCV/PH Housing Report

Laura Snyder, Director of Housing Operations, provided the following update: we too are looking at budgets, internally a lot of decisions have to be made in terms of maintenance and contract cost. For PH as of today NM is at 99%, OP is at 99%, PT is at 98%. BH is at 96%, OK is at 93% but we also have 5 people scheduled to move in by end of next week plus another two transfers so we should be at 98% by end of next week. FG is at 90% and BO we are at 78%. We are also issuing vouchers so right now, we have 39 out searching but another 39 that are housed, 8 are BH house residents 7 are SS residents. How do we issue the vouchers without empty the LIPH program and making sure we have the issue in so it has to be a strict issuance with the program to have the applicants' ready, if we issue the voucher making sure they have an applicant ready to take the place. This is the first month being able to put offers out when the unit was available. When they put in the 30 day notice to vacate we were offering the unit that same day. We are turning units now in twelve days versus 6-9 months being at 30+ days. The staff has come to the realization that we were only hurting ourselves because the applicants were going elsewhere. And now they see how it directly impacts them and their livelihood. I believe we have had a complete change in attitude. In addition to HCV tonight you will receive a

recommendation to add an additional thirteen (13) one bedroom units at Valley View in addition to the 22 from last month for Mulford Park. As soon as those are inspected we do have applicants. Valley View have requested 32 but they have criteria that needs to meet for elderly and disabled and since our wait list does not meet those qualifications we approved the thirteen (13) one bedroom units.

Resident Services Report

Marcus Hill, Resident Services Manager, provided the following information; we are working on updating the reporting procedures we have for all of the sites, we should have that in place by next quarter. Also we have been trying to increase activity at all of the sites based on what the residents have asked for. So right now we are trying to gear up for the back to school rallies and we have several of those going on starting Saturday. So we are making sure the kids have everything they need; we know Aisha is out helping gather all the supplies. We are looking at trying to figure out that the kids have assistance throughout the school year (tutors on-site) during the hours the kids need them. Looking at 3:30 (allowing kids time to get home) ending at 7:00. Potentially finding the tutors from RU, RVC and maybe even Judson. We are hoping to get that set up as the school year starts. This will be tutoring for any subject. We are hoping to get individuals on specific subjects so they can get their volunteer hours before graduation etc. We have also increased activity as far as jobs. We have started today taking the residents to specific places so they can apply for jobs.

HR Report

Bridget Cheek, HR Manager, provided the following information; we do have upcoming positions that you will see on the next board report, for FSS and an Occupancy Specialist position; we have identified some funds so we are excited to add that position. Here at RHA we just had employee appreciation day, about 1.5 hours we had cake, music, and some time to spend with one another and get to know. We gave out tokens of appreciation to recognize the year's staff have been with the RHA. We know that people have been in different positions and we see that you are here with us and committed to us, the vision and on board with the mission. We just thank everyone for staying with us, even the new comers they were recognized because we still need them to get things running smoothly. We plan to do this annually as something to have people look forward to. Ron announced Chuck Doyle is the longest employee of the Rockford Housing Authority; 32 years. We definitely appreciate the wisdom and knowledge that Chuck brings to the RHA. We had 2 other employees: Joe Spinello 31 years and Mike Murray at 30 years. Also coming up we have our company picnic which will be held at the baseball field on August 6th.

Operational Overview

Amanda Hamaker, COO, provided the following update: a few IT topics we are getting toward the end of our WAN (wide area network) strategy. As you recall the board approved back in December a movement to upgrade our overall Wi-Fi, it was the change from having 1g to 10g. The main purpose is to have livestreaming our security. The purpose remains the same to facilitate our security protocol. That should wrap up by next month with the installation of devices at PT and COCC. Last month you approved the point to point strategy which is piece of it which makes possible for running that bandwidth between the hi-rises and stream back here, everything should be tied up August 16. The computer labs, the ConnectHome relationship has made it possible for us to acquire refurbished computers for all computer labs. At this point we have recycled and in the process of rolling out the computers and installing them; this should be done by August 3rd. Michele and I are learning a lot about the YARDI system, we do have a January 1 full conversion date. So at this point we have been presented with a project timeline which has us fully ready and everything working at that date according

