

**MINUTES OF THE
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS
OF THE HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA
HELD ON THE 26th DAY OF SEPTEMBER, 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 26th day of September 2023.

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

Also present were Jill A. Keppers, Executive Director; staff members Anna Carlson, Rachel Downs, Brandon Engblom, Jacob Morgan, Traci Nindorf, Jill Erickson, Sarah Saucedo, Mike Marquardt, and Maureen Zupancich; Officer Jared Warneke, Duluth Police Department; Jodi Slick, Executive Director of Ecolibrium 3; and Community Member Rachael Anderson.

Vice-Chair Talarico highlighted the standard procedure for the Board of Commissioners meetings moving forward. There will be a 3-minute time limit for visitors who wish to speak during the "Opportunity for Visitors to be Heard" segment and Commissioners and Staff must be acknowledged by the Chair before speaking. By implementing these two practices, meetings will be run more smoothly and efficiently.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The following items were introduced by Vice-Chair Talarico:

MINUTES OF THE SCHEDULED REGULAR MEETING OF AUGUST 29, 2023

FINANCIAL REPORT FOR PERIOD ENDING AUGUST 2023

RESOLUTION NO. 4455-23

**RESOLUTION AUTHORIZING HOUSING CHOICE VOUCHER AND EMERGENCY VOUCHER
PAYMENT STANDARDS**

RESOLUTION NO. 4456-23

RESOLUTION APPROVING FLAT RENTS FOR PUBLIC HOUSING

RESOLUTION NO. 4457-23

RESOLUTION APPROVING FLAT RENTS FOR PUBLIC HOUSING IN HOPE VI DEVELOPMENTS

RESOLUTION NO. 4458-23

RESOLUTION AUTHORIZING BAD DEBT WRITE-OFFS

RESOLUTION NO. 4459-23

**RESOLUTION AUTHORIZING CONTRACT AND CHANGE ORDERS FOR BLUEWATER
HOUSING, LLC ROOF REPLACEMENT PROJECT**

Commissioner Hanek requested that all the foregoing items be removed from consent and added to discussion. A conversation was had regarding the cessation of recording the minutes as an operational decision by management that was not brought to the Board for a vote. It was decided meetings would begin to be recorded again and the minutes would stay as is, for recording actions with brief summaries of resolutions and discussions. Board members would like the recordings for future commissions to be able to go back and hear why decisions were made and how the Board got to those decisions.

Commissioner Meyer made a motion to begin meeting recordings.

Commissioner Nephew seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Cich, Hanek, Meyer, Nephew, and Talarico

Nays: None

Vice-Chair Talarico declared the motion carried and approved as introduced.

Executive Director Keppers started a recording of the meeting.

DISCUSSION ITEMS

The following consent items were moved to discussion at the request of Commissioner Hanek:

MINUTES OF THE SCHEDULED REGULAR MEETING OF AUGUST 29, 2023

Commissioner Hanek wants the minutes to show earlier in the transcription that the Commission went back to the ACOP to re-vote after she rescinded her motion once she realized she had a conflict of interest. The minutes reflected that the Commission went back to re-vote on Resolution 4454-23 so no change is necessary.

After Commissioner Hanek's comments on the minutes, Commissioner Cich made a motion to approve the minutes of the scheduled regular meeting of August 29, 2023.

Commissioner Hanek seconded the motion.

Roll was called with the following results:

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

Nays: Commissioner Meyer

Vice-Chair Talarico declared the minutes approved as introduced.

FINANCIAL REPORT FOR PERIOD ENDING AUGUST 2023

Commissioner Hanek made a motion to consider the financial report for period ending August 2023. Commissioner Meyer seconded the motion. Vice-Chair Talarico opened discussion for the financial report for period ending August 2023.

Commissioner Hanek asked about the money in regards to the second police officer contract. Executive Director Keppers explained that the entire tax levy goes into the general fund. She explained that during the budget

process, this is reviewed with the Board. The tax levy budget that is presented to City Council and the Board shows what the Authority anticipates these funds being used for in the coming year. She reassured the Board that it is accounted for in the general fund.

Commissioner Nephew made a motion to approve the Financial Report for Period Ending August 2023.

