



Chicago Housing Authority

Finance & Audit Committee

Agenda

60 E Van Buren St
Chicago, IL 60605

Thursday, September 12, 2024

8:40 AM

CHA Corporate Offices

I. Roll Call

II. Approval of Minutes for Meeting of July 16, 2024

III. Resolutions

- 1** Authorization to accept and submit to HUD CHA's Financial Statement Audit and Annual Comprehensive Financial Report for the year ended December 31, 2023.
Presenter: Michael Moran, Chief Financial Officer
- 2** Authorization to accept and submit to HUD CHA's Uniform Guidance Report and Schedule of Expenditures of Federal Awards for the year ended December 31, 2023.
Presenter: Michael Moran, Chief Financial Officer
- 3** Authorization to execute third amendment to the line of credit facility.
Presenter: Michael Moran, Chief Financial Officer
- 4** Authorization to execute contract to provide Independent Auditing Services.
Presenter: Michael Moran, Chief Financial Officer
- 5** Approval of amended and restated Investment and Cash Management Policy.
Presenter: Michael Moran, Chief Financial Officer
- 6** Authorization to purchase Casualty and Professional Liability insurance.
Presenter: Mary Howard, Chief Administrative & Resident Services Officer
- 7** Approval of the FY2024 MTW Annual Plan Amendment.
Presenter: Jennifer Hoyle, Deputy Chief of Staff
- 8** Approval of the FY2025 MTW Annual Plan.
Presenter: Jennifer Hoyle, Deputy Chief of Staff
- 9** Authorization to award contracts for Hearing Officers for the Housing Choice Voucher Administrative Hearings.
Presenter Elizabeth Silas, Deputy General Counsel

Public Participation

IV. Adjournment



Board Letter

Agenda Date: September 12, 2024

Agenda #: 1

Authorization to accept and submit to HUD CHA's Financial Statement Audit and Annual Comprehensive Financial Report for the year ended December 31, 2023.

Presenter: Michael Moran, Chief Financial Officer

Recommendation

The Finance and Audit Committee has reviewed and approved the Chicago Housing Authority's ("CHA") audited Financial Statement Audit and Annual Comprehensive Financial Report for the year ended December 31, 2023, pursuant to the Finance and Audit Committee's Charter. The 2023 reports were presented to the Finance and Audit Committee at its September 12, 2024 regular meeting.

It is recommended that the Board of Commissioners ("Board") accept the attached, Financial Statement Audit and Annual Comprehensive Financial Report for the year ended 2023 and authorize the CEO or her designee to submit such documents to the United States Department of Housing and Urban Development (HUD).

CHA staff has completed all necessary due diligence to support the submission of this initiative and recommends the approval of this item accordingly.

Background

HUD requires public housing authorities to annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed, certified public accountants. For the year ended 2023, the Authority engaged Ernst & Young to audit its results and issue the Annual Comprehensive Financial Report in accordance with HUD requirements. The Authority is required to submit the Financial Statement Audit and Financial Report to HUD by September 30, 2024, nine months after the end of its fiscal year (2023).

Ernst & Young has issued the CHA an unmodified opinion. The Report of Independent Auditors states that CHA's financial statements present fairly, in all material respects, the financial position of the Authority as of December 31, 2023.

Respectfully Submitted:

Tracey Scott
Chief Executive Officer



Agenda #: 1

RESOLUTION NO. 2024-CHA-XX

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated September 12, 2024 and attached hereto entitled “Authorization to accept and submit to HUD CHA’s Financial Statement Audit and Annual Comprehensive Financial Report for the year ended December 21, 2023”.

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

THAT, The Board of Commissioners hereby accepts the Authority’s

- Financial Statement Audit and Annual Comprehensive Financial Report for The Year Ended December 31, 2023

THAT, The Board of Commissioners hereby authorizes the Chief Executive Officer or her designee to submit the Financial Statement Audit and Annual Comprehensive Financial Report for the year ended December 31, 2023 to the U.S. Department of Housing and Urban Development.

Angela Hurlock
Chairperson
Chicago Housing Authority



Board Letter

Agenda Date: September 12, 2024

Agenda #: 2

Authorization to accept and submit to HUD CHA's Uniform Guidance Report and Schedule of Expenditures of Federal Awards for the year ended December 31, 2023.

