

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

**July 16, 2018**

A Regular Meeting of the Board or Commissioners of the Moline Housing Authority was held at 5:30 PM in the Spring Brook Administrating Building Board Room located at 4141 11<sup>th</sup> Avenue A, 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 John Afoun. Board Counsel was in attendance.

1. **Call to Order.** Chairperson Melvin Grimes called the meeting to order at 5:30 p.m.
  
2. **Approval of the Minutes of the Regular Meeting of June 18, 2018.** Minutes of the Regular Meeting of June 18, 2018 were reviewed. Motion was made, and seconded, to approve the minutes of the Regular Meeting of June 18, 2018, as presented. All voting members present voting “aye”, none against; the Chairperson declared the motion carried.

**Approval of the Minutes of the Special Meeting of July 2, 2018.** Minutes of the Special Meeting of July 2, 2018 were reviewed. Motion was made, and seconded, to approve the minutes of the Special Meeting of July 2, 2018, as presented. All voting members present voting “aye”, none against; the Chairperson declared the motion carried.

3. **Executive Director’s Report.** Verbal report provided by Mr. John Afoun.

Mr. Afoun stated that he had spoken to the Fee Accountant and had been told that the financial reports would be caught up and provided to him by this Friday. Mr. Afoun recommended that Board Counsel be instructed to send a letter of termination if the financial reports are not provided by that date, the reports are currently three months behind, the last month available is April 2018. Board Counsel noted that a 30 day notice of noncompliance had previously been sent, and that 30 days runs on Thursday of this week.

A Motion was made by Commissioner Stange-Crotty that if the reports are not provided by Friday, July 20, that Board Counsel send a letter of termination. Commissioner Parker inquired whether HUD is aware of the situation, Mr. Afoun noted that they are only provided end of year reports, and are not concerned with day-to-day, and that we are in good standing with them. The Motion was seconded by Commissioner Parker. All voting members present voting “aye”,

none against; the Chairperson declared the motion carried. Mr. Afoun noted that an RFP would then be sent out.

Steven Clark, SE Clark and Associates, addressed the Board regarding the Move to Work Program. It is not anticipated that the Move to Work Application will be released in August or September of 2018. SE Clark has met with HUD and discussed the program, HUD believes it will provide additional opportunities. Once the application is released, SE Clark will move forward immediately and anticipates that the application will take 30 days to complete. Mr. Clark noted that the Board will have to give thought to what the program would look like. Mr. Clark noted that this is an expansion of the existing program and provided details on other housing authorities currently operating within the program's framework. Mr. Clark detailed some of the various flexibilities the program provides in terms of Public Housing and Housing Choice Voucher rules. Mr. Clark explained the statutory objectives of the program which include cost effectiveness, self-sufficiency, and housing choice flexibility.

Commissioner Parker asked how the program applies to the elderly and disabled, Mr. Clark noted that these are the types of decisions that would be up to the Board.

Mr. Clark discussed the flexibility that the move to work program provides in terms of the objectives of cost savings, self-sufficiency, and housing choice alternatives. Mr. Clark noted that statutory requirements of the Move to Work program include serving 75% very low-income, and noted that this is being challenged by a number of housing authorities; Commissioner Parker inquired about the Housing Authorities percentage of very low-income, and requested that Mr. Afoun determine this figure. Commissioner Capan noted that the Housing Authority has a high percentage of market rate residents, and that this could be an obstacle. Mr. Clark said that a solution could be incentivizing over-income families, for example with a buy-out. Mr. Clark discussed other statutory requirements including reasonable rent policies to incentivize self-sufficiency, serving substantially the same number of families, maintaining a comparable mix of families, and continuing to meet housing quality standards.

Mr. Clark noted other Move to Work agencies across the country and the types of agencies that participated in the original 2016 appropriations. Mr. Clark noted that it is anticipated that the upcoming expansion will add one hundred additional public housing authorities to the Move to Work program. Mr. Clark noted that there will be a research advisory committee to advise housing authorities on different types of policy changes that are being implemented and working in other programs. Mr. Clark discussed the selection requirements in terms of public housing authority size that will be selected for the expansion.

