

WINNEBAGO HOMES ASSOCIATION
an Illinois not for profit corporation

AUGUST 26, 2021 SPECIAL MEETING MINUTES

A Special Meeting of the Board of Directors of Winnebago Homes Association (“WHA”) was convened on August 26, 2021 at 5:36 p.m. at the WHA’s offices at 3617 Delaware Street, Rockford, Illinois.

The following Board members were in attendance:

Mustafa Abdall
Ronald E. Ballard
Alanna D. Conard
Dina M. Getty
Danielle J.A. Potter

Absent were:

Tasha N. Reddic
Fred S. Wescott

Others in attendance:

President Alan Zais
Vice President Deb Alfredson
Attorney James R. Pirages of AGHL Law

APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON JULY 15, 2021:

Director Getty moved to approve the minutes of the Regular Meeting held on July 15, 2021. Director Potter seconded that motion. The minutes were approved by unanimous roll call vote of the five (5) Directors present.

RESOLUTION 2021 8/26-01: “APPROVAL OF EXTENSION OF ROCK HOUSE AGREEMENT AT 1007 15TH STREET, ROCKFORD, ILLINOIS”, AND RESOLUTION 2021 8/26-02: “APPROVAL OF EXTENSION OF ROCK HOUSE AGREEMENT AT 1233 REVELL AVENUE, ROCKFORD, ILLINOIS”.

President Alan Zais advised the Board that the City of Rockford has notified WHA of its wish to continue the Agreement for both ROCK Houses. Following a question that was raised by Attorney Pirages, Alan said that he had looked for the original Agreement between the City and WHA and was unable to find an executed copy; therefore, he reached out to the City of Rockford to obtain a copy of the signed Agreement. He has also decided to “clean-up” the relevant documents (to include the proper addresses, etc. that had been misstated in the City’s notification

letters). He asked the Board to approve the extensions of both ROCK House Agreements for the two (2) properties subject to legal review and clarification.

A motion to approve both Resolutions (2021 8/26-01 and 2021 8/26-02) was made by Director Conard; that motion was seconded by Director Potter. The motion was approved by unanimous roll call vote of the five (5) Directors present.

RESOLUTION 8/26-03 “APPROVAL OF CAPITALIZATION-DEPRECIATION-DISPOSITION POLICY” AND RESOLUTION 2021 8/26-04 “APPROVAL OF CONTRACTING AND PROCUREMENT POLICY.”

President Zais noted that the auditors had suggested changes to the format of these two (2) policies. He said that substantively there was not much of a difference between these proposed revised policies and their predecessors. However, he noted that with regard to the procurement policy there had been changes made to raise the thresholds of the dollar amounts for obtaining informal and formal quotes. Alan added that he had intentionally kept the thresholds low in order to keep the Board informed of most procurements; he said that in the past he had even brought matters to the Board for review that had been within the limits of the prior version of the procurement policy. Nevertheless, he said that the auditor had suggested that they raise the procurement level in order to avoid the opportunity for an inadvertent misstep. Alan went on to note that WHA is an instrumentality of the Winnebago County Housing Authority (WCHA) and that unlike some other housing authorities with instrumentalities, WHA’s policies had stayed consistent with WCHA. He indicated that other housing authorities may have different procurement standards for their instrumentalities as a way of getting around HUD procurement requirements. However, he noted that the same policies that are the subject of the two (2) resolutions on this meeting’s agenda are also being proposed for WCHA.

A motion to approve the two Resolutions (Resolution 2021 8/26-03 and 2021 8/26-04) was made by Director Abdall; that motion was seconded by Director Potter. The motion was approved by unanimous roll call vote of the five (5) Directors present.

RESOLUTION 2021 8/26-05: APPROVAL OF EXTENSION OF MEMORANDUM OF UNDERSTANDING WITH GORMAN & COMPANY, LLC.

President Zais noted that this Memorandum of Agreement applies to the Pearl Place Development in Belvidere. Alan said that the project had applied for participation in the Permanent Supportive Housing Program but had been unsuccessful in its application. As a “fall back” position, the project has applied for 4% low income tax credits and that application is pending. Alan noted that the Memorandum of Understanding had a contingency deadline that had recently expired and, therefore, this resolution sought to extend the contingency deadline to January 31, 2022.

A motion to approve this Resolution (2021 8/26-05) was made by Director Abdall; that motion was seconded by Director Getty. The motion was approved by unanimous roll call vote of the five (5) Directors present.

DISCUSSION: MEMORANDUM OF UNDERSTANDING WITH FIFTH AVENUE CAPITAL PARTNERS AND MILBROOK REALTY GROUP, LLC

President Zais reminded the Board that he has been working with developers on the redevelopment of the former St. Thomas High School property. He indicated that development is also seeking to participate in the Permanent Supportive Housing Program. He noted that some obstacles have been presented, including the fact that the property is in a “flood way” which, as a result, required the property to raise the level of the first floor of the building. He said that this will be an \$8 to \$9 Million Dollar redevelopment program and that the City of Rockford will be contributing approximately \$100,000.00 to \$150,000.00. He said that an application has also been pending for participation in the Permanent Supportive Housing Program, with a deadline of October 31, 2021.

Alan noted that the developer wants to now enter into a Memorandum of Understanding (MOU) with WHA. Alan said that the request from the developer for an MOU was understandable given the status of the project. Alan noted that up to this point he has been handling the project on behalf of WHA on his own and did not want to run up legal expenses, especially since the project-based vouchers (needed for the program) have not yet been approved by HUD. Alan added that the standards for approval by HUD have been more difficult. For example, he noted that approximately a year ago HUD had established a requirement that before proceeding with a request for proposals (RFP) for project-based vouchers, HUD must approve of same. Alan noted that he had inadvertently forgotten to seek HUD’s approval. As a result, he has decided to advise HUD of this issue even though up to this point HUD has not noticed that pre-approval was not obtained. While the impact of doing so is currently unknown, Alan said that it may be necessary to start over with the application for project-based vouchers. While noting that this does not “kill” the participation in the Permanent Supportive Housing Program, it does affect the project’s “points” on the application. Alan went on to say that even if they cannot obtain the project-based vouchers, he still believes the project will score well.

Alan said that he wanted to keep the Board advised of this issue. He also said that in the interim he has received a draft MOU from the developer which he characterized as being “very simple”. Alan added that he has been holding the developer to high standards, including the fact that the developer will give WHA the building when the project is completed, but he is requiring that the developer stay in the program for five (5) years in order to assure that the building is sound before accepting receipt of that building. He said that it is now time to involve legal counsel in the MOU and before doing so he wanted the Board’s consensus as to whether to move forward with this despite the obstacles noted above. The Board members noted their consensus for moving forward with this project and securing legal counsel’s assistance.

ADJOURNMENT:

Director Abdall moved to adjourn the meeting and that motion was seconded by Director Ballard. The motion passed by unanimous voice vote of all Directors present. The meeting adjourned at 5:55 p.m.

Dated: _____, 2021

Alan J. Zais, President