

**MINUTES OF THE
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS
OF THE HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA
HELD ON THE 28th DAY OF MARCH, 2023**

The Commissioners of the Housing and Redevelopment Authority of Duluth, Minnesota, met in a Scheduled Regular Meeting at 3:30 P.M. on the 28th day of March 2023.

Chair Glumac called the meeting to order and on roll call, the following members were present: Commissioners Glumac, Hanek, Nephew, and Talarico. Commissioner Awal arrived at 3:45 P.M. Commissioner Meyer was absent. The Chair declared a quorum present.

Also, present were Jill A. Keppers, Executive Director; staff members Jacob Morgan, Maureen Zupancich, and Traci Nindorf; Chris Virta, Fryberger Law; and Theresa Bajda, Senior Housing Developer.

SCHEDULED PUBLIC HEARINGS

Public Hearing on the Disposition of Tracts D, E, & F at Harbor Highlands.

Public Hearing on the Public Housing Agency Annual Plan.

There were no comments received.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The following items were introduced by Chair Glumac, after clarification that Resolution 4381-23 was moved to discussion and Resolution 4387-23 was added to discussion after the Agendas and Board Packets were distributed to the Board last week:

MINUTES OF THE SCHEDULED REGULAR MEETING OF FEBRUARY 28, 2023

FINANCIAL REPORT FOR PERIOD ENDING FEBRUARY 2023

RESOLUTION NO. 4380-23

**RESOLUTION APPOINTING DIRECTORS TO GREAT LAKES DEVELOPMENT DULUTH,
INC. BOARD**

RESOLUTION NO. 4382-23

RESOLUTION AUTHORIZING BAD DEBT WRITE-OFFS

Commissioner Nephew moved that the foregoing items be approved as introduced.
Commissioner Talarico seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Hanek, Nephew, and Talarico

Nays: None

Chair Glumac declared the motion carried and said items approved as introduced and read.

DISCUSSION ITEMS

RESOLUTION IMPLEMENTING THE ANNUAL OPERATING COST ADJUSTMENT FACTOR (OCAF) FOR NORTH POINTE APARTMENTS, LLC

HUD sets the Operating Cost Adjustment Factor each year (OCAF), and the Authority has to request it each year from HUD. This year it is for 6.5%. This is the increase in the Authority's rents, and the HAP payments will go up accordingly. This is part of the new process for PBRA, and tenants will still only pay 30% of their income in rent.

After Executive Director Keppers answered Commissioners' questions, the following resolution was introduced by Chair Glumac:

RESOLUTION NO. 4381-23 IMPLEMENTING THE ANNUAL OPERATING COST ADJUSTMENT FACTOR (OCAF) FOR NORTH POINTE APARTMENTS, LLC

Commissioner Talarico moved that the foregoing item be approved as introduced.
Commissioner Nephew seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Hanek, Nephew, and Talarico

Nays: None

Chair Glumac declared the motion carried and said item approved as introduced and read.

RESOLUTION APPROVING AND AUTHORIZING THE SUBMISSION OF THE FISCAL YEAR 2023 ANNUAL AGENCY PLAN TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

This resolution approves the annual PHA plan. Each year, the Authority is required to write an annual plan and submit to HUD. It must include items related to Public Housing and Section 8. It does not include anything related to Bluewater Housing or North Pointe Apartments. However, development initiatives on former public housing sites and RAD conversion options are included as part of this plan.

After discussion about the income analysis that was included as part of the plan, the following resolution was introduced by Chair Glumac:

RESOLUTION NO. 4383-23 APPROVING AND AUTHORIZING THE SUBMISSION OF THE FISCAL YEAR 2023 ANNUAL AGENCY PLAN TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

Commissioner Talarico moved that the foregoing item be approved as introduced.

Commissioner Nephew seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Glumac, Hanek, Nephew, and Talarico

Nays: None

Chair Glumac declared the motion carried and said item approved as introduced and read.

RESOLUTION ADOPTING THE OPERATING AGREEMENT AND APPOINTING JILL A. KEPPERS AS PRESIDENT FOR HARBORVIEW PHASE VI GP, LLC.

The Authority's attorneys recommend that Harborview Phase VI GP, LLC be created to go along with Harborview Phase LP, LLC. This will distinguish the general partner from the limited partner under the limited liability limited partnership. This is for the Phase VI tax credit project.

Being no questions from Commissioners, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4384-23
ADOPTING THE OPERATING AGREEMENT AND APPOINTING JILL A. KEPPERS AS
PRESIDENT FOR HARBORVIEW PHASE VI GP, LLC.**

Commissioner Talarico moved that the foregoing resolution be approved as introduced.
Commissioner Nephew seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Glumac, Hanek, Nephew, and Talarico

Nays: None

Chair Glumac declared the motion carried and said item approved as introduced and read.

