

**MINUTES OF MEETING OF DECATUR HOUSING AUTHORITY
OF THE CITY OF DECATUR, ILLINOIS**

Regular Meeting

The Board of Commissioners of Decatur Housing Authority met in regular session at the Don F. Davis Center, 1808 East Locust Street, Decatur, Illinois at 3:30 p.m. on Thursday, January 14, 2016.

Chairperson Campbell-Hein called the meeting to order and upon a call of the roll, those present (all attended in person) and absent were as follows:

Present: Lisa Campbell-Hein, Chairperson
Shad Etchason, Vice Chairman
Shelith Hansbro, Commissioner
William Gosch, Commissioner
James E. Alpi, Secretary-Treasurer
James A. Jankowicz, Legal Counsel

Absent: Jenny Sykes, Commissioner

There being a quorum present and the meeting duly convened, opening ceremonies were conducted with the reciting of the pledge of allegiance and business was transacted as follows:

Chairperson Campbell-Hein presented the Open Time of the agenda.

Commissioner Gosch inquired about the faded stop sign at the parking lot entrance. Mr. Alpi stated it would be looked into.

At this time there was a call placed to the auditor. The auditor presented the 2015 Independent Audit and gave a clean opinion. He stated this is the best you can get regarding the financial audit. There was one finding regarding the utility allowances for the public housing. Utility allowances have not been updated for this program. DHA staff responded this will be corrected with implementation of the EPC prior to the next audit. Chairperson Campbell-Hein inquired if commissioner Sykes has reached out to the auditors. The answer was no, and if she has any questions, she will be put in touch with the auditors.

Hearing no further comments, Chairperson Campbell-Hein presented the Minutes from the Regular Meeting of December 10, 2015. Vice Chairman Etchason moved to accept the Minutes as presented. Commissioner Hansbro seconded the motion.

Hearing no comment, Chairperson Campbell-Hein called for a roll call vote to accept the minutes as presented. All voted "Aye". The motion carried.

Chairperson Campbell-Hein presented the Rent Roll/L&O Summary Report for the month of December 2015. Commissioner Hansbro moved to receive and file the report. Vice Chairman Etchason seconded the motion.

Terri Goodman reported occupancy has increased by 8 units. Leases are being signed as soon as renovation is completed. Staff is having trouble getting 3 bedroom families to pass the application process. Mr. Alpi reinforced Mrs. Goodman's comments and further stated that the new staff is doing a good job. ROSS staff is helping applicants find local resources for assistance with their power bills.

January 14, 2016

Hearing no further comment, Chairperson Campbell-Hein called for a roll call vote. All voted “Aye”. The motion carried.

Chairperson Campbell-Hein presented the Housing Choice Voucher Program Occupancy report for the month of December 2015. Vice Chairman Etchason moved to receive and file the report. Commissioner Gosch seconded the motion.

Brenda Kraus reported staff is working really hard. Two staff members are being trained to process applicants. The waiting list opened recently so there are 397 new applications to be processed. Mr. Alpi stated that we are spending all funds being allocated for this program and are on pace to increase occupancy using reserves. This will allow us to receive additional future funding.

Hearing no further comment, Chairperson Campbell-Hein called for a roll call vote. All voted “Aye”. The motion carried.

Chairperson Campbell-Hein presented the Wabash Crossing Occupancy Report for the month of December 2015. Commissioner Hansbro moved to receive and file the report. Commissioner Gosch seconded the motion.

Tina Rice, Manager at Wabash Crossing, gave an overview of the occupancy and passed out a report. Ms. Rice stated they still need to hire an additional leasing specialist. The plan is to hire a strong individual with experience to get units leased up. Staff at Wabash Crossing has also been referring clients to the LIHEEP program for assistance with power bills. Mr. Alpi stated that the Wabash Crossing staff is struggling to increase occupancy and are working with East Lake to overcome barriers. This problem needs corrected in the next 6 months. HUD staff is paying close attention to this and requiring a written plan to address the problem.

