

MINUTES OF THE
McHENRY COUNTY HOUSING AUTHORITY
October 17, 2011

The Regular Meeting of the Board of Commissioners of the McHenry County Housing Authority was called to order by Chairman Leathers at 1:35 P.M. on October 17, 2011, at the offices of the McHenry County Housing Authority, 1108 N. Seminary, Woodstock, Illinois.

ROLL CALL:

Commissioners Present: Keith Leathers, Chairman
Mary Reid, Vice Chairman
Cathryn Perfetti
Robert Routzahn
Daniel Bell
Thomas Vaclavek, Jr.

Commissioners Absent: Sulev Ahven

Others Present: Julie Biel Claussen, Executive Director
Holly Lyons, Administrative Assistant
Francis Gosser, Attorney
Donna Kurtz, County Board liaison
Chris Hooker, Banner Properties
Tom Suminski, Banner Properties

The Regular Board Minutes of September 19, 2011 were presented for approval. Commissioner Reid made a motion that was seconded by Commissioner Perfetti to approve these minutes as presented. All voted aye, and the motion carried.

Commissioner Comments / Public Comments: The representative of Banner Properties presented information regarding two developments that they are proposing for financing under the Illinois Housing Development Authority (IHDA) tax credit program. The developments would be a 59-unit development in Lake in the Hills and a 71-unit development in Crystal Lake. Both of the developments would be targeted to families with incomes at 60% or lower of the area median income. The developments would include a mix of one, two and three bedroom units. The developers are requesting that MCHA consider allocating project-based vouchers to 20% of the units. The allocation of project-based vouchers would assist their proposals in achieving points in the competition for tax credits at IHDA. Additionally, the developers asked MCHA to consider partnering with them as a nonprofit partner that would provide a connection to the community and assist in determining services required for the tenants. Biel Claussen noted that MCHA does not have a nonprofit entity organized. Mr. Suminski stated that he would inquire with IHDA whether the entity would be required to have achieved the nonprofit 501(c)(3) status prior to application. Mr. Suminski also noted that he had received a suggestion from the County staff regarding another nonprofit that may be interested in

partnering with them.

Financial Reports:

Commissioner Reid made a motion to accept the financial reports that was seconded by Commissioner Vaclavek. Biel Claussen presented the financial reports. The Voucher Program had a negative cash flow of \$12,813.51. Biel Claussen noted that the audit was paid this month, and also the quarterly insurance. The Public Housing Program had a negative cash flow this month of \$1,240.28. Biel Claussen noted that all units are currently occupied. The Cost Allocation report showed \$30,576.03 allocated among all programs for the month. Vaclavek commented on the high postage costs. Biel Claussen explained there was a mass mailing for Section 8. The SilverTrees I report showed a positive cash flow for the month of \$850.45, with no vacancies. Biel Claussen noted that she has requested a rent increase for 2012. SilverTrees II had a negative cash flow this month of \$428.79 with one vacancy year to date. The GreenTrees development had a positive cash flow of \$2,162.69. The LIHEAP program started their fiscal year program as of September 1, and Biel Claussen noted that it is difficult getting accurate reports with the new PIPP program. The construction is complete on the 2007 and 2008 HOME Program and there is a balance in the administrative funds. There is also a balance in the 2008 HOME Construction line item that will be combined with the new funding that MCHA will receive for a construction project for 2010. We have spent \$115,440 of the \$227,424 CSBG grant for 2011 that expires in March 2012. The Rental Housing Support Program reflects only administrative costs, no payment to the landlords was made this month. Commissioner Reid noted that the scholarship funds have not been spent. She suggested more outreach should be made to eligible recipients. Ms. Kurtz suggested contacting the Workforce Investment Board and McHenry County College. The HPRP Program met the 60% draw down deadline of September 30, 2011. The Senior Dental Program is almost completely spent. There were 18 clients served under the grant. The vote was called on the motion to accept the financial reports, and all voted aye. The motion carried.

Bills Due: Frank Gosser's bill for \$743.75 for MCHA legal services, and the bills for Gosser and Mengling in the amounts of \$977.50 and \$4,410 respectively for legal costs to defend themselves in the suit brought by a MCHA Section 8 recipient, and a bill from the Illinois Association of Housing Authorities in the amount of \$175 were presented. Commissioner Reid made a motion to approve the payment of the bills presented. Commissioner Perfetti seconded the motion. Upon roll call vote, all voted aye and the motion carried.