Commissioner Awal seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Hanek, Meyer, Nephew, and Talarico

Nays: None

Vice-Chair declared the Financial Report for Period Ending August 2023 approved as introduced.

**RESOLUTION NO. 4455-23
RESOLUTION AUTHORIZING HOUSING CHOICE VOUCHER AND EMERGENCY VOUCHER
PAYMENT STANDARDS**

Commissioner Hanek expressed concern about raising these payment standards. Rachel Downs, Rent Subsidy Supervisor, was in attendance and addressed Commissioner Hanek's questions.

Commissioners Cich and Nephew commended this resolution as it is something the Board has been asking for for years.

Commissioner Nephew made a motion to approve the Resolution Authorizing Housing Choice Voucher and Emergency Voucher Payment Standards.

Commissioner Meyer seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Hanek, Meyer, Nephew, and Talarico

Nays: None

Vice-Chair declared Resolution 4455-23 approved as introduced.

**RESOLUTION NO. 4456-23
RESOLUTION APPROVING FLAT RENTS FOR PUBLIC HOUSING**

The Executive Director explained that this resolution is to approve the flat rents in public housing. This resolution comes to the Board each year after HUD publishes the FMRs and it is the policy of the Authority to base public housing flat rents at a rate not lower than 80% of the area's FMR and not higher than 110% of the area's FMR. This purpose of this resolution is to approve the Public Housing flat rent schedule based on HUD's Fair Market Rent methodology and the anticipated RAD rents.

Commissioner Awal made a motion to approve the Resolution Approving Flat Rents for Public Housing.

Commissioner Nephew seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Meyer, Nephew, and Talarico

Nays: Commissioner Hanek

Vice-Chair declared Resolution 4456-23 approved as introduced.

RESOLUTION NO. 4457-23

RESOLUTION APPROVING FLAT RENTS FOR PUBLIC HOUSING IN HOPE VI DEVELOPMENTS

The Executive Director explained that the purpose of this Resolution is to approve the public housing flat rent rate schedule for HOPE VI developments based on the allowable Tax Credit program rents which are not lower than 80% of the Section 8 Fair Market Rents established by HUD and are comparable to the maximum rental rates for the development area as determined by Minnesota Housing Finance Agency Housing Tax Credit Program.

Commissioner Hanek commented on her opposition to the increase in flat rents.

Commissioner Cich made a motion to approve the Resolution Approving Flat Rents for Public Housing in Hope VI Developments.

Commissioner Nephew seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Meyer, Nephew, and Talarico

Nays: Commissioner Hanek

Vice-Chair declared Resolution 4457-23 approved as introduced.

RESOLUTION NO. 4458-23

RESOLUTION AUTHORIZING BAD DEBT WRITE-OFFS

The Executive Director reminded the Board that this resolution authorizes the write offs of vacated tenants' accounts receivables which do not appear to be collectible at this time. All accounts to be written off will be appropriately sent to the Minnesota Department of Revenue for collection under the Revenue Recapture Program.

Commissioner Meyer made a motion to approve the Resolution Authorizing Bad Debt Write-Offs.

Commissioner Awal seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Hanek, Meyer, Nephew, and Talarico

Nays: None

Vice-Chair declared Resolution 4458-23 approved as introduced.

RESOLUTION NO. 4459-23

RESOLUTION AUTHORIZING CONTRACT AND CHANGE ORDERS FOR BLUEWATER HOUSING, LLC ROOF REPLACEMENT PROJECT

The Executive Director explained that the original contract for the roof replacement project was under \$100,000. However, due to unforeseen damage below the roofing change orders are needed to complete the work. These change orders will push the contract above \$100,000.00. Current change orders needing approval are \$2,015.00 and \$900.00 respectively. There are three homes remaining in the roofing project.

Commissioner Hanek made a motion to approve the Resolution Authorizing Contract and Change Orders for Bluewater Housing, LLC Roof Replacement Project.

Commissioner Meyer seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Hanek, Meyer, Nephew, and Talarico

Nays: None

Vice-Chair declared Resolution 4459-23 approved as introduced.

