

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF COMMISSIONERS OF THE
ST. CLAIR COUNTY HOUSING AUTHORITY
1790 SOUTH 74TH STREET, BELLEVILLE, ILLINOIS**

HELD WEDNESDAY MAY 10, 2017 AT 9:00 A.M.

ROLL CALL

The Chairman called the meeting to order and upon roll call the following Commissioners were physically present:

Commissioners Present

Eugene Verdu, Chairman
Dan Barger, 1st Vice-Chairman
Sr. Julia Huiskamp, 2nd Vice-Chairman
Billie Jean Miller, Secretary
Vivian Cash, Treasurer

Others Present

Larry McLean, Executive Director
Nancy Schmidt, Director of Finance
Maureen Richter, Administrative Director
Keith Hausman, Director of Maintenance
David Wright, Director of Modernization
Pamela Jackson, Programs Director
Phyllis Pearson, Director of Asset Management
Phil Rice, SCCHA Attorney
Annette Hill, Executive Secretary

Commissioners Absent

None

Others Absent

None

PUBLIC COMMENTS

There were no public comments.

MINUTES

Consider approving Minutes from Regular Meeting held on April 12, 2017.

Commissioner Barger made a motion to approve the minutes as presented. The motion was seconded by Commissioner Miller. The motion carried.

FINANCE MATTERS

General Disbursements – All Projects, Payroll Disbursements, Treasurer’s Report, Schedule of Miscellaneous Receipts, Comparative Income/Expense Reports and Electronic Payment Transactions. (Copies attached)

Commissioner Barger made a motion to approve the Finance Matters. Commissioner Cash seconded the motion. Upon roll call the motion passed unanimously.

TENANT MATTERS

(For informational purposes only) Public Housing Tenant Accounts Receivable Report, Public Housing/Section 8 Occupancy Report, Public Housing Move-Out Report, Public Housing Move-In Report, Section 8 Move-Out Report, Section 8 Move-In Report, HCV Report, and Waiting List Summary. (Copies attached)

Mr. McLean reported that we are holding ground in the vacant unit battle. Commissioner Cash asked if we have a lot of vacancies.

Mr. McLean reported that as of the date the report in the meeting packet was printed (May 1, 2017), there were thirty-nine (39) vacant units. He stated that represents a little more than three percent (3%). He explained that HUD wants vacancy rates to be in the one percent (1%) or two percent (2%) range, noting that when vacancies exceed three percent (3%), future HUD operating subsidies are reduced.

Mr. McLean commented that the majority of our vacancies tend to be in our Centreville properties because they are our largest developments, with over two hundred (200) units at each location and generally have the highest turnover rate.

Commissioner Miller asked how many vacancies we have at these locations. Referring to the Vacant Unit Report included in the meeting packet as agenda item 5-A Mr. McLean noted that there are sixteen (16) vacancies in AMP 2 (Private Mathison Manor - PMM) and thirteen (13) in the Ernest Smith Sr. Apartments (ESSA) development known as AMP 3. He explained that only two of the vacant units in PMM were declared “Ready for Occupancy”, which is indicated by a “V” under the “Status” column and both had applicants assigned with move-ins pending. He further explained that the remaining vacant units either had “repairs in progress”, which is reflected by a status code of “R” or were waiting for repair, referred to as “downtime” and marked with a status code of “W” on the report. He reported that it is taking the maintenance staff longer to prepare vacant units for occupancy because there is so much interior work to be done, such as replacement of kitchen cabinets, countertops, bathroom vanities, etc. ---adding that very

few vacant units in these districts are simple “paint and clean” unit turnovers. The reason that so much interior work is needed to complete vacant unit repairs is the years of lack of adequate funding under the Capital Fund Program.

Mr. McLean stated that the regular wait list report is in the meeting packet as agenda item 5-I, but noted that a more detailed report regarding the waiting lists is included in the meeting packet under agenda item 9-C, which will be reviewed and discussed when he provides the “Reports by the Executive Director.”

OLD BUSINESS

Mr. McLean reported that Commissioner Huiskamp provided the list of the five (5) individuals who have been appointed as members of the East St Louis Housing Authority (ESLHA) Advisory Board of Commissioners. The members include Ms. Zorina Brown, Ms. Doris McGilberry, Ms. Donna Oliver (resident commissioner), Mr. Milton Reed and Mr. Lorenzo Savage.

Commissioner Huiskamp commented that she does not know any of the members and they do not have any known political connections. Commissioner Verdu asked if they lived in the City of East St Louis. Commissioner Huiskamp replied yes they do.

Mr. McLean thanked Commissioner Huiskamp for obtaining and sharing the names of the new ESLHA Board Members.