Commissioner Stange-Crotty asked if the new Move to Work applications would be considered by HUD on a first-come, first-served basis; Mr. Clark noted that

the applications would be considered based on their merit. Commissioner Parker asked if SE Clark is currently working with any housing authorities that are Move to Work, Mr. Clark stated they are not, but Danville will be submitting an application. Mr. Clark noted that at least 50 housing authorities that are the same approximate size as the Housing Authority will be selected for Move to Work, and that it would be beneficial to be in the first wave.

Mr. Afoun noted that HUD has previously compelled the merger of housing authorities located in the same region, and asked who is usually responsible for initiating a merger; Mr. Clark noted that this is usually initiated by HUD based on the fact that a housing authority is a low performer, but that it can be done voluntarily as well. Mr. Afoun noted that there is a housing authority in the area that is losing its executive director and it could be an good time to look at this. Mr. Clark suggested the boards reach out to one another to explore the possibility.

Mr. Clark noted that HUD has significant discretion is picking participants from the Move to Work applications. He noted that the objective is for HUD to determine the types of things that are working at different housing authorities, and that the guiding principles are to simplify, learn, and apply.

Mr. Clark noted that Move to Work is a waiver program, that is, the housing authorities will be requesting a waiver from certain HUD requirements as part of the Move to Work program and referred to Board to pages 19 and 21 of his handout for examples.

Mr. Clark noted that Move to Work does not give housing authorities more money, the only way to recognize increased funds is through cost savings. The program will give housing authorities increased flexibility in the use of funds, for example, public housing and voucher funds could be used interchangeably without prior HUD approval. However, operating and capital funds will continue to be calculated and disbursed in the same way as non-MTW agencies.

Commissioner Parker asked if it was Mr. Clark's opinion that the Housing Authority was one that should apply for Move to Work; Mr. Clark stated that he did not see a down side. Mr. Afoun noted that our geographical area has almost full employment, Mr. Clark stated that is not a plus, that the types of programs the Housing Authority would need to be looking at would be 5-year type programs to get people moving on from public housing and into private housing.

Commissioner Stange-Crotty asked if there is any advantage to remaining status quo; Mr. Clark stated that he did not believe so. He stated that the HUD regulations are so rigid that it makes sense to seek increased flexibility.

Commissioner Stange-Crotty asked if the Housing Authority was limited to five voting members; Mr. Clark noted that it is not. It was noted that this could be an incentive for combining with another housing authority.

Commissioner Parker asked if SE Clark is positioned to move forward with the Move to Work application on the Housing Authority's behalf once it is released; Mr. Clark responded that they are, and that the application itself will not be difficult.

Steven Clark, SE Clark and Associates, addressed the Board regarding development progress. Mr. Clark noted that SE Clark has looked into a number of different properties where development would be a possibility, but has not been able to find anything in the area. Mr. Clark noted that in able for the housing authority to move forward with a project that will work with available tax credits, that it will likely need to look at a larger project on existing property with a sufficient number of units to spread out the cost.

Mr. Clark noted that SE Clark is working with housing consultant Hooker De Jong to determine a project that could be feasible. Mr. Clark noted that the project will likely need to be multiple stories. He said that the architect is working with the City to determine what would be possible within existing ordinances and noted that it will likely be a project that will require variances from the City.

Mr. Clark noted that SE Clark is continuing to talk with local landowners to seek land donations.

Mr. Clark discussed the 41<sup>st</sup> Street and 12<sup>th</sup> Avenue property that the Housing Authority currently owns. He noted that it is difficult building too high because the property is then subject to commercial property requirements like fire suppression and becomes more expensive. He noted that it is anticipated the lot could contain 36 units as it sits right now, but it would need to be over 60 in order to obtain a commercial tax credit

Chairman Grimes asked if development could be combined with a demolish and replace strategy of existing units; Mr. Clark noted that it would make sense to pursue RAD if that were being contemplated. It was discussed that RAD and Move to Work could be pursued simultaneously.

It was discussed that the long-term plan was to replace or update the Spring Brook units given their age. Mr. Clark noted that the extent to which that can be done will largely be driven by economics. Mr. Clark noted that it would be beneficial to return in September to discuss how to move forward.