Hearing no further comment, Chairperson Campbell-Hein called for a roll call vote. All voted “Aye”. The motion carried.

Chairperson Campbell-Hein presented the General Fund Check Register Report for the month of December 2015. Vice Chairman Etchason moved to receive and file the report and Commissioner Hansbro seconded the motion.

Hearing no comment, Chairperson Campbell-Hein called for a roll call vote. All voted “Aye”. The motion carried.

Chairperson Campbell-Hein presented the Financial Reports for the period through the end of November. Commissioner Hansbro moved to receive and file the report. Vice Chairman Etchason seconded the motion.

Terri Goodman, Finance Director, reported November was a good month. Tenant rents were up and the net income was \$40,000. Vice Chairman Etchason inquired about the COCC fund balance. The COCC balance is lower because reserve funds were transferred to Pilot to protect the funds from possible recapture. The Section 8 report looks like a loss but it will bounce back.

Hearing no further comment, Chairperson Campbell-Hein called for a roll call vote. All voted “Aye”. The motion carried.

January 14, 2016

At 4:10 a Public Hearing was opened to the public receive comments about the PHA Plan and Annual Statement and Five Year Action Plan for the Capital Fund Program. Mr. Alpi stated this plan is an outline and review of our operations and planning for the Capital Funds. There were not any significant changes to the Five Year Action Plan but there was a year added. The DHA uses the rolling Five Year Plan process. There were no comments received from the public regarding the PHA Plan and the Public Hearing concluded at 4:12.

Chairperson Campbell-Hein presented the following resolution for Commissioners' consideration and approval:

RESOLUTION NO. 16-01

AUTHORIZING AND APPROVING THE SUBMISSION OF A
DECATUR HOUSING AUTHORITY'S FIVE YEAR PHA PLAN AND
ANNUAL PLAN TO THE DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

WHEREAS, the Authority is required to submit to HUD, an Agency Plan on an annual basis and,

WHEREAS, Decatur Housing Authority's Resident Advisory Board (RAB) has participated in development of the Agency Plan, and

WHEREAS, the Decatur Housing Authority has prepared an Agency Plan in accordance with HUD directives, and

WHEREAS, the Board of Commissioners has conducted a Public Hearing requesting input into Decatur Housing Authority's Annual Plans; now, therefore

BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DECATUR HOUSING AUTHORITY OF THE CITY OF DECATUR, ILLINOIS:

- Section 1. That the Housing Authority shall consider all comments from residents and the general public prior to submission to the Department of Housing and Urban Development.
- Section 2. That this document shall be conveyed to the City of Decatur for confirmation on consistency with the Consolidated Plan.
- Section 3. That the Executive Director or his designee shall be authorized to execute all necessary documents for submission to the Department of Housing and Urban Development.

Vice Chairman Etchason moved to accept the resolution as presented. Commissioner Hansbro seconded the motion.

Jim Jankowicz, DHA attorney, inquired about the item in the PHA Plan that identified the goal to build or acquire 161 units. Mr. Alpi stated that this goes back to the units lost due to the HOPE VI project and the demolition of Longview. We continue to address this in the plan because if we are presented with an opportunity to do any new development, we have it

January 14, 2016

in our plan.

Hearing no further comments, Chairperson Campbell-Hein called for a roll call vote. All voted “Aye”. The motion carried.

Chairperson Campbell-Hein presented the following resolution for Commissioners’ consideration and approval:

RESOLUTION 16-02

AUTHORIZING AND APPROVING A REVISION OF THE AUTHORITY’S
PUBLIC HOUSING PROGRAM ADMISSIONS AND CONTINUED
OCCUPANCY POLICY (ACOP)

WHEREAS, the Authority periodically reviews its policies and procedures for needed modifications, and

WHEREAS, HUD and the US Congress periodically modify regulations and statutory requirements, and

WHEREAS, legislation now allows tri-annual recertification of income of families with 90% of their income coming from a fixed source, and

WHEREAS, the Authority has identified the need to increase the ratio of move-ins to transfers to more quickly meet the needs of the community, and

