

Bloomington Housing Authority

Board Meeting Minutes

July 11th, 2024

I. Call to Order

Chair Elaine Amerson called to order the regular meeting of the **Bloomington Housing Authority Board of Commissioners at 8:30 a.m. on Thursday, June 27th, 2024**, in person at the Lindsey A. Smith Community Center, located at 1002 N Summit St., Bloomington, IN 47404.

II. Roll Call

Those present in person were: Chair Elaine Amerson; Commissioners Mary Morgan, Jerry Cravens, Tracee Lutes, and Sue Wanzer; Executive Director Kate Gazunis, Capital Assets Manager Rhonda Moore, Director of Real Estate Nathan Ferreira, Director of Finance Dhara Patel, Housing Stability Coordinator Jessica Craig, HCV Program Manager Daniel Harmon, and Administrative Assistant Yanely Lopez-Delgado.

Absent: Vice Chair Sherry Clay (excused), Commissioner Nordia McNish

Guests: HAND Liaison: Stephanie LaFontaine, HAND Director: Anna Killion-Hanson, Bloomington Director of Economic & Sustainable Development: Jane Kupersmith

Chair Elaine Amerson noted that due to the storm and consequent power outage, the June 27th agenda was tabled and rescheduled for July 11. A brief meeting was held on June 27th to pass Resolution 2024-03 Fiscal End-of-Year Change and was approved by all board members present.

III. Approval of Minutes from the Last Meeting

A motion was made to approve the board meeting minutes for May 23rd, 2024, by Sue Wanzer and seconded by Mary Morgan. All were in favor. None opposed. Motion approved.

IV. Financial Statements

1. Director of Finance, Dhara Patel provided a written draft of the June 2024 Financial Statements which included revenue and expenditures for Bloomington RAD I (Reverend Butler and Walnut Woods), Bloomington RAD II (Crestmont), the Housing Choice Voucher Program (HCVP), and the Central Office Cost Center (COCC).

The Commissioners had no questions or comments regarding the financial statements.

Commissioner Lutes moved to accept the financials subject to audit, and Commissioner Wanzer seconded the motion. All were in favor, and none opposed. The motion was approved.

2. Resolution 2024-03 to Change Fiscal Year End

This resolution was passed at the brief meeting held on June 27th. A motion was made by Sherry Clay and Nordia McNish to pass resolution 2024-03 Fiscal End of Year Change. All were in favor. None opposed. Motion approved.

HUD approved the calendar change in a letter dated July 3, 2024.

V. New Business

1. Draft of Bylaws

Commissioner Lutes shared the recent improvements and suggestions made by the bylaw committee. Commissioners Lutes, Morgan, and other commissioners discussed the Board's composition. Commissioner Wanzer explained that the Board's appointments are set by city code and asked staff to research this further. Executive Director Gazunis also suggested adding that residents or voucher holders appointed to the Board be in good standing due to their responsibility on the Board.

Commissioner Lutes and the bylaws committee suggested that any contract above \$50,000 be presented to the whole Board. Chair Amerson stated that in cases where a contract may need to be signed quickly, it would be challenging to get the entire Board together simultaneously. Both Executive Director Gazunis and Director of Finance Patel expressed that there are times when a fast turnaround is needed. Executive Gazunis suggested adding that in case of emergencies, the Executive Director, the Director of Finance, and the Board Chair would have the authority to approve as long as they made full disclosure to the Board at the next meeting. For non-emergency purchases above \$50,000, the policy will require full Board approval before the expenditure.

The Board suggested having the BHA attorney, Christine Bartlett, go over the wording of the recommendations the Board wants to implement in the bylaws.

Commissioner Wanzer had a question regarding the bylaw section that referenced commissioners having to sign an Ethics Code. Executive Gazunis explained that every year, the chairman submits an affirmation of the Code of Ethics to HUD on the Board's behalf. She stated that the affirmation is submitted when the annual plan is due. Chair Amerson suggested that the form be passed around for every commissioner to read and sign once a year.

Commissioner Morgan wondered whether there should still be references to BHA as a public housing authority since we are no longer public housing; Executive Gazunis explained that we are still a Public Housing Authority (PHA), although we no longer have public housing units, so it should stay.

Executive Gazunis and Chair Amerson thanked commissioners Lutes, McNish, and Morgan for their work on the bylaws.

2. Summary of Executive Recruiter

Chair Amerson shared that they received four proposals for the Executive Recruiter and decided to go with Stan Quy based on the housing authority's previous experience with him and his price. She stated they have worked out a contract and have begun the process with him. Stan has asked the Board to complete a survey that will help him identify the type of Executive Director the board desires. Chair Amerson will update the process with the commissioners regularly.

3. Resolution 2024-04 Approving Participation in Kohr Community Flats

Executive Kate Gazunis shared that the Kohr building project has changed dramatically since its inception. It appears that BHA will put as much as \$650,000 cash into the project, and it is unlikely that BHA will ever get that money back. Kate explained that the pro forma indicates that the BHA must continue subsidizing the project over **\$100,000 annually until it "breaks even."** Executive Gazunis recommends that the BHA hire a third-party management company to manage the property.

