

MINUTES OF THE REGULAR MEETING
OF THE ST. CLAIR COUNTY HOUSING AUTHORITY (SCCHA)
BOARD OF COMMISSIONERS
1790 SOUTH 74TH STREET, BELLEVILLE, ILLINOIS
9:00 A.M., WEDNESDAY NOVEMBER 14, 2018

ROLL CALL

The Chairman called the meeting to order and upon roll call the following Commissioners and others 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
David Wright, Director of Modernization
Keith Hausman, Director of Maintenance
Pamela Jackson, Programs Director
Phyllis Pearson, Director of Asset Mgmt.
Carol Easterley, Administrative Director
Phillip Rice, SCCHA Attorney
Annette Hill, Executive Secretary

Commissioners Absent

None

Others Absent

None

PUBLIC COMMENTS

There were no public comments.

MINUTES

Consider approving Minutes of the Regular Meeting held on October 10, 2018.

Commissioner Barger made a motion to approve the minutes as presented. The motion was seconded by Commissioner Cash. The motion passed by unanimous consent.

FINANCE MATTERS

Consider approving Finance Matters for the month of September 2018, including General Disbursements – All Projects, Payroll Disbursements, Treasurer’s Report/Investment Register, Schedule of Miscellaneous Receipts, Comparative Income/Expense Reports and Electronic Payment Transactions (for the month of October 2018). Copies attached.

Commissioner Barger made a motion to approve the Finance Matters. Commissioner Miller seconded the motion. The motion passed unanimously upon roll call.

TENANT MATTERS

Review and discuss reports related to Tenant Matters for the month of October 2018. These include 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, HCVP Location Report, Waiting List Demographic Report and Wait List Summary by Program / Location Report. (Copies attached)

The reports are for informational purposes only and do not require any action.

Mr. McLean reported that vacant units continue to pose a challenge, noting that at the first of last month (October) there were fifty-five (55) vacancies, by the first of this month (November) the number had increased to sixty-seven [67] (as shown in the report in the meeting packet) and as of this morning the number had jumped to seventy-eight (78). There was considerable discussion regarding the potential factors that may be influencing the high number of move-outs. Mr. McLean assured the Commissioners that Keith Hausman, Maintenance Director, and Phyllis Pearson, Asset Management Director, and their respective staffs will continue to work diligently to reduce the number of vacant units.

OLD BUSINESS

There were no items of discussion under old business.

NEW BUSINESS

7-A Consider Approving Award for Roof Replacement Project at AMP 3 IL30-06, Centreville; AMP 6, IL30-05 Smithton, IL30-19 and 28 Lenzburg and IL30-22 Millstadt to Jim Taylor Roofing, Inc. of Belleville in the Amount of \$299,974

Commissioner Barger made a motion to approve award for roof replacement project at AMP 3 IL30-06, Centreville; AMP 6, IL30-05 Smithton, IL30-19 and 28 Lenzburg and IL30-22 Millstadt to Jim Taylor Roofing, Inc. of Belleville in the amount of \$299,974. Commissioner Miller seconded the motion.

Upon roll call the motion passed unanimously.

7-B Consider Accepting the Independent Audit for FYE June 30, 2018 Completed by Rector, Reeder & Lofton, PC (Management Letter Enclosed. Full Audit Report Mailed Previously)

Commissioner Miller made a motion to accept the independent audit for FYE June 30, 2018 completed by Rector, Reeder & Lofton, PC. Commissioner Cash seconded the motion.

Commissioner Huiskamp commented that she noticed that total revenue was down; however income over expenses was up. Mr. McLean complimented Commissioner Huiskamp on her keen observation; noting that HUD grant revenue had declined by 5.89% while total expenses for all programs decreased by 3.61% (referencing page 3 of the Management Discussion and Analysis section of the audit report). It was also noted by Mr. McLean that the audit was free from any findings or management concerns expressing his appreciation to the entire staff for their contribution to a “clean audit.”