to plan. Reporting platforms as Marcus mentioned we are looking at all of the reports; one of the things you may have noticed since I started I extracted reports from the board report until we can look closer at what we should be reporting and how the dashboards can be meaningful to you and, once again that goes back to YARDI. That does impact resident services and procurement. On topic of procurement, July has been audit month; Ann has taken it upon herself to go through each contract binder and cleaning up and errors, etc. the good news we have been able to identify basic things that can repair and identify opportunities' that we were unaware. You will see an updated procurement agency policy in September. We are along with the staffing, we are looking at some office moves internally and over at the BH site. With our attendance upstairs we are looking back to BH to house a number of people, Marcus and his resident services staff moving to BH makes the most sense; which gives them a Hub within our residents. With that we are looking to some potential upgrades to BH which you know is a big building of rooms. In order to make it possible to move people we will have to make some changes, hope to move people over by the fall; between 5-6 staff members. The BH health center has closed; funding from the state etc. unfortunately brought it down. So they returned the space to us and now we have more space for office area. It allows us to congregate an area we didn't have before without interruption. It will also give resident services their own front door and scattered sites their own. At the same time internally we have some office moves but we need to work on space planning and have a real plan.

Organizational Overview

Ron Clewer, CEO, provided the following update: bigger picture, long term items on policy, and last year around this time we passed our succession plan and we said we would do an early year of review in the planning and identify training for folks. We didn't do it in a systematic way which is yet to be laid out. Bridget and I met and we will have that in place by end of the year. But we did do it in a manner that eased us into our business. Bridget is looking at software that will serve both HR and payroll and within that software we will be able to fully execute the balance of that succession plan. Through the training I think that personal growth plan and other pieces for exempt staff and management staff we did move that forward. With that said there are a few small changes within the succession plan that we will be bringing to you maybe in August, just minor language changes. The policies themselves, we did complete a policy audit as an agency which was the first time we looked at this in detail, we had a template from Nelrod that tells what the HA is expected to have in regards to policies and procedures keep in mind that procedures are on the staff side and policies are what we bring to you. There are mandatory policies that are required and then there are suggested and beyond that. We have all of the mandatory ones in place and we have updates that we will be bringing forward overtime; the goal is to get all of these into one area. There will be an update this fall that needs to happen to our FSS which has a required annual review. We had good discussion the other day about what we should be thinking about in the FSS plan. Keeping in mind this time last year you passed a full renovation to the FSS plan which drastically changed the way we were doing FSS. And I think it is for the better. That will come in the Nov/Dec combined meeting. Looking at the bigger picture and advocacy we did do a poverty simulation at RVC this past May. We have an intern who is working on community development, we met with the community and finished the report. It is the 3-4th time I have presented to the group it was great engagement and simulates to folks what it is like to be in poverty. So we do a before assessment as people are gathering they assess what they think and then we do a post assessment. It was interesting to see the change in numbers. Some of the questions, a lot of people in poverty get a break when working America has to pay for it. Seeing the growth and change after going through the simulation is really cool. This clearly shows that thoughts change. We have thought about doing one here for our staff and board. We do have our annual report that we are working towards completing.

We have had several meetings with our Marketing firm which is helping to complete. We have and additional piece which planning and results. So if they are specifics that you would like told and something in that portion, and reflect back historically we can include that in the section. 2 months with big events: the August 25 board meeting, rededication for the portrait for Lyle Olesen. And the September board meeting, our annual event night September 22 at the Standard. The movement in where we are going is good. And the uncovering of needs from a labor and agency standpoint is good.

NEW BUSINESS:

RESOLUTION #2016-138

RESOLUTION THE RHA BOARD OF COMMISSIONERS APPROVE THE EXTENSION OF THE CONTRACT BETWEEN RHA AND SVA CERTIFIED PUBLIC ACCOUNTANTS IN AN ANTICIPATED AMOUNT NOT TO EXCEED \$85,000.00.

Commissioner Ginestra moved that the RHA Board of Commissioners approve a contract extension of the contract between RHA and SVA Certified Public Accountants in an anticipated amount not to exceed \$85, 000.00. Commissioner Jenkins seconded the motion.

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

MOTION APPROVED

RESOLUTION #2016-139

RESOLUTION THAT THE RHA BOARD OF COMMISSIONERS AWARD A CONTRACT MODIFICATION AND APPROVE ADDITIONAL FUNDS NOT TO EXCEED \$ 2,194.00.00

Commissioner Ginestra moves that the RHA Board of Commissioners award a contract modification and approve additional funds not to exceed \$2,194.00. Commissioner Jenkins seconded the motion.

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

MOTION APPROVED

RESOLUTION #2016-140

RESOLUTION THAT THE ROCKFORD HOUSING AUTHORITY BOARD OF COMMISSIONERS MOTION TO AMEND A CONTRACT MODIFICATION TO ADD ADDITIONAL FUNDS IN AN AMOUNT OF \$60,000 FOR \$96,000.

Commissioner Ginestra moved that the RHA Board of Commissioners motion to amend a contract modification to add additional funds in an amount of \$60,000 for \$96,000. Commissioner Jenkins seconded the motion.