Presenter: Michael Moran, Chief Financial Officer

Recommendation

The Finance and Audit Committee has reviewed and approved the Chicago Housing Authority's ("CHA") audited Uniform Guidance Report for the year ended December 31, 2023, pursuant to the Finance and Audit Committee's Charter. The 2023 reports were presented to the Finance and Audit Committee at its September 12, 2024, regular meeting.

It is recommended that the Board of Commissioners ("Board") accept the attached Uniform Guidance Report for the year ended December 31, 2023 and authorize the CEO or her designee to submit such documents to the United States Department of Housing and Urban Development (HUD).

The Chief Financial Officer has completed all necessary due diligence to support the submission of this initiative and recommends the approval of this item accordingly.

Background

The Uniform Guidance is required for entities such as the CHA that receive and use substantial federal financial assistance and reports on the CHA's compliance with applicable federal regulations. The CHA is required to submit the Uniform Guidance Report to HUD by September 30, nine months after the end of its fiscal year 2023.

The Authority engaged Ernst & Young to audit its results and issue the Uniform Guidance Report and Schedule of Expenditures of federal Awards for the year ended December 31, 2023 in accordance with HUD requirements.

Ernst & Young has issued the CHA an unmodified opinion on CHA compliance for the major federal program.

Respectfully Submitted:

Tracey Scott
Chief Executive Officer



Agenda #: 2

RESOLUTION NO. 2024-CHA

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated September 12, 2024 and attached hereto entitled "Authorization to accept and submit to HUD CHA's Uniform Guidance Report and Schedule of Expenditures of Federal Awards for the year ended December 31, 2023";

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

THAT, The Board of Commissioners hereby accepts the Authority's

- 2023 Uniform Guidance Report and Schedule of Expenditures of Federal Awards

THAT, The Board of Commissioners hereby authorizes the Chief Executive Officer or her designee to submit the Uniform Guidance Report and Schedule of Expenditures of Federal Awards for the year ended December 31, 2023 to the U.S. Department of Housing and Urban Development.

Angela Hurlock
Chairperson
Chicago Housing Authority



Board Letter

Agenda Date: September 12, 2024

Agenda #: 3

Authorization to execute third amendment to the line of credit facility.

Presenter: Michael Moran, Chief Financial Officer

Recommendation

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or her designee to 1) execute a Third Amendment to the BMO Harris Bank N.A. Line of Credit Facility which extends the term of the line of credit facility (the "Facility") to a new 60-months term and 2) increase the amount of the Facility to \$50 Million.

The requested action complies in all material respects with all applicable federal, state, and local laws, and Chicago Housing Authority ("CHA") board policies. CHA staff has completed all necessary due diligence to support the submission of this initiative.

Background

BMO Harris Bank N.A. ("BMO Harris Bank" or the "Bank") is the CHA's primary cash management bank and has consistently provided best practice service delivery in a full range of banking products and services. Under Resolution No. 2016-CHA-112, passed October 18, 2016, CHA Board authorization was granted allowing CHA to expand the authorized use of the Facility to include providing loans which support residential and community development activities and to increase the Facility total amount from \$20 Million to \$50 million. Under Resolution No. 2019-CHA-37, passed July 16, 2019, CHA Board authorization was granted allowing CHA to extend the Facility for an additional 60-month term and reduce the total amount of the Facility from \$50 million to \$25 million. The current Facility has an extended termination date from July 31, 2024 to October 15, 2024 under an Extension Letter Agreement. Under this Board action, CHA is seeking authorization to extend the Facility to a new 60-month term and to increase the total amount of the Facility from \$25 Million to \$50 Million for the purpose of overall liquidity enhancement.

Respectfully Submitted:

Tracey Scott
Chief Executive Officer



RESOLUTION NO. 2024-CHA-XX

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated September 12, 2024 entitled, "Authorization to execute third amendment to the line of credit facility".

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

THAT, the Board of Commissioners hereby authorizes the Chief Executive Officer or her designee to 1) execute Third Amendment to BMO Harris Bank Line of Credit Facility ("Facility") which extends the Facility to a new 60- months term; and 2) increases the amount of the Facility to an aggregate amount of \$50 Million.

Angela Hurlock
Chairperson
Chicago Housing Authority



Board Letter

Agenda Date: September 12, 2024

Agenda #: 4

Authorization to execute contract to provide Independent Auditing Services.

