

**MINUTES OF THE
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS
OF THE HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA
HELD ON THE 31st DAY OF JANUARY, 2023**

The Commissioners of the Housing and Redevelopment Authority of Duluth, Minnesota, met in a Scheduled Regular Meeting at 3:34 P.M. on the 31st day of January 2023.

Chair Glumac called the meeting to order and on roll call, the following members were present: Commissioners Cich, Glumac, Hanek, Meyer, Nephew, Randorf, and Talarico. No Commissioners were absent. The Chair declared a quorum present.

Also, present were Jill A. Keppers, Executive Director; staff members Anna Carlson, Jacob Morgan, Rachel Downs, Brandon Engblom, and Traci Nindorf; and Theresa Bajda, Senior Housing Developer.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The following items were introduced by Chair Glumac:

MINUTES OF THE SCHEDULED REGULAR MEETING OF NOVEMBER 29, 2022

**FINANCIAL REPORT FOR PERIOD ENDING OCTOBER, NOVEMBER, AND DECEMBER
2022**

RESOLUTION NO. 4358-23

**RESOLUTION AUTHORIZING SECOND AMENDMENT TO DEVELOPMENT AGREEMENT
WITH BREWERY CREEK LLLP RELATING TO THE BREWERY CREEK RESIDENTIAL
DEVELOPMENT**

RESOLUTION NO. 4359-23

**RESOLUTION AUTHORIZING APPLICATION OF FUNDING FOR THE BRIDGES RENT
SUBSIDY PROGRAM FOR THE NEXT BIENNIUM FROM THE MINNESOTA HOUSING
FINANCE AGENCY**

RESOLUTION NO. 4360-23

**RESOLUTION APPROVING 2023 UPDATED DATA PRACTICES POLICY FOR DATA
SUBJECT DATA REQUESTS AND DATA PRACTICES POLICY FOR PUBLIC DATA
REQUESTS**

RESOLUTION NO. 4361-23

**RESOLUTION AUTHORIZING THE ACQUISITION OF TAX FORFEIT PROPERTY IN THE
CITY OF DULUTH FROM THE ST. LOUIS COUNTY LAND DEPARTMENT, AND
SUBSEQUENTLY EXECUTE A CONTRACT FOR HOUSING DEVELOPMENT WITH, AND
CONVEY PROPERTY TO, ONE ROOF COMMUNITY HOUSING**

**RESOLUTION NO. 4362-23
RESOLUTION RETRACTING APPROVAL FOR PROJECT-BASED SECTION 8 RENTAL
ASSISTANCE PROGRAM**

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

Commissioner Nephew seconded the motion.

Roll was called with the following results:

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

Nays: None

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

DISCUSSION ITEMS

**RESOLUTION APPROVING UPDATES TO THE HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MINNESOTA STANDARD MAINTENANCE CHARGES FOR
AUTHORITY OWNED PROPERTIES, NORTH POINTE APARTMENTS, LLC, AND
BLUEWATER HOUSING, LLC**

This resolution adopts the updated maintenance charges for the HRA, North Pointe, and Bluewater. As wages and costs continue to rise, the Authority wishes to continue to monitor charges and ensure that they keep up with costs. For holiday call outs, double time and a half will not be charged as the Authority believes that is unreasonable for tenants. Those have been kept the same or have a nominal increase added.

After a short discussion surrounding some of the wording in the charges, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4363-23
APPROVING UPDATES TO THE HOUSING AND REDEVELOPMENT AUTHORITY OF
DULUTH, MINNESOTA STANDARD MAINTENANCE CHARGES FOR AUTHORITY
OWNED PROPERTIES, NORTH POINTE APARTMENTS, LLC, AND BLUEWATER
HOUSING, LLC**

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

Commissioner Nephew seconded the motion.

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION APPROVING UPDATES TO THE NORTH POINTE APARTMENTS ANIMAL
POLICY AND HOUSE RULES**

This resolution adopts the updated house rules and animal policy for the Authority's PBRA buildings. In PBRA, HUD has a standard lease that Housing Authorities are not allowed to make changes to, therefore, the Authority updates the house rules periodically to capture items that are not covered by the standard lease. HUD has to approve these house rules before they are implemented, and they have approved this version that is being brought forward today.

