

MINUTES OF THE REGULAR MEETING
OF THE
COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY
January 16, 2018

The Commissioners of the Chicago Housing Authority held its Regular Meeting of the Board of Commissioners on Tuesday, January 16, 2018, at approximately 9:50 a.m. at the CHA Corporate Offices located at 60 E. V in Chicago, IL.

Chairman Hooker then called the meeting to order and upon roll call those present and absent were as follows:

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| Present: | Matthew Brewer Craig Chico Dr. Mildred Harris John Hooker Jack Markowski Cristina Matos Francine Washington |
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| Absent: | Meghan Harte |
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Also present were Eugene Jones, Chief Executive Officer; James Bebley, Chief Legal Officer; Chicago Housing Authority staff members and the General Public.

There being a quorum present, the meeting duly convened and business was transacted as follows:

Jack Markowski, Chairman of the Finance & Audit committee, then presented his report. Per Commissioner Markowski, the Finance & Audit Committee held its regular meeting at 8:30 a.m. today at the CHA Corporate Offices. Commissioner Markowski chaired the meeting and the following committee members were present as well: Commissioners Brewer, Harte and Matos. Present also but not counted for the quorum were Chairman John Hooker, Vice-Chairman Craig Chico and Commissioner Francine Washington. Committee members then voted to adjourn to closed session to discuss certain audit reviews and investigatory matters. Committee members then returned to open session and discussed, voted and recommended for approval the following two items.

(Item 1)

The resolution for Item 1 approves the adoption of the Chicago Housing Authority Retirement Plan and Trust as Amended and Restated effective September 21, 2017. This Amended and Restated plan was approved by the Plan Trustees at the CHA Employees' Retirement Plan and Trust September 21, 2017 meeting. The CHA Board of Commissioners acts as Plan Sponsor. Key amendment of the Plan are as follows: addition of two new members to the Board of Trustees; clarification of participation rules for the inclusion of outside groups of employees, including the group's formal acquiescence to all Plan rules as may be established by the CHA Board of Trustees; requirement that upon the termination of participation of an outside group of employees covered by the Plan, any affected employee shall have interest continue to be calculated from December 31st of the year of his/her contribution through the date the Participant separates from the service of his/her employer, if s/he so chooses a lump sum benefit in lieu of a monthly annuity payment. Any outside employee affected by such termination of participation who has two years of credited service shall be vested.

RESOLUTION NO. 2018-CHA-1

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated January 16, 2018 entitled “AUTHORIZATION TO APPROVE THE ADOPTION OF THE CHICAGO HOUSING AUTHORITY RETIREMENT PLAN AND TRUST AS AMENDED AND RESTATED EFFECTIVE SEPTEMBER 21, 2017.”

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners approve the adoption of the Chicago Housing Authority Retirement Plan and Trust (The Plan) as Amended and Restated effective September 21, 2017, attached hereto as Exhibit A.

(Item 2)

The resolution for Item 2 approves the Chicago Metropolitan Housing Development Corporation (CMHDC) to participate for the calendar year 2018 in the Chicago Housing Authority Employees’ Retirement Plan upon execution of Participation Agreement incorporated in the Resolution. The CHA Board of Commissioners has adopted an Amended and Restated Retirement Plan effective September 21, 2017 that clarifies the terms of participation with respect to persons to whom the CHA and the Board of Trustees may extend participation by requiring an executed Participation Agreement. The Board of Commissioners has determined to extend participation to certain CMHDC employees under the conditions specified in the Participation Agreement.

Commissioner Markowski abstained from voting on Item 2.

RESOLUTION NO. 2018-CHA-2

WHEREAS, the CHA Board of Commissioners has adopted an Amended and Restated Retirement Plan effective September 21, 2017;

WHEREAS, the Amended and Restated Retirement Plan clarifies the terms of participation under the Plan with respect to persons to whom the CHA and the Board of Trustees may extend participation under the Plan via resolution, by providing that an executed Participation Agreement may be requested;

WHEREAS, the CHA Board of Commissioners has determined to extend participation to the current eligible CMHDC full-time employees listed below contingent upon CMHDC’s adoption and the timely execution of the attached Participation Agreement, the provisions of which are hereby incorporated in this Resolution; and