Presenter: Michael Moran, Chief Financial Officer

Recommendation

The Chief Executive Officer (“CEO”) of the Chicago Housing Authority (“CHA”) recommends that the CHA Board of Commissioners (“Board”) approve the award of contract to the below listed contractor in the approximate aggregate value of \$4,850,000 consisting of an aggregate original contract value of \$1,910,000 for a two-year base term from January 1, 2025 through December 31, 2025 and three additional one-year options for a combined amount of \$4,850,000 to provide independent auditing services. The Board further authorizes the CEO to approve each request to exercise the options awarded under the contract.

Recommended Awardee	Base Contract Value	Base Term	Option Terms	Total Contract Value
Ernst & Young, LLP	\$1,910,000	1/1/2025-12/31/2026	1 st Option: \$970,000 2 nd Option: \$980,000 3 rd Option: \$999,000	\$4,850,000

The requested action complies in all material respects with all applicable federal, state, and local laws, and CHA policies. CHA staff has completed all necessary due diligence to support the submission of this initiative.

Funding

MTW Funds

Background

CHA is required to perform an annual audit in conformity with Generally Accepted Auditing Principles, Government Auditing Standards issued by the Comptroller General of the United States and provisions of the Office of Management & Budget, Uniform Guidance provisions (Single Audit A-133). The audit is mandatory for participants in United States Department of Housing and Urban Development programs and is generally used to determine whether the CHA’s financial data can be relied upon, and the requirement promotes sound financial management, including effective internal control, with respect to federal awards administered by federal, state and local governments and not-for-profit organizations. In addition, CHA is required to complete several report filings that require auditor procedures for HUD’s Real Estate Assessment Center (REAC) Financial Data Schedule on-line reporting, UG reporting, and Grant related annual and Close out reporting.

Procurement Activities

Specifications prepared by CHA staff were publicly advertised as RFP Event 3246 for Independent Auditing Services on March 21, 2024. A Pre-Proposal Conference was held on April 3, 2024, and four (4) firms attended. Three (3) proposals were received on April 23, 2024. The responses to the RFP are listed in the table below:

Vendor Responses:
Ernst & Young, LLP
CliftonLarsenAllen LLP (CLA)
Marcum LLP

The recommended vendor(s) were selected through a competitive procurement process in accordance with HUD regulation CFR 200.318 that evaluated responses in the following areas:

- | | | |
|----|---|-----------|
| 1. | Specialized Qualifications and Past Performance (Technical) | 30 points |
| 2. | Approach, Work Plan & Timeline (Technical) | 25 points |
| 3. | Organizational Structure and Key Personnel (Technical) | 15 points |
| 4. | Proposed Fees | 20 points |
| 5. | Diversity and Inclusion | 10 points |

Final scores received from the Evaluation Committee were used to determine the competitive range. Oral presentations were not held, and best and final offers were received. Based on the overall scoring, CHA staff recommends Ernst & Young, LLP for award to provide Independent Auditing Services as needed by CHA.

Diversity Contracting Requirements

The CHA staff has reviewed the proposed vendors and has determined the vendor’s utilization plans meet CHA’s stated goals.

Ernst & Young, LLP will satisfy the CHA 20% M/W/DBE subcontracting requirement through subcontracting direct participation to Prado & Renteria CPAs, Prof. Corp. (WBE, certified through the Cook County) and to Mitchell and Titus (MBE, certified through CMSDC). Ernst & Young, LLP will satisfy their Section 3 3% subcontracting requirement through a proposed other economic opportunity plan (OEO).

Vendor Background Information

Susan Wheeler, Partner, 155 North Wacker Drive, Chicago, Illinois 60606-1787. Ernst & Young, LLP (EY) provides an experienced and qualified team to perform audit services utilizing the best industry practices. EY is an international firm with a significant local presence offering key solutions to manage critical financial business and operational risks. EY has several clients in the public sector, including public housing authorities in many cities nationwide.

Based on the foregoing, it is in the best interest of CHA for the Board to authorize the CEO or her designee, to enter into a contract for independent auditing services with Ernst & Young, LLP in the aggregate amount of \$4,850,000.

Respectfully Submitted:

Tracey Scott
Chief Executive Officer



Agenda #: 4

RESOLUTION NO. 2024-CHA-X

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated September 12, 2024 entitled "Authorization to execute contract to provide Independent Auditing Services.

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 her designee to enter into a contract with Ernst & Young, LLP., to provide Independent Auditing Services, for a two-year base term, with three additional one-year option terms, for an aggregate amount not-to-exceed \$4,850,000.