Mr. McLean also reported on comments made by the auditor during the exit conference that are not directly mentioned in the audit report. The auditor was very complimentary of all of the staff with whom they engaged during the course of the audit, especially Nancy Schmidt, Finance Director. The auditor commented that Ms. Schmidt in particular and the staff in general are very conscientious, attentive to details and strive to make sure things are done right. Mr. McLean said that he especially appreciates the auditor’s comments in this regard and could not agree more.

The auditor recommended over-spending housing assistance payments (HAP) in the Section 8 Housing Choice Voucher Program to utilize HUD-held reserves with the anticipation that the increased HAP spending would result in increased funding in future years given HUD’s funding formula. Mr. McLean noted that increasing the number of tenants under HAP contract is not as easy as it sounds because of a number of complicating factors, but stated that Pamela Jackson, Program Director has committed herself and her staff to making significant gains in lease up during the current fiscal year.

The auditor also recommended that SCCHA consider spending down some of the public housing AMP reserves, citing the possibility that Congress / HUD might off-set future operating subsidies if authority-held reserves exceed four to six months of operating expenses. Mr. McLean noted that the SCCHA strategy has been to accumulate reserves in the AMPs to prepare for years when federal operating subsidies are reduced. He commented that there are ample physical improvement needs at all the public housing properties so he and the staff plan to follow the auditor’s suggestion which will probably be reflected in a budget revision that will be presented to the Board for consideration at a future meeting.

The auditor’s final suggestion was that SCCHA consider submitting an application to HUD to transition most if not all of its public housing property portfolio to HUD’s Rental Assistance Demonstration (RAD) Program. The auditor indicated that SCCHA was “behind the curve” compared to other PHAs in transitioning to RAD as a method of

updating and/or replacing their aging public housing properties. The auditor shared his belief that in the future the federal funding stream for RAD developments will be more stable than the public housing program. Mr. McLean commented that transitioning to the RAD Program is a very complicated process with which no one on the SCCHA staff, including himself, has any experience. He added that he and the staff intend to build their knowledge of the RAD Program and discuss the possibility of submitting an application to convert at least some public housing properties to RAD with the contracted Housing Development Partner. Mr. McLean assured the Commissioners that any application to HUD to convert a public housing property to RAD would require resident input and Board approval.

The motion and second to accept the audit passed unanimously upon roll call.

OTHER BUSINESS AND REPORTS BY THE EXECUTIVE DIRECTOR

8-A Contract Status Report (November)

In regards to the Contract Status Report Mr. McLean noted that there were two upcoming bid openings. On November 20th bids received for Heating and Air Conditioning System Replacement and Upgrades at the Central Office will be opened. Mr. McLean thanked Commissioner Barger for making himself available to preside over the bid opening and alerted the Commissioners that an award recommendation is anticipated at the December meeting.

Bids for Snow and Ice Removal for all public housing properties and SCCHA offices are also due on November 20th. Commissioner Huiskamp asked who currently provides these services. David Wright, Modernization Director, reported that the service is provided by three contractors ---Ron Woods Excavating, Matt Haag Landscaping and Minton Outdoor Services. Mr. McLean commented that according to established policy and procedure snow removal is only authorized when there is an accumulation of three inches (3") or more or when the combination of snow and ice is anticipated to remain on the ground for an extended period of time. He noted that this has been established procedure and policy for many years as is primarily the result of budget limitations --- adding that each time the decision is made to authorize the contracted service the cost is approximately \$5,000. It was acknowledged by Mr. McLean that it is not uncommon to receive complaints from residents regarding snow removal or lack thereof when a snow incident occurs. He suggested to the Commissioners should they receive complaints regarding SCCHA's handling of snow removal they refer the complainant to him.

8-B Personnel Matters

The Commissioners were advised that Tomika Beloch, Family Self- Sufficiency Program Coordinator, had left the employ of SCCHA and that efforts to fill this position would be undertaken. Mr. McLean noted that this is a grant funded position with the renewal grant application for calendar year 2019 due by the end of November. He added that an actual hire decision would probably be delayed until funding for the position for 2019 was confirmed.

