

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF COMMISSIONERS
OF THE MOLINE HOUSING AUTHORITY**

May 21, 2018

The special meeting of the Board of Commissioners of the Moline Housing Authority was held at 6:30 PM at the Moline Housing Authority Community Room in the Spring Valley Community Building located at 1150 41st Street, Moline, IL 61265.

Board members present were Chairperson Melvin Grimes, Vice-Chairperson Chuck Capan, Leslie Stange-Crotty, David Parker, Jr., and Diane Fox. Staff members present were Executive Director John Afoun and Maria Nino. Board Counsel was in attendance. Also in attendance were Tammy Jones and Lee Westlund.

1. **Call to Order:** Chairperson Melvin Grimes called the meeting to order at 6:30 p.m.
2. **Daniel Sherrod, Director, HUD – Chicago Office, to address joint Board of Commissioners from MHA and GMAHA:**

Mr. Sherrod addressed the Board of Commissioners. He said he was very glad to be here in the west side of the state and he typically doesn't get to come out very much. He is the director of the Illinois State Public Housing Office and is also one of four HUD administrative receivers across the country. They take over the housing authorities. Mr. Sherrod stated that it's always a privilege to meet the Board, especially in a very positive manner. Your taxes pay his salary. Your taxes fund the housing authorities indirectly. You all are indirectly giving away your resources as well as your most valuable resources, which is time. Your housing authority is very well ran. He thanked the Board. Today he just wanted to say thanks. He really can't say enough about the job they are doing at the housing authority. Our utilization is very high and right now we are doing well. We have used the five million dollars given combined wonderfully and our audits have come out clean.

Mr. Sherrod then talked about how you don't leave a HUD employee alone. They will start walking. He was able to walk into one AMP location and didn't find anything wrong, which is odd. He dug a little harder and did some testing of the staff to know how well managed the staff is and found a paint can where it shouldn't have been. At Hillside the emergency exits are literally never used. Some people have realized that they are never used as they were very dirty and had dead bugs. Mr. Afoun stated he will instruct the property manager to walk it at least once a week from now on. Mr. Sherrod talked about how Mr. Afoun had talked about wanting to build on the piece of land on the corner lot and how the original plan was to build a nice office, but the Board said no because we need more housing. Mr. Sherrod said it was ok for Mr. Afoun to have a nice office because we have nice housing. He can use this building to create the office space. You can have a community center on the other side because they are all one Amp.

One of the things Mr. Sherrod wants the commissioners to understand is that sometimes commissioners want one thing and it is the Executive Director's job to know what rules and regulations need to be considered to go through to make their vision come true. The commissioners pay him to be the professional to get the job done. If he says it can't or can be done they have to say show us the regulation, the rule, or the law. What you don't want is

the situation going on in the East of the state. They took out a loan, pledged HUD property against the loan without HUD approval, which shouldn't be done. They now owe 1.6 million dollars. They called their state representatives, who have a harder time getting to HUD than congressmen. Everyone trusted, but nobody on the Board verified. That's what commissioners have to do to reinforce the relationship. Mr. Sherrod said there is a great relationship where you have to trust, but verify. There is a good side of HUD and there is the other side. He wants to be nowhere near the other side. Mr. Sherrod then spoke about the PPV project based vouchers and how Mr. Afoun had gone to HUD with the situation. He said it was good that he came to HUD to verify and was able to get out of the deal.

Mr. Sherrod spoke about a training called "Lead the Way" that HUD encourages commissioners to take. This training is found on the website www.hud.gov. You then search "lead the way" for that training.