This award is subject to the Contractor's compliance with CHA's Diversity Contracting and insurance requirements.

Angela Hurlock
Chairperson
Chicago Housing Authority



Board Letter

Agenda Date: September 12, 2024

Agenda #: 5

Approval of amended and restated Investment and Cash Management Policy.

Presenter: Michael Moran, Chief Financial Officer

Recommendation

The Chief Executive Officer (“CEO”) of the Chicago Housing Authority (“CHA”) recommends that the Board of Commissioners (“Board”) approve the attached Investment & Cash Management Policy which was last updated in July 2023.

The requested action complies in all material respects with all applicable federal, state, and local laws, and CHA policies. CHA staff has completed all necessary due diligence to support the submission of this initiative. Policy changes go into effect upon Board approval.

Background

As part of a comprehensive policy review process, CHA has reviewed and updated previous Board approved policies to comply with current laws, regulations and practices. This policy updates, combines and supersedes CHA’s current Investment and Cash Management (renamed in 2023) Policy, which was originally adopted in 1997, and revised and approved in 2000, 2004, 2008, 2010, 2014, 2017, 2022 and 2023.

Key revisions include:

- Add CFO and CEO authorization for the sale of securities as part of the 2023 annual internal audit recommendations
- Change maximum duration limit for CHA Core and CHA LLC Portfolios from 18 months to 24 months and maximum maturity for government securities from 10 years to 5 years to ensure consistency and best practice
- Add two-level review and approval for Annual Cash Flow Forecast
- Add capital structure and planning to the General Provisions of debt management section

Respectfully Submitted:

Tracey Scott
Chief Executive Officer



RESOLUTION NO. 2024-CHA-XX

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated September 12, 2024, entitled "Approval of amended and restated Investment and Cash Management Policy";

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

THAT, the Board of Commissioners hereby approves the Investment & Cash Management Policy, (Policy No. XX) effective September 12, 2024, which amends and supersedes the policy previously set forth, effective July 18, 2023.

Angela Hurlock
Chairperson
Chicago Housing Authority



Board Letter

Agenda Date: September 12, 2024

Agenda #: 6

Authorization to purchase Casualty and Professional Liability insurance.

Presenter: Mary Howard, Chief Administrative & Resident Services Officer

Recommendation

The Chief Executive Officer (“CEO”) of the Chicago Housing Authority (“CHA”) recommends that the CHA’s Board of Commissioners (“Board”) authorize the purchase of casualty and professional liability insurance coverages for CHA’s auto and physical damage, crime, cyber, employed lawyers professional, fiduciary, general, public officials and employment practices. The combined premiums are for an aggregate not-to exceed amount of \$775,748 and cover a one-year policy term of October 1, 2024 through September 30, 2025.

The requested action complies in all material respects with all applicable federal, state and local laws, and CHA policies. CHA staff has completed all necessary due diligence to support the submission of this initiative.

Funding

MTW Funds

Background

CHA renews its insurance coverage for casualty and professional liability lines of coverages annually. In determining the need for insurance coverage, CHA evaluated its existing casualty and professional liability insurance coverages and the cost effectiveness of renewal coverage options. With authorization from HUD, CHA utilizes its insurance broker of record to competitively market, solicit and bind coverage for CHA.

CHA utilized Arthur J. Gallagher to provide brokerage and insurance consulting services. At this time CHA would like to authorize Arthur J. Gallagher to bind the recommended coverage for 2024-2025 renewal of casualty and professional liability insurance.

Procurement Process

Arthur J. Gallagher is the CHA’s current broker of record for all casualty and professional insurance purchases. Insurance policies are considered a ‘supply and delivery’ product. As such, insurance premiums are not subject to compliance with MBE/WBE and Section 3 requirements, however, Arthur J. Gallagher meets or exceeds these obligations under their separate brokerage contract.

Respectfully Submitted:

Tracey Scott
Chief Executive Officer



Agenda #: 6

RESOLUTION NO. 2024-CHA-XX

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated September 12, 2024 entitled "Authorization to purchase Casualty and Professional Liability Insurance";

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 her designee to purchase insurance for CHA's casualty and professional liability lines of auto and physical damage, crime, cyber, employed lawyers professional, fiduciary, general, public officials and employment practices, through its insurance broker of record, Arthur J. Gallagher, for an aggregate not-to-exceed amount of \$775,748 covering a one-year policy term, from October 1, 2024 through September 30, 2025.