There was a discussion related to the consistency in pet policies across multiple documents utilized by the Authority regarding RAs for Service Animals. Commissioner Hanek would like the record to show that Legal Counsel will look into these policies and report back.

After discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4364-23
APPROVING UPDATES TO THE NORTH POINTE APARTMENTS ANIMAL POLICY AND
HOUSE RULES**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Meyer, Nephew, Randorf, and Talarico

Nays: Hanek

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

**RESOLUTION AUTHORIZING EXECUTION OF A CONTRACT FOR RAMSEY MANOR
ROOFING REPLACEMENT**

This resolution authorizes a contract with Jamar Company for the replacement of the roof at Ramsey Manor. The Procurement and Capital Improvement Manager is using a state contracting agency called Sourcewell, MN. Sourcewell is an approved agency that can be used in the same manner as using a state contract, but they allow for larger contract amounts. In addition, the Procurement and Capital Improvement Manager has determined the bid to be reasonable by comparing to previous high-rise roofing projects from the past.

After a short discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4365-23
AUTHORIZING EXECUTION OF A CONTRACT FOR RAMSEY MANOR ROOFING
REPLACEMENT**

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

Roll was called with the following results:

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

Nays: None

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

RESOLUTION AUTHORIZING EXECUTION OF A CONTRACT FOR MIDTOWNE MANORS I & II COMMON AREA FLOORING REPLACEMENT AND ASBESTOS ABATEMENT OF FLOOR TILES AND MASTIC

This resolution authorizes a contract with VCI Environmental Inc. for flooring replacement at Midtowne Manors I and II as well as the asbestos abatement needed for removal of the flooring tiles and mastic in the common areas. The bid has been determined “reasonable” by the Authority’s Procurement and Capital Improvement Manager. This project is being funded with the 2021 capital fund grant and it covers the first floor offices and mail rooms, the 2nd through 14th floor hallways, garbage chutes, meter rooms, sprinkler rooms, community rooms, and janitor closets (in two buildings).

There being no questions, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4366-23
AUTHORIZING EXECUTION OF A CONTRACT FOR MIDTOWNE MANORS I & II
COMMON AREA FLOORING REPLACEMENT AND ASBESTOS ABATEMENT OF FLOOR
TILES AND MASTIC**

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

Roll was called with the following results:

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

Nays: None

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

RESOLUTION AUTHORIZING APPLICATIONS TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM FOR FAIRMONT HOMES AND THE SIX-PLEX

This resolution authorizes the Authority to apply for another CHAP under HUD’s Rental Assistance Demonstration. Because Fairmont Homes has a POHP loan encumbering it, at this time the MN Office of Management and Budget will not allow the transfer of ownership to an LLC, therefore, the Authority needs to do another “no debt” conversion in the same manner as Midtowne, Ramsey, and Grandview are being done. The six-plex, as it is the last scattered site, is also being included. The hope is to do a de minimus reduction of the six-plex by selling it to Bluewater Housing and backfilling it with project based vouchers from the current Section 8 allotment. Plan B is to keep it in RAD and make it PBRA if possible, or wait until a later date when the conversion is complete. The de minimus reduction is the cleanest way to go if the Authority can jump through HUDs hoops to get this done. For example, the building has to be vacant to do this meaning four families need to be relocated, but have to be given the chance to return after the conversion. All options are being looked at.

After a short discussion, the following resolution was introduced by Chair Glumac:

RESOLUTION NO. 4367-23

**AUTHORIZING APPLICATIONS TO THE DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT FOR THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM FOR
FAIRMONT HOMES AND THE SIX-PLEX**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION AMENDING THE GROUND LEASE AND AUTHORIZING A LICENSE
AGREEMENT WITH HARBORVIEW PHASE V, LLC**

This resolution approves an amendment to the Ground Lease with Harborview Phase V, LLC and approves a license agreement for Harborview Phase V, LLC. As part of developing Skyridge Flats, a boundary line adjustment was done. As the development was finalized it became apparent that all of Tract D would not be needed but would need a small amount of Tract E. The ground lease needs to be adjusted accordingly because the remainder of Tract D will be for Phase VI. Also, a license agreement can be done for the small part of Tract E that will have a piece of the side parking lot on it.

