

**MINUTES OF THE
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS
OF THE HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA
HELD ON THE 25th DAY OF APRIL, 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 25th day of April 2023.

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

Also, present were Jill A. Keppers, Executive Director; staff members Anna Carlson, Rachel Downs, Brandon Engblom, Lenelle Hrabik, Mike Marquardt, Jacob Morgan, Traci Nindorf, Sarah Saucedo, and Maureen Zupancich; Theresa Bajda, Senior Housing Developer; and community member Sarah Kjorlien with DSA.

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 MARCH 28, 2023

FINANCIAL REPORT FOR PERIOD ENDING MARCH 2023

RESOLUTION NO. 4388-23

RESOLUTION APPROVING CHANGES TO HOUSING CHOICE VOUCHER (HCV) UTILITY ALLOWANCE SCHEDULE

RESOLUTION NO. 4389-23

RESOLUTION APPROVING CHANGES TO THE LOW RENT PUBLIC HOUSING UTILITY ALLOWANCE SCHEDULE FOR AMPS 6-7-8-9-10-12 -- HOPE VI HOUSING PROGRAM

RESOLUTION NO. 4390-23

RESOLUTION APPROVING CHANGES TO PUBLIC HOUSING UTILITY ALLOWANCE SCHEDULES

RESOLUTION NO. 4391-23

RESOLUTION AUTHORIZING A PRICE INCREASE AND SUBSEQUENT DIRECT SALE OF LOT 3, BLOCK 7, HAWK RIDGE ESTATES TO CYNTHIA WETMORE AND TERESA HAMMARBACK BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA

RESOLUTION NO. 4392-23

RESOLUTION AUTHORIZING THE SALE OF 1502 EAST FIRST STREET, DULUTH, MN 55812 TO BLUEWATER HOUSING, LLC

RESOLUTION NO. 4393-23

**RESOLUTION APPROVING ONE UNIT TO BE PLACED INTO HOLD FOR MODERNIZATION AT
AMP 1 – FAIRMONT HOMES**

RESOLUTION NO. 4394-23

**RESOLUTION APPROVING ONE UNIT TO BE PLACED INTO HOLD FOR MODERNIZATION AT
RAMSEY MANOR**

RESOLUTION NO. 4395-23

**~~RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF LOT 1, BLOCK 4, HAWK
RIDGE ESTATES FIRST ADDITION TO J&B HOMES, LLC BY THE HOUSING AND
REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA~~**

Resolution No 4395-23 was pulled from the Agenda.

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

Roll was called with the following results:

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

Nays: None

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

DISCUSSION ITEMS

**RESOLUTION ESTABLISHING PRICING SCHEDULE FOR 808 NORTH SIXTH AVENUE EAST,
DULUTH, MN 55805**

This resolution sets the floor for the latest Construction Training Program house. This house still has the siding to be completed, which is anticipated to be done in May. The Director of Rehab and Real Estate did an analysis to come up with a reasonable price for the home and the home will be listed as soon as possible following completion of that work.

After Executive Director Keppers answered Commissioners' questions regarding the reasonableness of the timeframes for pricing strategies and marketing (echoed by Commissioner Nephew's agreement), the following resolution was introduced by Vice-Chair Talarico:

RESOLUTION NO. 4396-23

**ESTABLISHING PRICING SCHEDULE FOR 808 NORTH SIXTH AVENUE EAST, DULUTH, MN
55805**

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

Roll was called with the following results:

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

Nays: None

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

RESOLUTION APPROVING BORROWING BY HARBORVIEW PHASE V, LLC OF HOUSING INFRASTRUCTURE BOND FUNDS FROM THE MINNESOTA HOUSING FINANCE AGENCY FOR THE SKYRIDGE FLATS HOUSING DEVELOPMENT

This resolution is the required “borrowing” resolution for Minnesota Housing for Skyridge Flats. This resolution contains language required by Minnesota Housing to borrow the funds. It also includes language to sign the contract with Johnson-Wilson, which Minnesota Housing requested be included in the resolution.

After Executive Director Keppers answered Commissioners’ questions, the following resolution was introduced by Vice-Chair Talarico:

**RESOLUTION NO. 4397-23
APPROVING BORROWING BY HARBORVIEW PHASE V, LLC OF HOUSING INFRASTRUCTURE BOND FUNDS FROM THE MINNESOTA HOUSING FINANCE AGENCY FOR THE SKYRIDGE FLATS HOUSING DEVELOPMENT**

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

Roll was called with the following results:

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

Nays: None

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

RESOLUTION APPROVING A GUARANTY BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA WITH RESPECT TO THE SKYRIDGE FLATS HOUSING DEVELOPMENT

This resolution is the “guarantee” resolution required for the Authority’s Skyridge Flats development. The Authority, through Harborview Phase V, LLC, gives a guarantee to complete the project once funded.