This award is not subject to CHA's MBE/WBE/DBE/ Section 3 hiring and insurance requirements.

Angela Hurlock
Chairperson
Chicago Housing Authority



Board Letter

Agenda Date: September 12, 2024

Agenda #: 7

Approval of the FY2024 MTW Annual Plan Amendment.

Presenter: Jennifer Hoyle, Deputy Chief of Staff

Recommendation

The Chief Executive Officer (“CEO”) of the Chicago Housing Authority (“CHA”) recommends that the CHA Board of Commissioners (“Board”) approve the FY2024 MTW Annual Plan Amendment and authorize CHA to submit the FY2024 MTW Annual Plan Amendment to the Department of Housing and Urban Development (HUD).

The requested action complies in all material respects with all applicable federal, state and local laws, and CHA policies. CHA staff has completed all necessary due diligence to support the submission of this initiative.

Background

As part of its MTW Agreement, CHA is required to submit an Annual Plan to HUD, due no later than 75 days prior to the close of CHA’s fiscal year. The MTW Annual Plan provides an overview regarding CHA’s operations, finances and MTW activities, as well as information necessary for HUD to assess CHA’s compliance with the MTW Program. CHA’s FY2024 MTW Annual Plan was approved by HUD on May 1, 2024. CHA is now proposing an amendment to that plan.

In 2021, HUD issued a revised Form 50900 (Attachment B to the MTW Agreement) which outlines requirements for the content of MTW annual plans and reports and for tracking the impact of MTW activities. This submission complies with all of the requirements of the Amended and Restated MTW Agreement, including the revised Form 50900 and applicable HUD regulations for the submission of annual plans.

Respectfully Submitted:

Tracey Scott
Chief Executive Officer



RESOLUTION NO. 2024-CHA-

WHEREAS, The Board of Commissioners has reviewed the Board Letter dated September 12, 2024 requesting approval of the Proposed FY2024 MTW Annual Plan Amendment and authorization to submit the Proposed FY2024 MTW Annual Plan Amendment to HUD 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 FY2024 Moving to Work Annual Plan 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 FY2024 MTW Annual Plan Amendment supersedes any and all conflicting language found in prior CHA MTW Annual Plans;

THAT, The Board of Commissioners grants authorization to submit the Proposed FY2024 MTW Annual Plan Amendment 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.

Angela Hurlock
Chairperson
Chicago Housing Authority



Board Letter

Agenda Date: September 12, 2024

Agenda #: 8

Approval of the FY2025 MTW Annual Plan.

Presenter: Jennifer Hoyle, Deputy Chief of Staff

Recommendation

The Chief Executive Officer (“CEO”) of the Chicago Housing Authority (“CHA”) recommends that the CHA Board of Commissioners (“Board”) approve the FY2025 MTW Annual Plan and authorize CHA to submit the FY2025 MTW Annual Plan to the Department of Housing and Urban Development (HUD).

The requested action complies in all material respects with all applicable federal, state and local laws, and CHA policies. CHA staff has completed all necessary due diligence to support the submission of this initiative.

Background

As part of its MTW Agreement, CHA is required to submit an Annual Plan to HUD, due no later than 75 days before the start of CHA’s fiscal year. The MTW Annual Plan provides an overview of CHA’s operations, finances and MTW activities, as well as information necessary for HUD to assess CHA’s compliance with the MTW Program.

In 2021, HUD issued a revised Form 50900 (Attachment B to the MTW Agreement) which outlines requirements for the content of MTW annual plans and reports and for tracking the impact of MTW activities. This submission complies with all of the requirements of the Amended and Restated MTW Agreement, including the revised Form 50900 and applicable HUD regulations for the submission of annual reports.

Respectfully Submitted:

Tracey Scott
Chief Executive Officer



RESOLUTION NO. 2024-CHA-

WHEREAS, The Board of Commissioners has reviewed the Board Letter dated September 12, 2024 requesting approval of the Proposed FY2025 MTW Annual Plan and authorization to submit the Proposed FY2025 MTW Annual Plan to HUD 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 FY2025 Moving to Work Annual Plan 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 FY2025 MTW Annual Plan supersedes any and all conflicting language found in prior CHA MTW Annual Plans;

THAT, The Board of Commissioners grants authorization to submit the Proposed FY2025 MTW Annual Plan 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.