WHEREAS, the CHA Board of Commissioners wishes to approve and authorize continued participation through calendar year 2018 in the Retirement Plan of the full time CMHDC employees who, as of December 31, 2017, participated in the Plan subject to the adoption and execution of the attached Participation Agreement;

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, Contingent upon execution of the Participation Agreement (substantially in the form attached) by CMHDC and the Retirement Plan’s Board of Trustees no later than February

21, 2018, the Commissioners hereby approve and authorize the participation of the following full-time CMHDC Employees in the Retirement Plan under the terms specified in the Participation Agreement, including:

1. Participation is limited to: Elizabeth Crayton, Kristie Harper (née Thornton), Rafael Leon, Kristin Horne, Edward Lee and Guacolda Reyes. Participation will not be available to any future employees without CHA Board approval.
2. Participation of the individuals listed in Paragraph 1 shall be for the period from January 1, 2018 through December 31, 2018.

The Motion to adopt resolutions for Items 1 and 2 was seconded by Commissioner Washington and the voting was as follows:

Ayes: Matthew Brewer
Craig Chico
Dr. Mildred Harris
John Hooker
Jack Markowski (*Abstained from voting on Item 2*)
Cristina Matos
Francine Washington

Nays: None

There being no questions or discussion, Chairman Hooker thereupon declared said Motion carried and said resolutions adopted.

Matthew Brewer, Chairman of the Real Estate Operations Development committee, then presented his report. Per Commissioner Brewer, the Real Estate Operations Development Committee held its monthly meeting earlier today. Commissioner Brewer chaired the meeting and the following committee members were present as well: Commissioners Harte, Markowski and Washington. Although Chairman Hooker and Commissioners Chico and Harris were also present they were not counted toward the quorum. Committee member then discussed, voted and recommended for approval the four items appearing on the agenda.

On behalf of the Real Estate Operations Development committee, Commissioner Brewer presented an Omnibus Motion for approval of Items No. 3 through 5.

(Item 3)

CHA released a Request for Qualification for Mixed-Income Pre-Qualification for Development Teams in November 2017. CHA solicited 76 vendors through advertisements posted in area newspapers, and posted on the CHA Web-site and in the Procurement Infor Rich Client Administration. Proposals were evaluated and scored based on the evaluation. A total of 12 responses were received. Based on the technical scores and to ensure full and open competition, 12 firms met or exceeded the acceptable minimum threshold established by the Contracting Officer. Accordingly, the resolution for Item 3 approves the following twelve development teams for mixed-income housing and mixed-use development delivery through the Pre-Qualified Development Team (PDT) approach: Heartland Housing, Inc.; Metropolitan Housing Development Corporation (MHDC); Preservation of Affordable Housing, Inc. (POAH); The Community Builders, Inc. (TCB); The Habitat Company LLC; Turnstone Development Corporation; The following teams are recommended to be approved for mixed-income and mixed-use developments: Brinshore Development, LLC; Full Circle Communities, Inc.; Holsten Real Estate Development Corporation (Holsten); L+M Development Partners; Pennrose Properties, LLC

(Pennrose) and Hunt Companies, Inc. (Hunt) (collectively Pennrose-Hunt); The National Housing Partnership Foundation (NHPF or NFP Foundation). The selected respondents will be issued a “Letter of Qualification” and have two years from the date of that letter to submit proposals to CHA. CHA may provide financial investment or enter-into-long term leases for the units, subject to Board, HUD and other approvals, if necessary.

RESOLUTION NO. 2018-CHA-3

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated January 16, 2018 entitled “Recommendation to approve twelve (12) development teams for mixed-income housing and mixed-use development delivery through the Pre-Qualified Development Team approach.”