WHEREAS, the Authority has identified the need to conform its leasing policy to regulations by limiting time for tenant termination to 30 days in advance of the one year lease term, and

WHEREAS, exhibits included in the ACOP require updating periodically as prescribed limits change; now, therefore

BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DECATUR HOUSING AUTHORITY OF THE CITY OF DECATUR, ILLINOIS:

Section 1. The ACOP Chapter 8 – Transfer Policy – Section C. Priority Transfers, Paragraph three should be changed to read “Emergency, Medical, Hardship and Accessibility, Overhoused, and Underhoused (Overcrowded) Ratio shall be at least one transfer for every twenty move-ins from the Public Housing waiting list”. Section G. Non-Mandatory Transfers, Paragraph one. Shall be changed to read, “A transfer, rather than a new admissions from the waiting list, will fill one in twenty units filled.”

Section 2. Chapter 13. Lease Terminations, Section A. Termination by Tenant shall be changed to read, “The tenant may terminate the lease by providing the PHA a written notice 30 days prior to termination of the 12 month lease.”

Section 3. ACOP Exhibits: That Exhibit A. Income Limits dated 3-10-09, Exhibit B. Schedule of Security Deposits dated 8-04, Exhibit C. Flat Rent Schedule dated 8/04, Exhibit E. Schedule of Utility Allowances dated 12-1-08, and Exhibit F. Criteria for Determining Overcrowded Conditions, be deleted and replaced by the following:

EXHIBIT A. Income Limits: 1-14-2016

EXHIBIT B. Schedule of Security Deposits: 1-14-2016

EXHIBIT C. Flat Rent Schedule: 1-14-2016

January 14, 2016

EXHIBIT E. Schedule of Utility Allowances: 12-1-2008

EXHIBIT F. Criteria for Determining Overcrowded Conditions 1-14-2016

Section 6. That the Executive Director of designee be authorized to make all listed changes to the Admissions and Continued Occupancy Policy and cause the same to be implemented.

Commissioner Hansbro moved to accept the resolution as presented. Vice Chairman Etchason seconded the motion.

Mr. Alpi reported that the Admissions and Continued Occupancy Policy (ACOP) is all DHA policies and procedures for the Authority's Public Housing Program. The changes are related to the transfer policy and the term of the leases. DHA currently allows leases to be month to month after the first year. HUD regulations require one year initial leases that automatically renew for an additional 12 months. The proposed policy would conform to HUD regulations by making leases one year renewing for one year unless tenant notifies DHA of the desire to cancel lease 30 days prior to the end of the lease. It was also explained the transfer policy change would increase the ratio of transfers from 1 transfer for each 8 new households to 1 transfer to 20 new households. Jim Jankowicz stated that it should read the tenant "shall" give at least 30 day notice instead of "may" give 30 days notice prior to the end of the lease term. Tina Rice inquired about this change and the effects on her leasing policies. Mr. Alpi stated this is a HUD regulation. Chairperson Campbell Hein asked if this could make people have to stay in public housing if it doesn't time perfectly with Section 8? Staff answered yes. Ms. Rice inquired if there will be some tenant education on this change in policy. Mr. Alpi stated we will need to phase it in and inform tenants of the change. He further stated that this change is what is best for the Authority and is a regulatory requirement.

Hearing no further comment, Chairperson Campbell-Hein called for a motion to amend Resolution No. 16-02. Commissioner Hansbro moved to amend Resolution No. 16-02 per Jim Jankowicz's recommendation. Vice Chairman Etchason seconded the motion.

Hearing no further comment, Chairperson Campbell-Hein called for a roll call vote. All voted "Aye". The Motion Carried.

Chairperson Campbell-Hein called for a motion to approve Resolution No. 16-02 as amended. Commissioner Hansbro moved to approve Resolution No. 16-02 as amended.

January 14, 2016

Vice Chairman Etchason seconded the motion.

Hearing no further comment, Chairperson Campbell-Hein called for a roll call vote. All voted "Aye". The motion carried.