RESOLUTION APPROVING UPDATED OVER-INCOME TENANT POLICIES FOR THE ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP) AS REQUIRED UNDER THE HOUSING OPPORTUNITY THROUGH MODERNIZATION ACT (HOTMA)

The Executive Director explained that this resolution approves the changes to the Authority's Admissions and Continued Occupancy Plan (ACOP) that are required under the Housing Opportunity Through Modernization Act (HOTMA). Over the next year, the Authority will be updating various policies as guidance on HOTMA is issued by HUD. This is the first of those policy changes. This policy relates to over-income tenants in public housing only. It gives a household 24 months to ensure income stability before they are graduated from the program and need to find other housing.

Commissioner Hanek commented that she appreciated that this allows for if a tenant falls back into instability, it restarts the clock.

There being no further discussion, the following resolution was introduced by Vice-Chair Talarico:

**RESOLUTION NO. 4460-23
APPROVING UPDATED OVER-INCOME TENANT POLICIES FOR THE ADMISSIONS AND
CONTINUED OCCUPANCY POLICY (ACOP) AS REQUIRED UNDER THE HOUSING
OPPORTUNITY THROUGH MODERNIZATION ACT (HOTMA)**

Commissioner Hanek moved that the foregoing item be approved as introduced.
Commissioner Awal seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Hanek, Meyer, Nephew, and Talarico

Nays: None

Vice-Chair Talarico declared the motion carried and said item approved as introduced and read.

RESOLUTION AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA TO SUBMIT A LOW INCOME HOUSING CARRY-OVER TAX CREDIT APPLICATION TO MINNESOTA HOUSING TO DEVELOP AFFORDABLE HOUSING ON THE HARBOR HIGHLANDS SITE

The Executive Director explained that this resolution authorizes the submission of an application for carry-over tax credits as one piece of the puzzle to bridge the funding gap for Harbor Highlands Phase VI. Other activities in process include: 1) re-bidding the project with a spring start; 2) asking the City for returned ARPA funds; and 3) setting up a new TIF district for this project.

Commissioner Meyer asked what the amount of carry over tax credits were to which Executive Director Keppers replied that she is working with the consultant on that and will know more in December.

There being no further discussion, the following resolution was introduced by Vice-Chair Talarico:

**RESOLUTION NO. 4462-23
AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA
TO SUBMIT A LOW INCOME HOUSING CARRY-OVER TAX CREDIT APPLICATION TO
MINNESOTA HOUSING TO DEVELOP AFFORDABLE HOUSING ON THE HARBOR HIGHLANDS
SITE**

Commissioner Cich moved that the foregoing item be approved as introduced.
Commissioner Meyer seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Hanek, Meyer, Nephew, and Talarico

Nays: None

Vice-Chair Talarico declared the motion carried and said item approved as introduced and read.

RESOLUTION APPROVING THE LEASE AMENDMENT FOR ECOLIBRIUM 3 AT THE LINCOLN PARK CENTER

The Executive Director explained that this resolution authorizes a long-term lease of the Lincoln Park Center with Ecolibrium 3. Jodi Slick, Executive Director at Eco3, has been awarded an SEE grant. The original lease with Eco3 was written in such a way that she could apply for the grant and, now that the grant has been awarded, DEED wants guarantees that the funds being allocated to the capital improvements at the property are protected. The extension amends the lease to be 40 years and requires DEED approval to break the lease. This is a wonderful opportunity for the building to 1) continue to have the Lincoln Park Center operated in a way that benefits the neighborhood; and 2) receive over \$500,000.00 in capital improvements.

Commissioner Talarico wanted to be sure that with the lease being extended for this long, the Authority was getting a benefit. He was satisfied with the language added to the lease extension.

There being no further discussion, the following resolution was introduced by Vice-Chair Talarico:

**RESOLUTION NO. 4463-23
APPROVING THE LEASE AMENDMENT FOR ECOLIBRIUM 3 AT THE LINCOLN PARK CENTER**

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

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Hanek, Meyer, Nephew, and Talarico

Nays: None

Vice-Chair Talarico declared the motion carried and said item approved as introduced and read.