There being no questions, the following resolution was introduced by Chair Glumac:

RESOLUTION NO. 4368-23

**AMENDING THE GROUND LEASE AND AUTHORIZING A LICENSE AGREEMENT WITH
HARBORVIEW PHASE V, LLC**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION APPROVING TERMS OF THE \$3,000,000.00 LOAN FROM THE HOUSING
AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA TO HARBORVIEW
PHASE V, LLC FOR THE SKYRIDGE FLATS DEVELOPMENT**

This resolution codifies the terms of the \$3,000,000.00 of HOPE VI funds being used for the Skyridge Flats project. Although the use of these funds has been discussed and approved, the order in which they would land in the agreement wasn't determined until all of the sources were identified. These funds, like other loans in the HOPE VI phases, will be structured as loans that are subordinate to other debt. In this

case, this loan will be 0%, 30 years, deferred, and will be behind the HRA's first mortgage and the Housing Infrastructure Bonds.

There being no questions, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4369-23
APPROVING TERMS OF THE \$3,000,000.00 LOAN FROM THE HOUSING AND
REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA TO HARBORVIEW PHASE V,
LLC FOR THE SKYRIDGE FLATS DEVELOPMENT**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Hanek, Meyer, Nephew, Randorf, 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 LP, LLC**

This resolution authorizes the creation of Harborview Phase VI LP, LLC. This LLC is needed to function as the limited partner in Harborview Phase VI Townhomes, LLLP for the purpose of the low income housing tax credit program. Harborview Phase VI, LLC has already been created to function as the general partner.

There being no questions, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4370-23
ADOPTING THE OPERATING AGREEMENT AND APPOINTING JILL A. KEPPERS AS
PRESIDENT FOR HARBORVIEW PHASE VI LP, LLC**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION APPROVING THE CREATION OF HARBORVIEW PHASE VI TOWNHOMES,
LLLP AS NEEDED FOR THE HARBOR HIGHLANDS PHASE VI DEVELOPMENT**

This resolution authorizes the creation of Harborview Phase VI Townhomes, LLLP. This limited liability limited partnership is the type of organization that is needed for the low income housing tax credit

program. This LLLP will be made up of the general partner and the limited partner. Once a syndicator is chosen, Harborview Phase VI LP, LLC will transfer its 99.9% membership interest to the syndicator.

There being no questions, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4371-23
APPROVING THE CREATION OF HARBORVIEW PHASE VI TOWNHOMES, LLLP AS
NEEDED FOR THE HARBOR HIGHLANDS PHASE VI DEVELOPMENT**

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 Cich, Glumac, Hanek, Meyer, Nephew, Randorf, 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

A brief discussion was had regarding Tract B at Harbor Highlands – the homeownership phase. HUD will approve disposal of Tract B if HRA agrees to do land trust and 115% AMI homes. Commissioner Talarico expressed concern that the percentage of 115% AMI homes not be too low as to concentrate poverty. HUD has not yet determined a percentage of land trust vs. 115% AMI homes. However, they did alert the Executive Director that they would not include any purely market rate homes for approval.

Roz Randorf announced she will be leaving the HRA Board of Commissioners and Mayor Larson will be appointing a new representative.

REPORT OF THE EXECUTIVE DIRECTOR

Nothing more to add.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel added that the HRA is engaged with Legal Aid working on expungements.

No Closed Session was needed.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, Chair Glumac declared the meeting recessed at 4:30 P.M. to reconvene at the annual Board Dinner. The Board Dinner was adjourned at 8:30 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 purple ink, appearing to read "Roberta Lwin", written over a horizontal line.

Secretary

Next Scheduled Regular Meeting – February 28, 2023.