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to approve the following twelve (12) Development Teams for mixed-income housing and mixed-use development delivery through the Pre-Qualified Development Team (PDT) approach:

The following teams are recommended to be approved for mixed-income communities:

- Heartland Housing, Inc.
- Metropolitan Housing Development Corporation (MHDC)
- Preservation of Affordable Housing, Inc. (POAH)
- The Community Builders, Inc. (TCB)
- The Habitat Company LLC
- Turnstone Development Corporation

The following teams are recommended to be approved for mixed-income and mixed-use developments:

- Brinshore Development, LLC
- Full Circle Communities, Inc.
- Holsten Real Estate Development Corporation (Holsten)
- L+M Development Partners
- Pennrose Properties, LLC (Pennrose) and Hunt Companies, Inc. (Hunt) (collectively Pennrose-Hunt)
- The National Housing Partnership Foundation (NHPF or NFP Foundation)

(Item 4)

The resolution for Item 4 approves submittal of a Rental Assistance Demonstration (RAD) financing plans to HUD and enter into 11 RAD Conversion Commitments with HUD for Maria Diaz Martinez, Margaret Day Blake, Flannery, Armour Square, Mary Jane Richardson, Maudelle Brown Bousfield, Vivian Gordon Harsh, Judge Green, Mahalia Jackson, Ella Flagg Young and Ada S. McKinley Apartments; commit CHA funds in a total amount not to exceed \$130,200,000 over the next three years to fund an initial deposit to the replacement reserve, and facilitate rehabilitation, site work and transaction costs for the 11 properties; execute Housing Assistance Payment (HAP) contracts and such other documents as may be required for the financing and operation of the listed properties; and transfers ownership of improvements to Chicago Housing Administration LLC and execute a 99-year ground lease for the land. RAD Physical Condition Assessments (PCAs) were prepared for the subject properties and are being updated to determine the capital needs of the buildings over the 20-year term of the proposed initial HAP contracts. Capital improvements identified as initial needs are financed at

closing and are generally expected to be completed within the first two to three years' post-conversion. It has been determined that all 11 buildings need, at minimum, partial rehabilitation and elevator modernization. Major structural work is anticipated at Armour Square Apartments. It is anticipated that CHA will lend and grant funds to Chicago Housing Administration LLC to cover the cost related to the immediate work that will be conducted in the building (anticipated to be within the first two to three years of the HAP contract). The properties' construction will also be supported by third-party financing, including a potential combination of grant, equity and debt sources. The estimated total amount from the RAD budget determined necessary based on CHA's preliminary review of the PCAs and planning for common area projects was determined to not exceed \$130,200,000.

RESOLUTION NO. 2018-CHA-4

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated January 16, 2018 requesting authorization to 1) submit Rental Assistance Demonstration Financing Plans to the United States Department of Housing and Urban Development and enter into Rental Assistance Demonstration conversion commitments with HUD for 11 properties; 2) commit Chicago Housing Authority funds not to exceed \$130,200,000 over the next three years; 3) execute Housing Assistance Payment contracts and such other documents as may be required for the financing and operation of the properties; 4) transfer ownership of the property improvements and execute 99-year ground leases for the land; and 5) execute and deliver such documents and perform such actions as may be necessary or appropriate to implement the foregoing.

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Chief Executive Officer or his designee is authorized to submit Rental Assistance Demonstration Financing Plans to the United States Department of Housing and Urban Development for Maria Diaz Martinez, Margaret Day Blake, Flannery, Armour Square, Mary Jane Richardson, Maudelle Brown Bousfield, Vivian Gordon Harsh, Judge Green, Mahalia Jackson, Ella Flagg Young and Ada S. McKinley Apartments.

THAT the Chief Executive Officer or his designee is authorized to enter into Rental Assistance Conversion Commitments for Maria Diaz Martinez, Margaret Day Blake, Flannery, Armour Square, Mary Jane Richardson, Maudelle Brown Bousfield, Vivian Gordon Harsh, Judge Green, Mahalia Jackson, Ella Flagg Young and Ada S. McKinley Apartments on behalf of the Chicago Housing Authority and Chicago Housing Administration LLC.

THAT, the Chief Executive Officer or his designee is authorized to execute Housing Assistance Payment contracts under the United States Department of Housing and Urban Development Rental Assistance Demonstration program for Maria Diaz Martinez, Margaret Day Blake, Flannery, Armour Square, Mary Jane Richardson, Maudelle Brown Bousfield, Vivian Gordon Harsh, Judge Green, Mahalia Jackson, Ella Flagg Young and Ada S. McKinley Apartments on behalf of the Chicago Housing Authority and the Chicago Housing Administration LLC, and execute such other documents as may be required for the financing and operation of the properties on behalf of the Authority and Chicago Housing Administration LLC.