Mr. Afoun noted that a property had previously been offered to the Housing Authority which would require significant asbestos abatement; Mr. Clark noted it could be worth revisiting as there are grants available for that purpose.

Mr. Clark ended his presentation and excused himself from the meeting.

Mr. Afoun stated there were two issues which were raised by Mr. Clark which he wanted to address. Mr. Afoun recommended that SE Clark be given a deadline of January 2019 for the Move to Work application. Mr. Afoun also noted that there

can be new construction as a part of a RAD application, and that it must be determined whether Spring Brook project be entirely demolished and replaced, or selectively.

Commissioner Parker stated that he would prefer to see a deadline on the Move to Work application of two months from the time the application becomes available as opposed to setting it out to January, and that the Board be flexible in the event the application cannot be completed in two months. Chairman Grimes suggested keeping the September date, with the understanding that the date may need to be extended, and that at that time the Board could decide what direction they would like to go in with respect to RAD.

The Board discussed reaching out to Metropolitan Housing Authority regarding their interest in a merger. Chairman Grimes stated he would reach out to the East Moline Mayor to gauge the City of East Moline's level of interest.

The Board set a deadline of September 17, 2018 for the Move to Work application, with the understanding that this date may be a status update in the event the application has not been released. The date will also be used to update on RAD as the Board will have held its strategic planning session by that time, and will have provided directives to SE Clark based on that session. The directive to be given to SE Clark was that he continue with the development process, and that further direction will be given following the Board's strategic session in September.

- a. Financial Report.** This was addressed earlier in the meeting with discussion of the Fee Accountant.
- b. Section 8 Report.** Mr. Afoun noted that there was not much to report. The Housing Authority has applied for the shortfall program to continue sustaining the Section 8 program. Mr. Afoun will keep the Board advised.
- c. Public Housing Report.** The Board reviewed the Public Housing Report as presented. Mr. Afoun noted that there was nothing significant to report. Commissioner Parker inquired as to the increase in roach infestations; Mr. Afoun noted that the new pest employee has modified the way that infestations are being identified, which is driving the increase. Commissioner Parker noted that there were no infestations resolved, and that this should be corrected next month.
- d. Development/Maintenance Report.** The Board reviewed the Capital Funds & Maintenance Progress report, which showed current and future projects. Mr. Afoun directed the Board's attention to the site lighting project contract which was executed on July 9, 2018, and that once this was completed the Housing Authority plans to move to the security camera

project. Mr. Afoun also noted that Housing Authority had a meeting with City officials who suggested that the plumbing system be inspected before a game plan is created for modifying the system. The City has stated that they can inspect and clean the system for \$40,387.00; this is less than if the Housing Authority were to competitively bid the project; because it is less than \$100,000, the Housing Authority is not required to do a sealed bid; accordingly, the Housing Authority can just give the City approval to move forward with that work.

Commissioner Capan noted that while the laterals are owned by the City, the mains are property of the City. Mr. Afoun noted that the City's position is that the majority of the mains are the property of the Housing Authority. Commissioner Capan asked if the City was proposing jetting the lines, Mr. Afoun stated that was correct. Verbal approval was given to move forward with this project. Commissioner Stange-Crotty made a motion to approve the cleaning and telescoping work the City proposed at the estimated price of \$40,387; the motion was seconded by Commissioner Parker. Commissioner Capan noted that the expenditure was not on the agenda, and Mr. Afoun noted that the item was for informational purposes only. Commissioner Capan noted that the item fell under operations. The motion was withdrawn.

Mr. Afoun noted there was nothing to report with respect to the day-to-day operations.

4. **Resident Advisory Board (RAB) Report:** An oral report was provided, it was noted that there is a produce giveaway planned for Wednesday at Spring Valley and Spring Brook. There are parking issues at Hillside, but this is being worked through with staff. There are not enough handicap spots at the property.
5. **Any other business that may come before the Board including comments from the general public:**

No other business came before the Board.

6. **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 Chairman declared the meeting adjourned at 7:22 p.m.

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Leslie Stange-Crotty , Chairperson