Mr. McLean also advised the Commissioners that four full-time temporary hires were made to supplement the maintenance staff given the high number of vacant public housing units.

Further reporting under “other” matters, Mr. McLean advised the Commissioners that he was contacted by a representative from the Office of the Illinois Senate President and asked to testify at a Senate Committee Hearing scheduled in East St. Louis on November 1st that focused on affordable housing and the potential of lifting the State rent-control ban. Mr. McLean explained that he had a scheduling conflict and suggested that the Illinois Association of Housing Authorities’ (IAHA) Legislative Committee Chairman and Lobbyist would be qualified to provide testimony on the issues being considered by the Senate Committee. Mr. McLean said that he had received word from Chris Blechle, the Randolph County Housing Authority Executive Director and IAHA Legislative Committee Chairman that the hearing went well.

Mr. McLean advised the Commissioners that SCCHA’s contracted Housing Development Partner (HDP) submitted a Preliminary Project Assessment (PPA), which is basically an initial application for funding, to the Illinois Housing Development Authority (IHDA) on behalf of SCCHA prior to the deadline date of November 9, 2018. The PPA is for a total of fifty-two (52) units, which include thirty-two (32) elderly units and twenty (20) family units. Those numbers and unit designations directly correspond to the type and number of public housing units that SCCHA anticipates submitting an application to HUD to demolish. Mr. McLean explained that our HDP should receive notification from IHDA in the early part of 2019 if the PPA receives a favorable assessment resulting in an invitation to submit a full and final development proposal. Chairman Verdu requested that Mr. McLean keep the Commissioners advised regarding significant developments related to both the IHDA PPA and the potential demolition of the referenced public housing units. Mr. McLean assured the Chairman that he would keep the Commissioners apprised as these two initiatives unfold.

The final item that the Commissioners were briefed on was the recent HUD REAC (Real Estate Assessment Center) inspections in AMP 3, the Ernest Smith Sr. Apartments in Centreville and Townhouse Court in Brooklyn, an eight (8) unit Multi-family Program (Section 8 Project Based Rental Assistance) Property.

In terms of background, AMP 3 was inspected twice in 2016. The initial inspection conducted by a contract REAC inspector resulted in a passing score. Later in 2016 HUD staff inspectors conducted a "quality control" inspection that resulted in a failing score. In August 2018 AMP 3 was again inspected by a contract inspector that would have resulted in a passing score. But for unexplained reasons, HUD did not accept the inspection results and scheduled another inspection for the month of October to be completed by HUD staff. The second inspection resulted in a passing score of sixty-eight (68). Mr. McLean and Keith Hausman, Maintenance Director, indicated that given all of the uncertainties involved in the REAC inspection process and recognizing that AMP 3 is not our best property (it includes the Adeline James Building that is planned for demolition and development known as 30-08 which is also being assessed for demolition), they were pleased with the passing score.

In regards to the Townhouse Court property, Mr. McLean commented that by all measures, this property is in good physical condition. However, he explained that the inspector cited padlocks on the doors to the exterior storage rooms as an Exigent Health and Safety (i.e. emergency repair) condition. That determination will drastically reduce the property's inspection score which has not yet been made available. Mr. McLean and Mr. Hausman explained that this situation illustrates why REAC inspection scores do not always reflect the true physical condition of a property and why scores can vary widely from one inspector to another when there is no corresponding change at the properties being inspected. Both gentlemen expressed their frustration with some aspects of the REAC inspection process, but acknowledged there is nothing that can be done about it.

ADJOURNMENT

Being no further business to be considered by the Board, Commissioner Barger made a motion to adjourn the meeting. The motion was seconded by Commissioner Miller. The motion passed by unanimous consent.



Eugene Verdu (Chairman)


Billie Jean Miller (Secretary)

The Next Regular Board Meeting is Scheduled for December 12, 2018.