Legal Status Report: Mr. Gosser reported that he was working on foreclosure cases in connection with the Owner-Occupied Rehab program and will discuss the court case under Executive Session.

Program Reports:

Section 8 – The Section 8 program is not issuing vouchers at this time. The report showed 941 clients under lease at the end of August. The purge of the waiting list is complete. Biel Claussen presented Resolution 2011-12 regarding allocation of project-based vouchers for the Lake in the Hills Senior Residences. Biel Claussen noted that while the Commissioners had already voted to allocate the project-based vouchers, the resolution was required for the HUD review and the resolution notes that the project was successful in competing under the tax credit competition and the HOME competition for funding. Commissioner Vaclavek made a motion to adopt Resolution 2011-12. Commissioner Reid seconded the motion. All of the Commissioners voted in favor of the motion and the motion carried.

Public Housing – The Public Housing program had one vacancy in October, but we have a tenant already qualified for the unit. The Capital Fund is 100% spent for this year and we are waiting for approval from HUD to begin spending the new funds for this year.

LIHEAP – The new LIHEAP/PIPP Program is starting to run more smoothly, however there are still often times when the new State computer system is down. Senior Services is not taking as many applications as they formerly did. We do have three new volunteers that are helping with this program in addition to the two that we already had.

Weatherization – Biel Claussen noted that the reporting system continues to have problems, and staff is keeping track of their jobs and money spent by hand.

Rehab – We are currently prequalifying clients in order to move quickly upon receipt of the contract from the County.

Community Services Department – McHenry County received significantly less Emergency Food and Shelter Program funds this year. We are acting as administrator of the program and a EFSP board meeting has been convened to award funding to local agencies. Biel Claussen presented the 2012 CSBG Budget in the amount of \$226,787. Commissioner Reid made a motion to adopt the 2012 CSBG Budget as presented. Commissioner Vaclavek seconded the motion. The motion carried by unanimous vote.

Rural Development – There are two vacancies currently at GreenTrees.

HUD Progress Report – Separate financials prepared by our fee accountant were presented to the Board as part of the HUD Progress Report.

Executive Director's Report – Biel Claussen noted that the auditors have completed the audit and Bob Dixon and she were reviewing it. She has been working on revising the Admissions and Continued Occupancy Plan for the Public Housing Program pursuant to the HUD technical assistance provider suggestions. We do not have the full report yet.

Administrative Business:

Not For Profit Status – Biel Claussen noted that the committee has not met, however that she noted that it is important to start this process as this could be a way to earn additional money for the Housing Authority, as evidenced by the presentation today. Commissioner Routzhan had questions regarding the proposal regarding a partnership and why it would be important for the developers. Biel Claussen noted that the developers would earn points under IHDA's plan for allocating tax credits. As the tax credit allocation process is extremely competitive each point is important. The Developers would give up part of their developer fee to the nonprofit partner, but it is valuable to them to enable the project to move forward. Mr. Gosser stated that the nonprofit rules are complex and it is important to address issues upfront while incorporating the entity, rather than discovering problems at a later time.

Neighborhood Stabilization Program – Biel Claussen was advised that IHDA is working on

foreclosing on the properties. They intend to issue a request for proposals for the properties to select developers. MCHA has been informed that it would be part of the group.

CDBG Commission – Commissioner Perfetti stated that scheduled meetings have been cancelled and she has not received any additional information.

Senior Grant Commission – Commissioner Reid stated that her term was up and she wanted to ensure that MCHA had voted for a new term. Biel Claussen stated that she thought we had done that already and would verify.

Commissioner Reid made a motion at 3:15 PM to enter into executive session pursuant to 5 ILCS 120/2(c)(11) Pending or Threatened Litigation that was seconded by Commissioner Vaclavek. The motion passed unanimously by roll call vote. Commissioner Reid made a motion, seconded by Commissioner Vaclavek to exit executive session at 3:18 PM. A roll call vote was taken and the motion passed unanimously. Chairman Leathers noted that no action was taken during the executive session.

Commissioner Vaclavek made a motion to adjourn at 3:19 PM and Commissioner Reid seconded the motion. The motion carried by unanimous vote.

Respectfully Submitted:

Julie Biel Claussen

Keith Leathers, Chairman