THAT, the Chicago Housing Authority is authorized to commit funds in a total amount not to exceed \$130,200,000 over the next three years to fund initial replacement reserves and other rehabilitation costs as well as transaction costs for Maria Diaz Martinez

(\$6,800,000), Margaret Day Blake Apartments (\$9,200,000), Flannery (\$14,00,000), Armour Square (\$30,000,000), Mary Jane Richardson (\$16,000,000), Maudelle Brown Bousfield (\$8,400,000), Vivian Gordon Harsh (\$6,500,000), Judge Green (\$9,000,000), Mahalia Jackson (\$11,700,000), Ella Flagg Young (\$12,100,000) and Ada S. McKinley Apartments (\$6,500,000).

THAT, the Chief Executive Officer or his designee is authorized to execute documents on behalf of the Chicago Housing Authority and Chicago Housing Administration LLC for Maria Diaz Martinez, Margaret Day Blake, Flannery, Armour Square, Mary Jane Richardson, Maudelle Brown Bousfield, Vivian Gordon Harsh, Judge Green, Mahalia Jackson, Ella Flagg Young and Ada S. McKinley Apartments in order to transfer title to the improvements and enter into a 99-year ground lease.

THAT, the Chief Executive Officer or his designee is authorized to execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing

(Item 5)

The resolution for Item 5 approves the FY2018 Admissions and Continued Occupancy Policy (ACOP). The CHA's ACOP governs the admissions and continued occupancy of CHA owned public housing units. The proposed updates to the FY2018 policy are related to Public Housing waitlist preferences, HUD's required policy for smoke-free Public Housing, Rental Assistance Demonstration (RAD) to Public Housing transfers, and the work requirement exemption. Additional minor changes were made to the policy to improve the organization of the document. CHA held a 30-day public comment period to allow residents and the community at large to submit oral and written comments regarding the information contained in the proposed FY2018 ACOP. Announcements for the public comment process appeared on CHA's website and were in area newspapers. CHA also distributed resident notices across public housing properties and sent an email notification to HCV participants. Additionally, CHA held two public hearings during the 30-day comment period. Prior to finalizing the proposed FY2018 ACOP, CHA considered the feedback received during the public comment period. Public comments and CHA responses will be provided to the Board prior to approval and will be available to the public on CHA's website after Board approval and submission to HUD.

RESOLUTION NO. 2018-CHA-5

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated January 16, 2018 requesting approval of the proposed FY2018 Admissions and Continued Occupancy Policy (ACOP), attached hereto;

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners hereby approves the Proposed FY2018 ACOP and grants authorization to the Chief Executive Officer, the Board Chairperson, or their designee to make any final updates as deemed necessary;

THAT, this approval of the Proposed FY2018 ACOP supersedes any and all conflicting language found in prior CHA ACOPs;

THAT, the Board of Commissioners grants authorization to submit the Proposed FY2018 ACOP to the U.S. Department of Housing and Urban Development upon Board approval. Such approval shall constitute conclusive evidence of the Board's approval of any and all such changes.

(Item 6)

The resolution for Item 6 approves an Amendment to the Inter-Governmental Agreement (IGA) with the Chicago Metropolitan Agency for Planning (CMAP) for the management of the Regional Housing Initiative from March 1, 2018 through June 30, 2019 in an amount not to exceed \$140,000. CMAP provides administrative oversight of the Regional Housing Initiative (RHI). RHI facilitates a strategic process to coordinate 11 public housing agencies to create additional housing opportunities for low-income families. Through the Inter-Governmental Agreement, RHI coordinates the regional housing plan, facilitates the regional waiting list, establishes criteria for new applicants, coordinates the RHI approval process for new developments, and implements policies and procedures for the Initiative. CHA has pledged a total of 350 vouchers which are pooled with vouchers from other area public housing agencies. RHI was started in 2002 and garnered the attention of the U.S. Department of Housing and Urban Development through a \$1 million pilot grant in 2012 to evaluate strategies for mobility moves and to develop a regional housing waitlist from the participating housing authority's waitlists. The HUD grant was renewed in 2012. CHA approved \$140,000 to support the Regional Housing Initiative in 2016 to assure continuance of RHI's centralized administration. CHA seeks to extend the IGA to allow for continued implementation of the demonstration program, to facilitate mobility moves, and to increase the number of units made available across the region. CHA's participation in RHI is based on evidence that the initiative supports HUD's goal to expand housing options for low-income families and increase the number of units available to families that choose to relocate to areas of opportunity.