Chairperson Campbell-Hein presented the following resolution for Commissioners' consideration and approval:

RESOLUTION NO. 16-03

AUTHORIZING AND APPROVING REVISION OF THE HOUSING CHOICE VOUCHER PROGRAM PAYMENT STANDARDS

WHEREAS, at the October 2015 regular Board meeting the Board of Commissioners approved a revision of the Housing Choice Voucher Payment Standards, and

WHEREAS, in December 2015 HUD published the final Fair Market Rent schedule, and

WHEREAS, the final Fair Market Rent schedule reflects a minor increase to some unit rents, and

WHEREAS, PHA's may set payment standards between 90% and 110% of FMR to reflect local market conditions and unit availability, and

WHEREAS, the review conducted by staff has determined that based on market conditions, Payment Standards should be revised as noted below, and

WHEREAS, the Payment Standards will remain between 90% and 110% of Fair Market Rents for Decatur MSA; now, therefore,

BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DECATUR HOUSING AUTHORITY OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That Housing Choice Voucher Program Payment Standard is as follows:

SRO - \$289 75% UA	3 BR - \$887
0 BR - \$386	4 BR - \$974
1 BR - \$489	5 BR - \$1,119
2 BR - \$638	

Mobile homes space or lot only is 2 BR FMR x 40% = \$255
SRO .75 x 0 BR FMR = \$286

Section 2. That the Executive Director or designee be authorized to implement new Payment Standards effective February 1, 2016.

Vice Chairman Etchason moved to accept the resolution as presented. Commissioner Gosch seconded the motion.

Mr. Alpi stated last month we brought the payment standards to you for approval. Since that time HUD published the final version of the payment standards that we slightly different.

January 14, 2016

There were two changes. This resolution authorizes staff to update the payment standards for the voucher program.

Hearing no further comments, Chairperson Campbell-Hein called for a roll call vote. All voted "Aye". The motion carried.

Chairperson Campbell-Hein presented the following resolution for Commissioners' consideration and approval:

RESOLUTION NO. 16-04

AUTHORIZING AND APPROVING CONTRACT MODIFICATION NO. 1 TO TICA, INC. FOR WINDOW AIR CONDITIONER REPLACEMENT AT THE HARTFORD, CFP IL06-P012-50113/50114

WHEREAS, Window Air Conditioner Replacement at the Hartford is now complete, and

WHEREAS, the original contract amount contained an allowance to be used for unforeseen conditions, and

WHEREAS, all proceed orders for unforeseen conditions have been executed, and

WHEREAS, there is an unused amount of \$416.38 left in the allowance, and

WHEREAS, the contract amount is to be decreased by said amount; now, therefore

BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DECATUR HOUSING AUTHORITY OF THE CITY OF DECATUR, ILLINOIS:

- Section 1. That Contract Modification No. 1 to TICA, Inc. for Air Conditioner Replacement at the Hartford, AMP ILL 12-23, Project CFP IL06-P012-50113/50114 is authorized and approved.
- Section 2. That the contract amount is decreased by a \$416.38 and the time for completion remain unchanged.
- Section 3. That the Executive Director or Contracting Officer is authorized to execute all necessary documents.

Commissioner Hansbro moved to accept the resolution as presented. Commissioner Gosch seconded the motion.

This resolution authorizes staff to reduce the contract amount for the AC replacement project at the Hartford for the unused portion of the contract allowance.

Hearing no further comment, Chairperson Campbell-Hein called for a roll call vote. All voted "Aye". The motion carried.