Angela Hurlock
Chairperson
Chicago Housing Authority



Board Letter

Agenda Date: September 12, 2024

Agenda #: 9

Authorization to award contracts for Hearing Officers for the Housing Choice Voucher Administrative Hearings.

Presenter Elizabeth Silas, Deputy General Counsel

Recommendation

The Chief Executive Officer (“CEO”) of the Chicago Housing Authority (“CHA”) recommends that the CHA Board of Commissioners (“Board”) approve the award of contracts to the below listed contractors in the approximate aggregate value of \$2,520,000 consisting of an aggregate original contracts value of \$504,000 for a one (1) year base term from January 1, 2025 through December 31, 2025; and four (4) option years in the combined amount of \$2,016,000 to Hearing Officer services for the CHA’s Housing Choice Voucher (“HCV”) program.

The Board further authorizes the CEO to approve each request to exercise the options awarded under the contracts.

Recommended Awardee	Base Contract Value	Base Term	Option Terms	Total Contract Value
Yolaine Marie Dauphin	\$504,000	January 1, 2025 – December 31, 2025	1 st Option: \$504,000	\$2,520,000
Rhonda Walker			2 nd Option: \$504,000	
Joseph Chico			3 rd Option: \$504,000	
Margaret Fitzpatrick			4 th Option: \$504,000	
Denis Guest Attorney at Law				
Mark Moreno				
Dennis M. Fleming				
Total:	\$504,000		Aggregate Total: \$2,016,000	\$2,520,000

The requested action complies in all material respects with all applicable federal, state, and local laws, and CHA policies. CHA staff has completed all necessary due diligence to support the submission of this initiative.

Funding

MTW Fund

Background

Pursuant to the Department of Housing and Urban Development (“HUD”) rules and regulations, 24 CFR 982.555 *et.al*, and the CHA Administrative Plan, CHA must provide Housing Choice Voucher participants due process hearings, at their request, prior to taking certain adverse actions that impact participants’ assistance.

HUD regulations also provide that the hearing officer that presides over a hearing may not be the same individual (or a subordinate of that individual) that made the decision to take the adverse action which is the subject of the hearing. CHA has historically engaged hearing officers, as independent contractors, with prior hearing officer experience, including former judges from the Circuit Court of Cook County.

CHA will award a flat fee per case contract to each awardee for a one-year base term. The flat fee per case for the Hearing Officer contracts is \$700.00 for each completed hearing.

Procurement Activities

Specifications prepared by the CHA staff were publicly advertised as RFP Event 3251 for the Housing Choice Voucher Program Hearing Officers on June 21, 2024. A Pre-Proposal Conference was held on June 27, 2024. Seven (7) proposals were received on July 19, 2024. The responses to the RFP are depicted in the table below:

Responsive Proposal(s)
Denis Guest Attorney at Law
Dennis M. Fleming
Joseph Chico
Margaret Fitzpatrick
Mark Moreno
Rhonda Walker
Yolaine Marie Dauphin

One nonresponsive proposal was received from CJP Appraisal Services, LLC.

The recommended vendor(s) were selected through a competitive procurement process in accordance with HUD regulation CFR 200.318 that evaluated responses in the following areas (list criterion and points):

1. The Respondent possesses verifiable experience and demonstrates successful performance conducting hearings and rendering timely decisions -- 45 points
2. The Respondent exhibits the ability to produce quality decisions as evidenced by the submitted writing samples -- 35 points
3. The Respondent’s proposal provides a clear description of how the Respondent will provide the services in the Statement of Work -- 10 points
4. The Respondent’s proposal demonstrates a firm understanding of the Statement of Work and all tasks required to perform the Statement of Work -- 10 points

Final scores received from the evaluation committee were used to determine the competitive range. Best and final offers were completed. Based on the overall scoring, CHA staff recommends all seven (7) attorneys for awards to provide Hearing Officer services as needed by CHA.

Diversity Contracting Requirements

This requirement is not applicable because there are no opportunities for subcontracting and this solicitation required hiring individuals not companies. All the vendors are solo practitioners. Further Section 3 is inapplicable with this procurement because the solicitation is for professional legal services.

However, in an effort to garner the most diverse candidates' possible CHA conducted outreach to the Asian American Bar Association, the Black Women Lawyers Association, the Puerto Rican Bar Association, Arab American Bar Association, Hispanic Lawyers Association of Illinois and the Women's Bar Association of Illinois.