Mr. Sherrod was able to talk with some residents. One of the conversations he was glad about having was with Ms. Tammy Jones. He said that Ms. Jones had said Mr. Afoun told them they would move the furniture from the Spring Valley Community Building over to Hillside Heights. Mr. Sherrod said that would have been a bad idea because it would breed bedbugs. One of the compromises Mr. Afoun will be bringing to the Board is to allow RAB to collect furniture through money we allocate. Overall it is harder for a housing authority to survive a HUD visit without complaints. The only complaint he did have was the computers in the lab are old. Mr. Sherrod said the housing authority is doing a great job and doesn't want something major to fail because they were trying to get four computers out of twelve that were not working. That was the only complaint he heard.

Mr. Sherrod asked what the future of MHA is. What is the future of all three housing authorities that are so close to each other. They are all doing well and all have good utilization. He said proposals have been made. Will those three housing authorities promote economic growth. Is it time for Rock Island County to come up with something so creative that preserves public housing. Innovativeness can allow for an affordable development to capture the working people. You have hard working union laborers, who are not poor enough to make it into the program and not rich enough to buy their own home. Teachers, paramedics, kids that just left the nest and so on. There is a gap there. There is an opportunity for the agencies to come together and help those individuals. What they need to understand is the landscape of housing is changing. You want to be proactive not reactive. The housing authority is very well managed and very well governed. The future of public housing and affordable housing will rest on this Board's vision and commitment to provide housing for the those who not only can't afford it, but those who can make it but just need those four or five years to make it into their own home. Whatever you are going to do to help the economics.

Mr. Sherrod talked about utility reimbursements and how we pay them to stay here rather than them paying us. Some rules proposed say are residents are you putting more skin in the game. Housing authorities are you requiring residents to have more economic mobility that are not elderly, disabled, caring for someone who is elderly or disabled, or have a child in school. What are they doing to better themselves or move up. Current rules are forcing you to ask what we are going to do to require that person to do more. If you don't have the intrinsic motivation, here is the legal motivation. As a federal employee whatever congress promulgates and whatever is signed into law that is what he enforces. If they look at t what

our community needs. We are part of the city; not ran by the city, but part of the city. We should have a good relationship with the city. Mr. Afoun asked Mr. Sherrod to emphasize things such as in kind service. Mr. Sherrod said as you all know Rock Island County is the taxing authority. As the taxing authority the housing authority does not pay taxes, but pays PILOT. The housing authority should receive the same services as other residents in the city. If we ask for extra services that is above kind services. At a minimum the housing authority should get the same services as other residents. If we ask for more than we are subject to pay for that. The city can charge us for extra services, but they can choose to do more and go above and beyond.

Mr. Sherrod said part of his job is to go to housing authorities across the country. He has gone to more than 500 housing authorities. He has never seen a city come with firetrucks and police cruisers without having an issue as well as the Mayor being here with a small on their face.

Chairperson Grimes said with the changing face of public housing there is a program called "move to work" (MTW) where all the housing authorities are to make sure all our residents have some economic viability. He is kind of half and half wrapping his head around understanding the psychology and impotence around it. Mr. Sherrod thinks it needs to happen and will be a better tool than community service is, but as the landscape changes and money drops. He said he just heard from his conference that he knows the landscape is changing. MTW is targeting agencies this size, which gives flexibility that other housing authorities cannot have. We can put a cap on number of years you have a voucher. MTW is a heavy burden. You are expected to innovate, not keep the status quo. We know we have this situation we say hypothetically for an able bodied person you have five years on public housing program. In five years you need to figure out how to live on your own. That is the flexibility you can have. You can either come out to Chicago or ask Chicago to come to you, but you have to give at least 30 day notice so his team can schedule it in. Mr. Sherrod said there is a little competition. The first person to get MTW can regionalize the rest of you whether you want it or not. You would then be subsidiary of the other. You would rather be at the top.