Chairperson Campbell-Hein presented the following resolution for Commissioners' consideration and approval:

January 14, 2016

RESOLUTION NO. 16-05

RESCINDING RESOLUTION NO. 15-47 AND AUTHORIZING AND APPROVING
THE BORROWING OF FUNDS TO FINANCE ENERGY SAVING
IMPROVEMENTS TO PUBLIC HOUSING PROPERTIES BY AMERESCO UNDER
AN ENERGY PERFORMANCE CONTRACT

WHEREAS, the Decatur Housing Authority (DHA) has identified opportunities to reduce energy consumption and improve public housing properties, and

WHEREAS, further refinement of terms based on HUD feedback and additional negotiations have modified the scope and resulting terms, and

WHEREAS, the DHA plans to execute an Energy Performance Contract with Ameresco, Inc. upon receipt of final approval of the United States Department of Housing and Urban Development (HUD) to make improvements to, and implement energy savings at, AMPS ILL 12-22, ILL 12-23, ILL 12-24, and ILL 12-28, and

WHEREAS, the Energy Performance contract will be financed by way of a lease purchase agreement with security interest in the associated equipment only in an amount not to exceed \$1,250,000, and

WHEREAS, funds borrowed by DHA are guaranteed by Ameresco, Inc. to be re-paid by the guaranteed utility cost savings per the terms set forth in the Energy Performance Contract to be entered into between DHA and Ameresco, Inc., and

WHEREAS, proposals for financing were received on DHA's behalf by Ameresco, Inc. and

WHEREAS, the most favorable rates and terms were proposed by PNC Equipment Finance, LLC; now, therefore

BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DECATUR HOUSING AUTHORITY OF THE CITY OF DECATUR, ILLINOIS:

- Section 1. That Resolution No. 15-47 is hereby rescinded and made void.
- Section 2. That a lease purchase agreement with PNC Equipment Finance, LLC to finance energy improvements under an Energy Performance Contract with Ameresco, Inc. is authorized and approved.
- Section 3. That the terms of the lease purchase agreement shall not exceed (i) 16 years in length, including construction term, (ii) 3.6% annual interest, or (iii) a loan amount of \$1,250,000.
- Section 4. That PNC Equipment Finance, LLC be allowed a security interest in the associated equipment for the term of the lease.
- Section 5. That the Executive Director be authorized to execute such agreements, contracts, tax certificates and filings, Energy Performance Contracts and other required documents contingent upon HUD's approval of the Energy Performance Contract and related documents and provided the Executive Director is satisfied with the terms.
- Section 6. That the Board of Commissioners of DHA (the "Board") authorizes the Executive Director to designate on its behalf all or a portion of the lease purchase agreement as a "qualified tax-exempt obligation" eligible for the exception from the disallowance of the deduction of interest by financial institutions allocable to the cost of carrying tax-exempt obligations in accordance with the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Board does not reasonably anticipate that DHA, DHA's subordinate entities, and the entities which issue obligations on DHA's behalf will issue, in the

January 14, 2016

aggregate, more than \$10,000,000 in tax-exempt obligations during calendar year 2016, and the Board will not designate more than \$10,000,000 of qualified tax-exempt obligations during the calendar year 2016.

Section 7. That the Board hereby adopts this declaration of official intent under Treasury Regulations Section 1.150-2 promulgated under the Code.

Commissioner Hasnbro moved to accept the resolution as presented. Commissioner Gosch seconded the motion.

Mr. Alpi stated that two months ago the board authorized a resolution almost identical to this resolution. Since that time HUD has made recommendations for revisions to the scope of work. This resolution authorizes amendments per HUD regulation. Chairperson Campbell-Hein asked what this means for the authority. Mr. Alpi stated that this project includes new lighting, a boiler, and various other pieces of equipment. This resolution states that this equipment will be owned by the bank during this contract. Jim Jankowicz further stated that PNC Bank was initially concerned with what they call bank qualification so when we made the change stating bank qualified tax exempt, people will want to buy the bonds. Vice Chairman Etchason inquired what the vision is again. Mr. Alpi gave a quick overview of the items included in the contract and he feels HUD is really close to approval to move forward. Vice chairman Etchason asked for a recap of the time spent at the next meeting.