**RESOLUTION AMENDING THE GROUND LEASE FOR HARBORVIEW PHASE VI
TOWNHOMES**

This resolution amends the ground lease that was previously approved by the Board between the Authority and the limited liability limited partnership. This would normally have been on consent but the lease references the GP, LLC established in the previous resolution.

After Executive Director Keppers answered Commissioners' questions, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4385-23
AMENDING THE GROUND LEASE FOR HARBORVIEW PHASE VI TOWNHOMES**

Commissioner Nephew moved that the foregoing item be approved as introduced.
Commissioner Talarico seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Glumac, Hanek, Nephew, and Talarico

Nays: None

Chair Glumac declared the motion carried and said item approved as introduced and read.

RESOLUTION AUTHORIZING SUBMISSION OF AN APPLICATION TO THE HUD SPECIAL APPLICATIONS CENTER FOR DISPOSITION APPROVAL OF VACANT LAND (TRACTS D, E, AND F) AT HARBOR HIGHLANDS FOR HOUSING DEVELOPMENT

This resolution approves the disposition application to HUD for Tracts D, E, and F at Harbor Highlands for Phase VI. These tracts have already been approved by the Board for disposition, but because there was a boundary line adjustment done, the specific disposition application will now include parts of all three tracts. A new RAB meeting was held, a new letter from the Mayor was received, and a new resolution is being brought to the Board. It will be cleaner for HUD as they review the application, and all of the dates will be in compliance with the disposition application requirements.

Being no questions from Commissioners, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4386-23
AUTHORIZING SUBMISSION OF AN APPLICATION TO THE HUD SPECIAL APPLICATIONS CENTER FOR DISPOSITION APPROVAL OF VACANT LAND (TRACTS D, E, AND F) AT HARBOR HIGHLANDS FOR HOUSING DEVELOPMENT**

Commissioner Nephew moved that the foregoing items be approved as introduced.
Commissioner Awal seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Glumac, Hanek, Nephew, and Talarico

Nays: None

Chair Glumac declared the motion carried and said item approved as introduced and read.

RESOLUTION ADOPTING THE SECOND AMENDED AND RESTATED OPERATING AGREEMENT FOR HARBORVIEW PHASE V, LLC.

This second amended and restated operating agreement incorporates the changes that Minnesota Housing is requiring for Skyridge Flats. The Executive Director is trying to bring everything necessary to the Board as quickly as possible so the project can break ground in the next 60 days.

Being no questions from Commissioners, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4387-23
ADOPTING THE SECOND AMENDED AND RESTATED OPERATING AGREEMENT FOR HARBORVIEW PHASE V, LLC.**

Commissioner Hanek moved that the foregoing items be approved as introduced.

Commissioner Awal seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Glumac, Hanek, Nephew, and Talarico

Nays: None

Chair Glumac declared the motion carried and said item approved as introduced and read.

COMMUNICATIONS/CORRESPONDENCE

Board members can find the department reports in this section of the Board Packet. Housing articles were sent separately.

REPORTS OF COMMITTEES

Finance Committee: The Finance Committee has not met since the last Board meeting.

OPPORTUNITY FOR VISITORS TO BE HEARD

None.

BUSINESS BY COMMISSIONERS

The Executive Director gave a brief update from Legal Counsel regarding the proposed expungement factors.

PHAS Update.

The Executive Director reviewed the PHAS dashboard, PHAS task list, and letter from the City Inspector with Commissioners. She reported on her work related to the PHAS score, her work with HUD along with the Deputy Director and Director of Property Management, and an update on the score estimate, with higher than previously estimated numbers likely to be received.

The Executive Director answered Commissioners' questions on the preventive maintenance plan and the ownership at the HOPE VI properties. She directed Commissioners to the monthly *Owned Housing* report included in the Board packet to keep apprised on operational and capital projects.

Commissioners recommended a resident survey to get feedback from the customer perspective.

REPORT OF THE EXECUTIVE DIRECTOR

Written report submitted.

Executive Director also reported that Brandon will present on *Fair Housing* at the June, July, and August meetings per Commissioners' request.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel submitted a written report.

No Closed Session was needed.

OTHER BUSINESS

None.

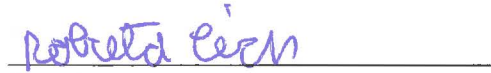
ADJOURNMENT

There being no further business to come before the Board, Chair Glumac declared the meeting adjourned at 4:45 P.M.

A handwritten signature in black ink, appearing to read "Ann M. Glumac", written over a horizontal line.

Chair

ATTEST:

A handwritten signature in blue ink, appearing to read "Roberta Cern", written over a horizontal line.

Secretary

Next Scheduled Regular Meeting – April 25, 2023.