**RESOLUTION AUTHORIZING AGREEMENT WITH MARCUM, LLP FOR AUDITING SERVICES
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023**

The Executive Director explained that this resolution authorizes the selection of Marcum for the Authority's annual audit. Both the Deputy Director and the Executive Director reviewed the two proposals (one from Marcum and one from RSM – the Authority's current audit firm). Both firms are very qualified and it came down to price. Marcum was significantly lower than RSM as RSM had doubled their price from previous years. The Authority has had RSM for over 20 years, and she explained that it is not a bad idea to have a new firm with new eyes looking over the records.

There being no discussion, the following resolution was introduced by Vice-Chair Talarico:

**RESOLUTION NO. 4464-23
AUTHORIZING AGREEMENT WITH MARCUM, LLP FOR AUDITING SERVICES FOR THE
FISCAL YEAR ENDING SEPTEMBER 30, 2023**

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

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Hanek, Meyer, Nephew, and Talarico

Nays: None

Vice-Chair Talarico declared the motion carried and said item approved as introduced and read.

RESOLUTION OF APPRECIATION TO KEITH RISH

The Executive Director read the Resolution of Appreciation to Keith Rish into the record as follows:

**RESOLUTION NO. 4465-23
RESOLUTION OF APPRECIATION TO KEITH RISH**

WHEREAS, the effectiveness of carrying out the various programs of the Housing and Redevelopment Authority of Duluth, Minnesota is dependent upon qualified and dedicated individuals; and

WHEREAS, Keith Rish has, since April 19, 1999, been an outstanding employee of the Housing and Redevelopment Authority of Duluth, Minnesota, and plans to retire effective September 1, 2023; and

WHEREAS, he has executed his responsibilities as a Resident Caretaker and Maintenance Technician with dedication, sincerity, and excellence during his twenty-four (24) years of service to the Authority.

NOW, THEREFORE, BE IT RESOLVED, that as evidence of their sincere appreciation, the Commissioners and Staff of the Housing and Redevelopment Authority of Duluth, Minnesota, herewith extend their deep gratitude and best wishes for the future to Keith.

BE IT FURTHER RESOLVED, that the Executive Director shall cause to be prepared a copy of this Resolution with the seal of the Housing and Redevelopment Authority impressed thereon, to be presented to Keith Rish as a visible reminder of the appreciation herein expressed, and this Resolution be adopted and spread upon the Minutes of this Meeting.

The following resolution was introduced by Vice-Chair Talarico:

**RESOLUTION NO. 4465-23
RESOLUTION OF APPRECIATION TO KEITH RISH**

Commissioner Meyer moved that the foregoing item be approved as introduced.
Commissioner Hanek seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Hanek, Meyer, Nephew, and Talarico

Nays: None

Vice-Chair Talarico declared the motion carried and said item approved as introduced and read.

COMMUNICATIONS/CORRESPONDENCE

Board members received monthly reports and correspondence prior to the meeting.

REPORTS OF COMMITTEES

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

OPPORTUNITY FOR VISITORS TO BE HEARD

Rachael Anderson, Duluth Resident spoke on current housing issues. Commissioner Hanek read the Opportunity for Visitors to be Heard section of the minutes from last month's meeting to Rachael, and Rachael said she was sad to hear that was all that's on record. She spoke of hardships from getting out of housing and stated she spoke on behalf of everyone she knows. Rachael also added that she saw a lot of good things in the meeting today.

BUSINESS BY COMMISSIONERS

Commissioner Hanek wanted to know why the former Esmond building wasn't being worked on. Executive Director Keppers explained that is not an HRA asset anymore. However, her understanding of the issue was that there was a hold up of the funding through National LISC.

REPORT OF THE EXECUTIVE DIRECTOR

In addition to the written report, the Executive Director let Commissioners know that DW Jones has given notice to end their management of Harbor Highlands and their last day would be October 31, 2023.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel submitted a written report and has nothing further to report. Legal Counsel addressed Commissioner Hanek's question about the number of evictions and explained that yes, this was correct, none have been filed in the last 2 months.

No Closed Session was needed.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, Vice-Chair Talarico declared the meeting adjourned at 4:59 P.M.



Chair

ATTEST:



Secretary

Next Scheduled Regular Meeting – October 31, 2023.