After Executive Director Keppers answered Commissioners’ questions, the following resolution was introduced by Vice-Chair Talarico:

**RESOLUTION NO. 4398-23
APPROVING A GUARANTY BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA WITH RESPECT TO THE SKYRIDGE FLATS HOUSING DEVELOPMENT**

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

Roll was called with the following results:

Ayes: Commissioners Awal, 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 MAKE A BRIDGE LOAN TO HARBORVIEW PHASE V, LLC FOR FINANCING OF THE SKYRIDGE FLATS AFFORDABLE SENIOR HOUSING DEVELOPMENT

As the Authority gets closer to closing the deal with Minnesota Housing for Skyridge Flats, it is more straightforward for the Authority to issue a bridge loan to the project that will be paid back with the ARPA funds from St. Louis County and the City of Duluth. This simplifies the master disbursement agreement, master subordination agreement, and draw requests. This resolution authorizes a bridge loan for the amount of those grants totaling \$450,000.00. This loan is 0% interest and will be paid back as soon as there are eligible construction expenses. This money won't be first out because it cannot be used for soft costs such as development fees and other closing costs. Therefore, this money will be reimbursed to the Authority after construction is underway. There is no need to wait for construction completion to be paid back – it is very short term in nature. There is cash available in the general fund to bridge this loan.

After a brief discussion, the following resolution was introduced by Vice-Chair Talarico:

**RESOLUTION NO. 4399-23
AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA
TO MAKE A BRIDGE LOAN TO HARBORVIEW PHASE V, LLC FOR FINANCING OF THE
SKYRIDGE FLATS AFFORDABLE SENIOR HOUSING DEVELOPMENT**

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, 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 MARK FRANCISCO

The Executive Director read the Resolution of Appreciation to Mark Francisco into the record as follows:

**RESOLUTION NO. 4400-23
RESOLUTION OF APPRECIATION TO
MARK FRANCISCO**

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, Mark Francisco has, since December 1, 1995, been an outstanding employee of the Housing and Redevelopment Authority of Duluth, Minnesota, and plans to retire effective May 2, 2023; and

WHEREAS, he has executed his responsibilities as a Resident Caretaker and Maintenance Mechanic with dedication, sincerity, and excellence during his twenty-seven and a half (27.5) 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 Mark.

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 Mark Francisco 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. 4400-23
RESOLUTION OF APPRECIATION TO MARK FRANCISCO**

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

Roll was called with the following results:

Ayes: Commissioners Awal, 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 can find the department reports in this section of the Board Packet. There were no housing articles this month.

REPORTS OF COMMITTEES

Finance Committee: The Finance Committee has not met since the last Board meeting. Coming up there should be an Audit Review meeting and the annual Budget. Date will be sent out in advance to Commissioners.

OPPORTUNITY FOR VISITORS TO BE HEARD

Sarah Kjorlien from DSA was in attendance and stated housing concerns she has throughout the City of Duluth to the Board.

BUSINESS BY COMMISSIONERS

PHAS Update.

The Executive Director reviewed the PHAS dashboard and PHAS task list. She reported on her ongoing 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 reported preliminary results of the resident survey that was sent out last week. The results are looking good with nothing showing an average of "needs improvement" or "poor". The responses are being

sorted by building and overall so staff can use these results to improve customer service where indicated. Commissioners discussed the lack of responses from scattered sites residents and thought it might be beneficial to re-send out the survey to scattered sites with a QR code to complete the survey online.

Additionally, the Executive Director informed the Board that staff are registered for the NSPIRE training as that is the new method HUD will be using for Physical Inspections and the Authority wants to be ready. Annual Inspections are being completed, and HQS inspections continue, using a third party inspector, for Bluewater for any new move-ins.

REPORT OF THE EXECUTIVE DIRECTOR

Written report submitted.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel submitted a written report and added that since he submitted his report, there were 3 more eviction files added.

Legal Counsel summarized the handout that was given to Commissioners regarding Open Meeting Laws for their knowledge as a generalized protection. A lengthy discussion was had surrounding this. Additional discussion was had about the condition of the scattered site housing and a tour of a scattered site unit. Commissioner Meyer requested that the record on this meeting show he wants a PHAS Action Plan in writing.

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 5:20 P.M.



Chair

ATTEST:



Secretary

Next Scheduled Regular Meeting – May 30, 2023.