Chairperson Campbell-Hein presented the following resolution for Commissioners' consideration and approval:

RESOLUTION NO. 16-06

AUTHORIZING AND APPROVING CONTRACT MODIFICATION NO. 1 TO SCHIELER & RASSI QUALITY BUILDERS, INC. FOR CONSTRUCTION OF 8 ZERO ENERGY HOMES

WHEREAS, the Authority has entered a contract with Schieler and Rassi Quality Builders, Inc. for construction of 8 zero energy homes, and

WHEREAS, the Authority and its architect have performed value engineering analysis to identify cost savings, and

WHEREAS, substantial savings will result from altering the mix of one and two story models, and

WHEREAS, to avoid construction of foundations in the winter season, an extension of the contract time is warranted; now, therefore

BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DECATUR HOUSING AUTHORITY OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That Contract Modification No. 1 to Schieler and Rassi Quality Builders, Inc. for

January 14, 2016

Construction of Eight Zero Energy Homes be authorizing and approved.

- Section 2. That the contract amount be reduced by One Hundred Two Thousand, Forty-Eight and 69/100 DOLLARS (\$102,048.69) and the time for completion be extended by 24 calendar days.
- Section 3. That the Executive Director or Contracting Officer is authorized to execute all necessary documents.

Commissioner Hansbro moved to accept the resolution as presented. Vice Chairman Etchason seconded the motion.

Mr. Alpi stated that this project is the 8 zero energy homes we are going to build in the west end. The architect and contractor have completed the value engineering and have identified some cost savings. Commissioner Gosch asked if they are going to be gas or electric. Mr. Alpi stated they will be all electric.

Hearing no further comment, Chairperson Campbell-Hein called for a roll call vote. All voted "Aye". The motion carried.

Chairperson Campbell-Hein presented the following resolution for Commissioners' consideration and approval:

RESOLUTION NO. 16-07

AUTHORIZING AND APPROVING THE DECATUR HOUSING
AUTHORITY'S FIVE YEAR ACTION PLAN AND ANNUAL STATEMENT,
CFP IL06-P012-50116

WHEREAS, the Decatur Housing Authority has prepared an initial Annual Statement and updated Five Year Action Plan for CFP IL06-P012-50116, and

WHEREAS, Decatur Housing Authority's Resident Advisory Board (RAB) participated in development of the Five Year Action Plan for CFP IL06-P012-50116, and

WHEREAS, the Board of Commissioners has conducted a Public Hearing requesting input into Decatur Housing Authority's Five Year Action Plan and Annual Plans for CFP IL06-P012-50116; now, therefore

BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DECATUR HOUSING AUTHORITY OF THE CITY OF DECATUR, ILLINOIS:

- Section 1. That the Housing Authority shall consider all comments from residents and the general public prior to expenditure of funds.
- Section 3. That the Five Year Action Plan and Annual Statement for CFP IL06-P012-50116 shall be submitted for HUD approval upon receipt of the Annual Contributions Contract Amendments.
- Section 4. That the Executive Director or his designee shall be authorized to execute all necessary documents for submission to the Department of Housing and Urban Development.

January 14, 2016

Vice Chairman Etchason moved to accept the resolution as presented. Commissioner Hansbro seconded the motion.

Mr. Alpi reported that this is the Capital Fund Program Annual Statement and Five Year Action Plan. This plan has been prepared based on the amount of funding we received last year. HUD has changed the process for submitting this plan. When we receive the actual amount of funding we will revise this budget to match that amount we actually receive and submit it to HUD for approval.

Old and New Business

Jim Jankowicz stated that it is typical to receive and file the audit report. Mr. Alpi stated we will include it on the agenda for the next meeting and that will give Commissioner Sykes a chance to review it.

Chairperson Campbell-Hein stated there was no further business to come before the Board. Commissioner Hansbro moved to adjourn and Vice Chairman Etchason seconded the motion. Upon a call of the roll, the Commissioners voted as follows:

Vice Chairman Etchason, "Aye"
Commissioner Gosch, "Aye"
Commissioner Hansbro, "Aye", and
Chairperson Campbell-Hein, "Aye".

The motion carried unanimously. The meeting adjourned at 5:25 p.m.

(ATTEST)

Chairperson Campbell-Hein

Secretary-Treasurer

January 14, 2016