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

MOTION APPROVED

RESOLUTION #2016-140

RESOLUTION THAT THE RHA BOARD OF COMMISSIONERS AWARD A CONTRACT MODIFICATION TO ADD ADDITIONAL FUNDS IN AN AMOUNT OF \$60,000.00

Commissioner Ginestra moved that the RHA Board of Commissioners approve a contract modification to add additional funds in an amount of \$60,000.00. Commissioner Jenkins seconded the motion.

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

MOTION APPROVED

RESOLUTION #2016-141

RESOLUTION THAT THE RHA BOARD OF COMMISSIONERS APPROVE AN ARCHITECTURAL & ENGINEERING SERVICES CONTRACT TO THE LARSON & DARBY GROUP IN AN AMOUNT OF NOT TO EXCEED \$300,000.00.

Commissioner Ginestra moved that the RHA Board of Commissioners approve an Architectural and Engineering Services contract to the Larson & Darby Group in an amount of not to exceed \$300,000.00. Commissioner Jenkins seconded the motion.

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

MOTION APPROVED

RESOLUTION #2016-142

RESOLUTION THE RHA BOARD OF COMMISSIONERS APPROVE A GREEN PHYSICAL NEEDS ASSESSMENT CONTRACT TO EMG IN AN AMOUNT OF NOT TO EXCEED \$45,350.00.

Commissioner Ginestra moved that the RHA Board of Commissioners approve a Green Physical Needs Assessment contract to EMG in an amount of not to exceed \$45, 350.00. Commissioner Jenkins seconded the motion.

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

MOTION APPROVED

RESOLUTION #2016-143

RESOLUTION THE RHA BOARD OF COMMISSIONERS APPROVE PROJECT BASED CONTRACT AWARDS TO VALLEY VIEW APARTMENTS FOR THIRTEEN (13) ONE BEDROOM UNITS UPON FINAL APPROVAL OF CONTRACT TERMS.

MOTION APPROVED

Commissioner Ginestra moved that the RHA Board of Commissioners approve project based contract awards to Valley View Apartments for thirteen (13) one bedroom units upon final approval of contract terms. Commissioner Jenkins seconded the motion.

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

RESOLUTION #2016-144

RESOLUTION THE RHA BOARD OF COMMISSIONERS AUTHORIZE THE CEO TO EXECUTE ANY DOCUMENTS NECESSARY FOR AN IHDA APPLICATION REQUEST FOR DONATION TAX CREDIT AS REVISED AS OF JULY 28, 2016. FURTHER AUTHORIZATION TO EXECUTE THE LETTER OF INTENT AS SET FORTH IN THE ATTACHED MEMORANDUM FOR GORMAN AND COMPANY.

Commissioner Ginestra moved that the RHA Board of Commissioners authorize the CEO to execute any documents necessary for an IHDA application request for Donation Tax Credit as revised as of July 28, 2016. Further authorization to execute the letter of intent set forth in the attached memorandum for Gorman and Company. Commissioner Jenkins seconded the motion.

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

MOTION APPROVED

RESOLUTION #2016-145

RESOLUTION THE RHA BOARD OF COMMISSIONERS APPROVE THE BREWINGTON OAKS DEMOLITION PLAN AND AUTHORIZE THE CEO TO SIGN ANY REQUIRED DOCUMENTS TO ALLOW FOR A SECTION 18 DEMOLITION APPLICATION SUBMISSION TO HUD.

Commissioner Ginestra moved that the RHA Board of Commissioners approve the Brewington Oaks Demolition plan and authorize the CEO to sign any required documents to allow for a Section 18 Demolition Application submission to HUD. Commissioner Jenkins seconded the motion.

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

MOTION APPROVED

RHA COMMISSIONERS:

Jerry reported that this weekend he will be marching in the Bud Billiken parade in downtown Chicago. This is the 2nd largest parade in the United States. The parade takes place every second Saturday in August. Its sole purpose is to provide entertainment and recreation families as they prepare for the upcoming school year.

R.A.B – RESIDENT ADVISORY BOARD

Aisha Little reported that the FG council is finally running with members. They are have some minor issues but are willing to work things out together. Park Terrace council seats were just refilled and N. Main Manor has some vacant seats as well. She also announced will be stepping down as RAB President as she is to receive her HC Voucher soon. Before she leaves she would like to help the council create a policy/procedure book to help teach and guide council members. This can work together with the handbook. Aisha also said that once she gets her HCV council will throw her an appreciation event and say her goodbyes. She expressed passionately the main objective is to increase resident participation because this is the home, neighborhood and community.

MOTION PREVAILED

Chairman

Board Secretary
/rc