Commissioner Verdu commented that the term “advisory” is interesting. Commissioner Huiskamp stated that plans are for the Board to become official in August. Mr. McLean explained that it was his understanding that the members would serve in an advisory capacity until they successfully complete HUD training, at which time they will be recognized as the fully functioning and authorized Board of Commissioners.

NEW BUSINESS

7-A Consider Approving SCCHA Employee Health Insurance Plan Renewal with Memorial Network Health Partners / HealthLink, June 1, 2017-May 31, 2018

Commissioner Barger made a motion to approve the SCCHA Employee Health Insurance Plan Renewal with Memorial Network Health Partners / HealthLink effective June 1, 2017 through May 31, 2018. Commissioner Cash seconded the motion.

Commissioner Huiskamp asked if it was correct that the plan is only going to last until May 31st.

Referencing the memorandum that was included in the meeting packet, Mr. McLean explained that the “open enrollment” period runs from May 1st through May 31st, but the term of the contract will be from June 1, 2017 through May 31, 2018. He further explained that the Tier 1 benefit level available through the Memorial Hospital Network will expire December 31, 2017. The Tier 1 coverage has lower or no deductible and co-pays for some medical services when obtained through a provider affiliated with Memorial Hospital. He noted that this coverage package was developed last year by our health insurance broker, the Crane Agency, more specifically Tim Wells. He explained that Memorial Hospital has since partnered with the Barnes, Jewish, Christian Healthcare Network (BJC). Mr. Wells has explained that BJC is using its clout to leverage Memorial Hospital to discontinue the healthcare plans that provide incentives to use the Memorial Healthcare Network. Mr. McLean explained that Mr. Wells is hopeful that he can develop a replacement plan by January 1, 2018 that provides Tier 1 benefit coverage through another hospital network, namely the St. Elizabeth’s Hospital and its affiliates, but nothing is definite. As a final note, Mr. McLean explained that if the Tier 1 benefit level disappears January 1, 2018, employees will continue to have better insurance coverage than they did before SCCHA enrolled in the Memorial Network Health Partners / HealthLink plan.

The motion passed unanimously upon roll call.

7-B Consider Approving 2 Year Contract for \$130,000 with Southwestern Illinois College’s Program and Services for Older Persons (PSOP) for Senior Services Coordination Program

Commissioner Barger made a motion to approve a two (2) year contract for \$130,000 with Southwestern Illinois College’s Program and Services for Older Persons (PSOP) for the Senior Services Coordination Program. Commissioner Cash seconded the motion.

Commissioner Verdu commented that he considers this program between SWIC/PSOP and SCCHA to be very successful. Mr. McLean concurred, adding that the SCCHA staff relies on Mary Miller, the Senior Services Program Coordinator often to solve problems involving residents who are senior citizens and /or have a disability. He explained that Ms. Miller performs her duties in a manner that demonstrates sincere caring and compassion for those she encounters and that she also serves as a strong resident advocate. He added that he does not know what the Housing Authority would do without Ms. Miller and the services provided by the program.

Motion passed upon roll call, with Commissioner Verdu abstaining.

SUCH OTHER BUSINESS THAT MAY COME BEFORE THE BOARD

Nothing was presented or discussed under “other business.”

REPORTS BY THE EXECUTIVE DIRECTOR

Mr. McLean reported that Congress passed a federal budget that provides funding for housing programs through the end of the current federal fiscal year (September 30, 2017). The final budget, which avoided a government shut-down and an interruption in funding for federal housing programs, included better-than-expected housing assistance funding. Generally speaking, the budget deal maintained or slightly increased 2016 federal fiscal year funding levels, including the Capital Funding Program. Mr. McLean emphasized the difficulty in operating housing programs under such circumstances ---it is five (5) months into the funding year and the funding level for both the public housing and Section 8 Housing Choice Voucher Program (HCVP) remain uncertain.

Mr. McLean explained that the monthly meeting packet includes a report on the waiting lists for the various programs and he felt it would be worthwhile to provide a closer, more in-depth review of the waiting lists. The meeting packet included a “Summary of Waiting List Preferences” which describes the admission selection preferences that the Board previously adopted and the programs to which they apply. Mr. McLean noted that three (3) wait lists do not use wait list preferences because they are not allowed by program regulations. Those wait lists are organized by date / time of application and are for Townhouse Court in Brooklyn, Gwendolene Court in Belleville and Cedar Ridge in Lebanon. Townhouse Court and Gwendolene Court are Multi-Family Housing Program developments and Cedar Ridge is a Rural Development project.