Vendor Background Information

Joseph Chico, 10302 S. Avenue N. Chicago, IL 60617. For approximately twenty-five years Mr. Chico has presided over administrative hearings with the City of Chicago - Department of Human Resources and Department of Administrative Hearings. Also, for approximately twelve years, he has presided over Informal Hearings for the Chicago Housing Authority (CHA) Housing Choice Voucher (HVC) Program.

Margaret Fitzpatrick, 217 Wildflower Desplaines, IL 60016. Ms. Fitzpatrick has been a practicing attorney for over 37 years and for the past 13 years has worked solely as a hearing officer at CHA for the HCV Informal Hearings. She has heard over 1000 HCV Cases.

Yolaine Marie Dauphin, 4306 S. Drexel Blvd. Chicago, IL 60653. Ms. Dauphin has 33 years of professional experience in the public and private legal sectors, including 7 years as an independent contractor with the Housing Choice Voucher program. She also has over 10 years' experience as an Administrative Law Judge for the City of Chicago Department of Administrative Hearings and approximately 7 years as a Commissioner of the Illinois Workers' Compensation commission.

Denis Guest Attorney at Law, 3119 S. Michigan Chicago, IL 60616. Mr. Guest has served as an administrative law judge/hearing officer on a full-time basis since 1997. He has served as a hearing officer with the Housing Choice Voucher program since 2012. He has also served as an independent impartial trier of fact in formal proceedings between various Cook County Departments and those accused of having violated a Cook County Ordinance.

Dennis M. Fleming, 6607 N. Lightfoot Chicago, IL 60646. Mr. Fleming has been a licensed attorney in Illinois since 1976. Over the last 25 years, his practice has concentrated on serving in quasi-judicial positions with the City and County Departments of Administrative Hearings, the Chicago License Appeal Commission, the Chicago Human Resources Board, and the CHA HCV program.

Rhonda Walker, 405 W. Superior St. 7th Fl Chicago, IL 60654. Ms. Walker has served as an HCV hearing officer for the Chicago Housing Authority since 2020. She has also served as an administrative law judge with the City of Chicago, Department of Administrative Hearings for 23 years and as a due process hearing officer with the Illinois State Board of Education since 2023.

Mark Moreno, 10 South Riverside Plaza, Suite 875 Chicago, IL 60606. Mr. Moreno has been a practicing attorney in Illinois since 2002. He has experience in both Civil and Criminal Law, and has practiced in both State and Federal Court, and has both bench and jury trial experience. He

is a member of the Federal Trial Bar and has extensive experience with motion practice, i.e., motions to dismiss, for summary judgment, etc. He is an Administrative Law Judge with the City of Chicago and has presided over various hearings regarding motor vehicle infractions under the Municipal code. He is also an Arbitrator for cases on Cook County's Law and Commercial Calendar.

The aforementioned attorneys through their responses have demonstrated the requisite years of practice, hearing officer experience and temperament needed to duly execute CHA hearing officer duties. Writing samples provided showed a clear understanding of legal analysis and review of facts in determining outcomes.

Based on the foregoing, it is in the best interest of the CHA for the Board to authorize the CEO or her designee, to enter into contracts for Hearing Officer services with the seven (7) aforementioned attorneys, with an annual not-to-exceed amount of \$504,000 for all seven (7) contracts. The approximate aggregate amount for hearing officer services is \$2,520,000.00

Respectfully Submitted:

Tracey Scott
Chief Executive Officer



Agenda #: 9

RESOLUTION NO. 2024-CHA-XX

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated September 12, 2024, entitled “Authorization to Award Contracts for Hearing Officers for the Housing Choice Voucher Administrative Hearings.”

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

THAT, the Board of Commissioners (“Board”) grants authorization to the Chief Executive Officer to enter into contracts with selected Illinois licensed attorneys to serve as Hearing Officers for a base term of one year, starting from January 1, 2025, through December 31, 2025, with the option to extend the contracts for up to four additional one-year terms. The total amount for the base term of all contracts is not to exceed \$504,000. Each one-year extension term will also have an allocated aggregate amount not to exceed \$504,000. Therefore, the cumulative not-to-exceed amount for the base term and all four option years will be \$2,520,000. The Board delegates authority to the Chief Executive Officer, or her designee, to decide whether to exercise each option term, which may only be exercised individually at the conclusion of the preceding contract term.

Angela Hurlock
Chairperson
Chicago Housing Authority