RESOLUTION NO. 2018-CHA-6

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated January 16, 2018 entitled Authorization to execute 1) an Amendment to the Inter-Governmental Agreement with the Chicago Metropolitan Agency for Planning for the management of the Regional Housing Initiative from March 1, 2018 through June 30, 2019 in an amount not to exceed \$140,000; and 2) all other documents as may be necessary or appropriate to implement the foregoing.

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners hereby approves the Chief Executive Officer or his designee to execute 1) an Amendment to the Inter-Governmental Agreement with the Chicago Metropolitan Agency for Planning for the management of the Regional Housing Initiative from March 1, 2018 through June 30, 2019 in an amount not to exceed \$140,000; and 2) all other documents as may be necessary or appropriate to implement the foregoing.

The Motion to adopt resolutions for Items 3 through 6 was seconded by Commissioner Harris and the voting was as follows:

Ayes: Matthew Brewer
Craig Chico
Dr. Mildred Harris
John Hooker
Jack Markowski
Francine Washington

Nays: None

There being no questions or discussion, Chairman Hooker thereupon declared said Motion carried and said resolutions adopted.

(Item 6A)

The resolution for Item 6A approves the proposed amendment to the Rules of the Board of Commissioners of the Chicago Housing regarding Public Participation. Speakers are limited to one opportunity to address the Board per meeting and one opportunity to address the Committee per meeting.

Commissioner Washington presented a motion for approval of Item No. 6A.

RESOLUTION NO. 2018-CHA-7

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated January 16, 2018 entitled “Approve an Amendment to the Rules of the Board of Commissioners of the Chicago Housing Authority”.

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners approves the Amendment to the Rules of the Board of Commissioners of the Chicago Housing Authority.

The Motion to adopt the resolutions for Item 6 was seconded by Commissioner Chico and the voting was as follows:

Ayes: Matthew Brewer
Craig Chico
Dr. Mildred Harris
John Hooker
Jack Markowski
Francine Washington

Nays: None

There being no questions or discussion, Chairman Hooker thereupon declared said Motion carried and said resolutions adopted.

Chairman Hooker then invited residents and the public at large to address the Board.

Immediately after public participation and upon Motion made by Chairman Hooker and properly seconded by Commissioner Washington, the Commissioners adjourned to Closed Session. Chairman Hooker announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately 45 minutes to discuss personnel related matters; purchase, sale and lease of real estate property; pending, probable or imminent litigation; review of closed meeting minutes and audit reviews.

Following Closed Session, Commissioners reconvened in Open Session.

Chairman Hooker called the meeting to order and upon roll call those present and absent were as follows:

Present: Matthew Brewer
Craig Chico
Dr. Mildred Harris
John Hooker
Jack Markowski

Francine Washington

Absent: Meghan Harte

There being a quorum present, the meeting duly convened and business was transacted as follows:

Upon motion made by Chairman Markowski and properly seconded by Commissioner Washington, the open and closed minutes for meetings of November 21, 2017 were approved as submitted.

The Chairman then announced that during Closed Session Commissioners discussed and amended Item No. 7 to include the Chief Executive Officer's salary. A Motion to approve amended Item No. 7 was presented by Commissioner Markowski.

RESOLUTION NO. 2018-CHA-8

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated January 16, 2018, entitled "Approval of Personnel Actions":

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the requested personnel actions.

The Motion to adopt the amended resolution for Item 7 was seconded by Commissioner Washington and the voting was as follows:

Ayes: Matthew Brewer
Craig Chico
Mark Cozzi
Dr. Mildred Harris
John Hooker
Jack Markowski
Francine Washington

Nays: None

There being no questions or discussion, Chairman Hooker thereupon declared said Motion carried and said resolutions adopted.

There being no further business to come before the Commissioners, upon Motion made by Commissioner Chico and seconded by Commissioner Washington, the board meeting of January 16, 2018 was adjourned.

Lee Chuc-Gill, Secretary
Custodian and Keeper of Records