The admission selection preferences for the wait lists for the Public Housing and Section 8 HCV Programs were summarized by Mr. McLean as follows:

- **Jurisdictional Preference** of ten (10) points awarded to applicants who reside, work or have a documented offer to work in SCCHA’s jurisdiction, which is all of St. Clair County for the Section 8 HCVP (because the HCV Programs of SCCHA and ESLHA were merged October 1, 2013) and all of St. Clair County except for the City of East St. Louis for the public housing program.
- **Employment Preference** of two (2) points awarded to applicants where the head of household or co-head (spouse) is employed, having worked for at least the last 90 days averaging a minimum of ten (10) hours per week with earnings at least equivalent to the minimum wage. So as not to discriminate on the basis of age or

disability this preference is automatically assigned to applicants with a head of household or co-head that is age 62 or older or with a disability.

- **Unmet Housing Need Preference** of one (1) point awarded to applicants facing any one of several housing issues (rent burden, overcrowding, unstable housing, substandard housing, displacement, homelessness, etc.).
- **Veteran Preference** of one (1) point awarded to applicants who are a veteran or survivor of a veteran who actively served in a branch of the United States Armed Services and whose service did not end on a negative basis (such as a dishonorable discharge).
- **Law Enforcement / Teacher Preference** of one (1) point awarded to applicants where the head of household, spouse or co-head is an active member of law enforcement or is working as a certified teacher. *This preference only applies to the Public Housing Program.*
- **Displacement / Disaster Preference** of five (5) points awarded to applicants impacted by a recognized disaster that occurs within SCCHA's jurisdictional boundaries as designated by the Executive Director. *This preference only applies to the Public Housing Program.*

It was noted by Mr. McLean that the Public Housing (or Low Rent) wait list summary portion of the "SCCHA Wait-List Bedroom" Report (the last report in the meeting packet among those marked as agenda item "5-1") shows a total of 21,148 public housing applicants. Mr. McLean explained that this reflects a duplicative count because applicants can apply for more than one location. He noted that the wait lists for some public housing developments are quite large; citing Hawthorne Terrace in Alorton as an example with a total of 2,417 applicants (all bedroom sizes combined).

Referencing the special "Wait List Report" that was included in the meeting packet under agenda item 9-C, Mr. McLean explained that for most locations and bedroom categories the staff rarely pulls applicants with preference point totals less than thirteen (13), which will include applicants who receive the jurisdiction, employment (senior citizen or disability), unmet housing and/or the veteran preference. He further explained that some locations, such as the more rural locations of Marissa, Lenzburg and New Athens, may completely exhaust a waiting list upon having a vacancy to fill. He also reported that the Public Housing Leasing staff is currently conducting regular (every week or every two weeks) wait list pulls of applicants with thirteen (13) or more preference points for two and three bedroom units in Centreville (both Private Mathison and Ernest Smith Sr.) and Brooklyn.

Commissioner Huiskamp asked if an applicant can indicate a particular development. Mr. McLean said yes, explaining that the application form instructs applicants to identify any and all locations in which they would reside.

Mr. McLean reported that forty-five (45) percent of annual admissions to the Public Housing Program must have incomes within the “Extremely Low Income” (EMI) category defined by HUD as being at or below thirty percent (30%) of the Area Median Income (AMI). He compared that to the Section 8 HCVP which requires seventy-five percent (75%) of annual program admissions to be from the EMI category. Mr. McLean explained that the difference is because HUD / Congress recognize the potential adverse impact of concentrating public housing developments with the “poorest of the poor” households; noting that HUD / Congress ensures that the EMI households are served by requiring the higher annual admissions percentages in the Section 8 HCVP. The goal / hope is that EMI households with Section 8 HCVP Vouchers will be dispersed throughout the community and will not concentrate in particular neighborhoods / apartment complexes.

Excerpts from two articles appearing in industry publications were provided to the Commissioners as hand-outs. The first related to the Lake County Housing Authority breaking ground on a two-hundred twenty (220) unit housing development. The \$48.6 million development is financed with state tax credits, a \$2.3 million loan from the housing authority and a \$26 million mortgage through the Illinois Housing Development Authority. Mr. McLean reported that the new development will replace a previously demolished public housing development that was built in the 1960’s, noting that the new development will contain forty-one (41) market rate units; ten (10) units set aside as “supportive units” for veterans, people with disabilities and other targeted groups, and; one hundred sixty-nine (169) Section 8 HCVP Project Based Voucher (PBV) units. The article states “There will be no ‘public housing units’ or, in other words, fully subsidized units, in the development....this is a more efficient way of financing affordable housing throughout the county...” The developer is the Atlanta-based Beniot Group in partnership with the housing authority. The two parties agreed to a fifteen (15) year deal under which the housing authority will take ownership of the development. Mr. McLean said that he shared this article with the Commissioners because the approach outlined seems to be a typical model being used by housing authorities to redevelop old, out-of-date public housing.