Commissioner Stange-Crotty asked about if we have people live here and make up to \$60,000 per year. Mr. Sherrod said if they make 120% of the area medium income then we would be able to get those people out of here due to their high income. This is something that is pending. If it was one person the income limit for low rent is \$40,500. Medium income is \$48,600 would be 120% limit. AS family size goes up the limit goes up. HUD funding is going down. We are more dependent on tenant rents. It is better for us to have people making more money so that we get more rent income. We are not a social service agency. We are a business with a social service function. We have to collect the money in order to provide the service. You have to do the old attempt for Deconcentration. If you have all low income you won't have enough money to be able to function, but you have to be able to lay your head on your pillow at night to allow people in that are in need financially. He said everything depends on the ACOP as to how we do this. We can adjust things in our ACOP to set preferences.

Commissioner Stange-Crotty said she went to a conference where you have to do a report. Mr. Sherrod said it is on hold until a judge rules otherwise. He said the diversity we have in our housing authority and we had a cornucopia of residents here was noted. The question on

that report was if there is a population that you may be overlooking. Some housing authorities tip in one or other race. The rule says did you reach out to everyone not just the dominate race. You have admission services of reasonable accommodations to reach those.

Commissioner Stange-Crotty said she heard him talking about consolidating everything and whoever gets MTW first can regionalize. She wants to know if there is anything in the works where because we are so close would we have to be required to convert. Mr. Sherrod said that is because the program is not viable, physical condition is not viable, or the like. The flip side is if one person becomes MTW it would be hard for everyone else to be independently MTW. Mr. Sherrod went on to ask is it financially viable for you to pay three separate items when one can cover it all. HUD is paying for three Executive Directors, three sets of maintenance, three public housing programs, three Section 8 programs to name a few. Who is going to have the foresight to have it. If you work on your own to work with community and see what can be done. Maybe one does multifamily and the other two combine and do public housing and HCV together. They are here to help, but they will not tell you that a specific thing must be done until we hit a federal regulation. He said he hasn't talked to the neighboring housing authorities and that it is a conversation that the three close housing authorities should have. Mr. Sherrod is not saying this is a HUD position. It is something that we need to have a conversation about. They need to be reassured that they are still going to have their housing. Commissioner Stange-Crotty said having experience with schools and consolidations with schools a lot of times the executives are where they are saving. Mr. Sherrod said HUD saves money by not cutting so many checks, less oversight, and with economies of scale. Imagine having control over the whole 15 million dollars that comes into this county and imagine the good you can do.

Mr. Afoun said one last topic he wanted to bring was the RAD. He asked Mr. Sherrod what he sees that with the MTW program. Which one has priority over the other. Mr. Sherrod responded that MTW changes the way you operate by giving more funding flexibility. RAD changes the way you get your money. You get rid of public housing funding stream, but you can still be a housing authority and be under RAD. MTW you can be MTW and do RAD both by applying for both. They just released the waitlist cap for RAD. Mr. Sherrod warned to make sure you get a good honest assessment and good honest consultant to get a good assessment. You are looking at a whole set of funds you are able to leverage. MTW first and RAD second. That is just his assessment, but it is a decision the Board needs to make.

3. Questions and Answers:

Mr. Sherrod said a main message to the board is to "trust but verify." He hasn't had any reason not to trust Mr. Afoun, but if your Executive Director doesn't want you put in front of him, they should be shaking in their "space boots." He gave the commissioners his phone number and said to give him a call if anything is happening. Board members can call them. He said typically when he gives out his number, the Chair is the one who calls.

Commissioner Stange-Crotty asked if she can do ESL classes for free for the residents. Mr. Sherrod responded that yes, she can do whatever she wants for free as long as the Board passes it. She also said tutoring and teaching kids with special needs is one of the things she enjoys doing. He asked if it was going to be for free. She responded yes, and he said that was fine as long as the board approved it.

4. Any other business that may come before the Board including comments from the general public:

There was no other business to come before the Board.

5. Adjournment:

There being no further business, a motion was made, and seconded, to adjourn the meeting. All voting members present voting "aye", none against; the Vice-Chairperson declared the meeting adjourned at 7:45 P.M.

Melvin Grimes, Chairperson