Kate explained that the original Hopewell Plan showed Jackson Street's construction further west of the new wing. When the City's planning department changed the Jackson Street alignment, it reduced the project to 38 units, which will not generate enough rental revenue to pay its expenses. Therefore, BHA must subsidize the difference needed to pay the project's expenses.

Chair Amerson asked if the City knows of the changes and what these impacts would be. Kate stated that the City is aware of the proforma shortfall and is assisting with grants. The BHA trusts that the City will continue to help us with the gap financing. The current administration is very supportive and understands the situation and the pro forma; however, she cautioned that the City may be unable to commit to long-term support.

HAND Director Anna Killion-Hanson shared that she has reviewed the proforma and is concerned it will not cash flow for six years. She says they have attempted to provide the maximum subsidy per unit they can, but the additional HOME subsidy will increase the revenue by approximately \$44,000 annually. Anna explained that everyone needs to be on the same page and is happy to assist, but there are limits.

Commissioner Morgan asked Anna if there was a way to formalize the City's commitment to funding over a more extended period. Anna stated they may not be in a position to commit long-term and can only commit to what they can do right now.

Other issues discussed included the cost of security, ways to cut expenses, debt coverage, leadership changes, and other challenges.

City staff also expressed concern about security, its ongoing cost, and its absolute necessity.

Kate explained that the downside of walking away from this is that we are two months away from starting construction, and if we were to exit the partnership now, we would have to pay at least \$300,000. Another critical concern is the harmful damage to the housing authority's reputation and the erosion of goodwill that would be difficult to ever overcome. The BHA committed to this project five years ago. Still, Kate felt that it was essential that the Board understand the cost of staying in the project and the need to identify additional revenue sources to make its management viable.

Commissioner Morgan made a motion to table the resolution until the next regularly scheduled July meeting. Commissioner Wanzer second it. All were in favor, and none opposed. The motion was approved. Subsequently, Chair Amerson appointed Commissioners Morgan and Cravens to meet with Gazunis to bring a recommendation to the next meeting.

4. Resolution 2024-05 Formation of Nonprofit Corporation known as Affordable Housing of Bloomington, Inc.

Executive Director Gazunis stated that, per our lawyer's advice, this new nonprofit should be a stand-alone entity that could absorb any losses.

Commissioner Wanzer moved to approve Resolution 2024-05, Formation of Nonprofit Corporation Known as Affordable Housing of Bloomington, Inc. Commissioner Cravens seconded the motion. All were in favor, and none opposed it. The motion was approved.

5. Resolution 2024-06 HOTMA Admin Plan

HCV Program Manager Daniel Harmon shared that the voucher Admin Plan has been updated to comply with the required HOTMA guidelines from HUD.

Commissioner Morgan asked if any significant management changes were required. Daniel explained that many changes were needed, which, in the long run, would decrease administrative burdens and, most importantly, help families in the program. Daniel also shared that he and his staff attended a Nan McKay training conference in Indianapolis to learn how to best implement the changes.

A motion was made Commissioner Sue to approve Resolution 2024-06 HOTMA Admin Plan. Commissioner Morgan seconded. All were in favor. None opposed. Motion approved.

VI. Old Business

1. Asset Management Report

Capital Assets Manager Rhonda Moore had to leave the meeting early due to HAND inspections, and Gazunis presented the report. There were no questions or comments.

VII. Director's Report

1. Development Updates

Executive Director Kate Gazunis stated the only development updates she had were regarding the Kohr building and had been talked about sufficiently during the resolution discussion.

2. Administrative Updates

Executive Gazunis shared that a PIH notice 2024 – 21 stated that all housing authorities in shortfall are to stop issuing vouchers. She explained that HUD is facing a budget cut they did not anticipate, and therefore, housing authorities need to freeze the issuance of vouchers so no new dollars are spent.

HAND liaison LaFontaine asked how this would affect voucher requests like Middle Way House. Executive Gazunis explained that if BHA does not already have a contract with them, we cannot enter any new contracts until HUD permits us to do so.

Commissioner Wanzer asked what our recourse would be if HUD does not send us the money we need, and Gazunis said we may be forced to use voucher admin dollars to pay the landlords. HCV Program Manager Daniel Harmon explained that we have applied for additional funding and are at the top of the list to receive any shortfall funding.

3. Staff Updates

Executive Director Kate Gazunis shared some of the exceptional performance of BHA staff and welcomed our latest voucher specialist, Brooke Branam. She also shared that we will be adding a new maintenance employee next week

VIII. Adjournment

Board Chair Elaine Amerson informed all attendees that there would be a brief recess for a BHA Board of Commissioners Executive Session.

Commissioner Wanzer made a motion to adjourn and recess briefly before an executive session. Commissioner Lutes seconded the motion. All were in favor. None opposed. Motion approved. The meeting adjourned at 10:17 a.m.

IX. Executive Session

The Executive Session started at 10:30 a.m. and adjourned at 10:49 a.m. Its purpose was to discuss a legal issue, and the Board did not take action.

Respectfully submitted by: Yanely Lopez-Delgado, Administrative Assistant.

Approved by: Kate Gazunis, Executive Director