The second article that Mr. McLean shared with the Commissioners related to the Macoupin County Housing Authority (MCHA) receiving an award for its development of thirty (38) new single-family homes under a local homeownership program. Mr. McLean noted that David Wagner, SCCHA’s former Executive Director, not only considered Peg

Barkley, the MCHA Executive Director, a close associate, but also a friend. Financing for the MCHA development also included tax credits awarded through IHDA.

Mr. McLean reported on the impact of the extremely heavy rain amounts that the area received over the last couple of weeks. He explained that there are at least three (3) potentially troublesome areas that staff always monitors during periods of heavy rain:

- Thomas Terry Apartments in Brooklyn
- Private Mathison Manor (PMM) in Centreville
- South 46th Street in the Ernest Smith Sr. Apartments (ESSA) in Centreville.

It was reported that the pump station in Brooklyn remained operational through the first rain episode, but one of the pumps failed during the storm that followed due to an Ameren electrical supply problem. Rain water overflowed the lagoon and flooded the nearby parking lots and streets. No dwellings units were impacted. The problem was repaired within twenty-four (24) hours and the water quickly receded.

The pump station in PMM remained operational with no flooding incidents to report.

Several streets in other parts of Centreville, including South 46th in the Ernest Smith Sr. Apartments, were flooded by standing rain water. Flooding on South 46th Street is common after heavy rains, but the extent of the flooding was much worse this time because of the extreme amount of rain received. The storm sewer system could not handle the water volume, nor could the sanitary sewers, resulting in raw sewage back-ups along South 46th Street. Mr. McLean reported that Phyllis Pearson, Asset Management Director was in direct communication with the Mayor of Centreville and officials at Commonfields of Cahokia Water District and was informed that there literally was nothing that could be done in the short-term ---all systems were over-taxed by the torrential rains and all lines in the area eventually release into the Mississippi River which was already above flood stage and the Corp of Engineers had shut off any further pumping / release into the river. Mr. McLean noted that the antiquated sanitary and storm water sewer systems in the area of ESSA is another reason why SCCHA believes that it has no choice but to demolish at least portions of this public housing property and redevelop replacement housing in another portion of Centreville.

Mr. McLean reported that plans for a Wal-Mart Super Center to be located on South 74th Street, the side opposite of the SCCHA Central Office, have been announced. While noting that it is certainly a positive development for the City of Belleville, Mr. McLean said that he is concerned about the additional vehicle traffic in the immediate area.

Mr. McLean reported that a job announcement for the Deputy Director position was posted and applications were received from a couple of very qualified candidates; one in-house and one from outside the agency. He reported that the outside candidate was the candidate of choice because of his overall qualifications, especially his extensive executive level private sector property management experience.

Commissioner Miller asked if we could get the names of the two candidates.

Mr. McLean stated that the in-house applicant was Melissa Witt-Smith, a veteran SCCHA employee who currently serves as the Program Integrity and Compliance Coordinator. The outside applicant was Ken Sharkey, who happens to be a St. Clair County Board member from the Fairview Heights/O'Fallon area. Mr. McLean said that Mr. Sharkey worked for SCCHA years ago, but left to work in the private sector and has done very well. His current job requires a lot of out-of-town travel, which he would like to get away from. Mr. McLean explained that Mr. Sharkey's extensive private sector property management experience, including the management of tax-credit properties, resulted in his being considered the better candidate given SCCHA's future needs. Mr. McLean reported that both Brendan Kelly, St. Clair County's State's Attorney and Kevin Kaufhold, SCCHA's labor law attorney, concluded that with just a few conditions and safeguards put into place the potential for a conflict of interest in Mr. Sharkey holding the two positions could be successfully mitigated. Upon the advice of Mr. Kaufhold and wanting to act with an abundance of caution and to meet the obligation to notify HUD when even the appearance of a potential conflict of interest exists, Mr. McLean reported that HUD has been notified of his intent to hire Mr. Sharkey as the Deputy Director. He said at this time he is awaiting HUD's reply before moving forward with the hire.

Mr. McLean reported that job announcements were posted last week for a Management Assistant position in Centreville and a Public Housing Leasing Assistant position. He noted that both positions have been filled on temporary basis and that Phyllis Pearson, Cutha Word and Maureen Richter will interview the prospective candidates later this week.

ADJOURNMENT

Commissioner Barger made a motion to adjourn the meeting. The motion was seconded by Commissioner Miller. The motion passed unanimously.



Eugene Verdu (Chairman)



Billie Jean Miller (Secretary)

The Next Regular Board Meeting is Scheduled for June 14, 2017.