

**MINUTES OF THE
SCHEDULED REGULAR MEETING
OF THE COMMISSIONERS OF THE
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA
HELD ON THE 26th DAY OF MAY, 2015**

The Commissioners of the Housing and Redevelopment Authority of Duluth, Minnesota, met in a Scheduled Regular Meeting in the Community Room located on the Second Floor of King Manor, 222 East Second Street, Duluth, Minnesota at 3:30 P.M. on the 26th day of May, 2015.

The Chair indicated that he wanted to introduce the new Executive Director, Jill Knutson-Kaske, to everyone, and explained that she was here observing the meeting.

The Chair called the Meeting to order and on roll call the following members were found to be present: Commissioners Boshey, Glumac, Johnson, Reichert, Rolle, and Thomas. Commissioner Cuneo was absent. The Chair declared a quorum present.

Also present were Richard W. Ball, Executive Director; staff members Carla Schneider, Maureen Zupancich, Pam Benson, David Peterson, Lynne Snyder, and Carol Schultz; Dan Maddy, Legal Counsel; Jill Knutson-Kaske, incoming Executive Director of the HRA; Aaron Schweiger, SDH&M/AHMC; Jeff Corey, One Roof; Jason Arsvold, Ehlers; Joel Kilgor, Loaves and Fishes; Veronika Vodolosvo-West and Victoriya Pylypenko, NAHRO scholarship winner and scattered site resident and her friend; and Edie Bubli, Barbara Findley, and Ann Abraham, King Manor residents.

The Chair indicated that the first order of business was to present a Minnesota NAHRO scholarship to the scholarship recipient. The Executive Director explained Minnesota NAHRO has a scholarship fund, and every year the Authority nominated a deserving candidate for a scholarship, and he was pleased to announce that Veronika Vodolosvo-West was the winner of a \$1,000 Minnesota NAHRO scholarship.

SCHEDULED PUBLIC HEARING

None.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The Chair stated that there was a correction to the attachment on Item D, so he wanted to remove Item D from this list of Consent Items.

The following items were introduced by Commissioner Thomas:

**MINUTES OF THE SCHEDULED REGULAR MEETING OF
APRIL 28, 2015**

**MINUTES OF THE SCHEDULED SPECIAL MEETING OF
MAY 5, 2015**

FINANCIAL REPORT FOR PERIOD ENDING APRIL 30, 2015

**RESOLUTION NO. 3587-15
RESOLUTION IDENTIFYING AUTHORIZED SIGNATORY FOR
MINNESOTA HOUSING FINANCE AGENCY FINANCING PROGRAMS**

**RESOLUTION NO. 3589-15
APPOINTING REPLACEMENT MEMBER TO THE
PENSION COMMITTEE AND TRUSTEE**

Commissioner Thomas moved that the foregoing Items A, B, C, E, and F be approved as introduced. Commissioner Cuneo seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Boshey, Glumac, Johnson, Reichert, Rolle, and Thomas

Nays: None

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

DISCUSSION ITEMS

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

The Executive Director indicated that there were additional handouts that were not in the original Board packet. One was a corrected chart showing the dates and terms of the Great Lakes Development Duluth, Inc. Board, and a copy of the Articles of Incorporation of Great Lakes Development Duluth, Inc. He provided background of this non-profit subsidiary corporation for the newly appointed Commissioners. This was created as a

501(c)3 non-profit subsidiary entity to the Authority that would be able to pursue grants that the Housing Authority might not otherwise be able to pursue, or it could be used as a development conduit for development projects. When this was set up in 2007, they had established a sequenced set of terms for the original officers, and as new Commissioners join the Board, they replace Commissioners that held a position as a Director on this non-profit subsidiary, so terms coincide with the previous appointees. These terms are staggered, and after reviewing the dates they had determined there were a couple of dates out of place. He indicated that if Commissioners were still on the Board at that time, the dates would roll forward into another term unless the entity becomes active and there was a decision to change the Directors of the entity, which could happen under the bylaws. He explained that after the initial terms were staggered, each Director would serve a period of five years after the initial term. After the Director recommended this Resolution for Commissioners' approval, the following Resolution was introduced by Commissioner Thomas:

**RESOLUTION NO. 3586-15
RESOLUTION APPOINTING DIRECTORS TO
GREAT LAKES DEVELOPMENT DULUTH, INC. BOARD**

Commissioner Thomas moved that the foregoing Resolution be approved as introduced. Commissioner Glumac seconded the motion.

Commissioner Cuneo arrived at 4:40 P.M.

Roll was called with the following results:

Ayes: Commissioners Boshey, Glumac, Johnson, Reichert, Rolle, and Thomas

Nays: None

Abstain: Commissioner Cuneo

The Chair declared the motion carried and said Resolution approved as introduced and read.

**RESOLUTION ADOPTING A MODIFICATION TO THE REDEVELOPMENT
PLAN FOR PROJECT AREA NO. 1, ESTABLISHING THE POINT OF ROCKS
TAX INCREMENT FINANCING DISTRICT THEREIN, AND ADOPTING A
TAX INCREMENT FINANCING PLAN THEREFOR**

The Executive Director reminded Commissioners that they had previously adopted a Resolution of intent relating to the creation of a tax increment financing district for the Point of Rocks development. He indicated they have been working with the developer,

Aaron Schweiger, as well as Jason Arsvold with Ehlers, the Authority's financial advisers, as they review this project as it comes together. The project has now gained the approval of the City Planning Commission. The final creation of the district would be subject to the approval of the City Council, and would not be administered if the City Council did not approve that. The City Council will have a public hearing regarding this on June 1st and following the public hearing, the City Council would be expected to act on that. The Executive Director indicated that Jason had prepared a report that had been included in the Board packet, and Jason highlighted his findings as he has reviewed the project as it has come together. Jason indicated the report was the analysis that they conducted to conclude that the assistance was indeed necessary, establishing that the project would not be built but for the assistance provided by tax increment financing. He explained that they looked at the development costs to assure that they were within industry standards, they look at revenues to ensure that the developer was maximizing the amount of revenues that could potentially be generated, they ensure that the operating expenses were within industry standards, and they look at the rate of return that was being projected. The TIF plan would then be followed by a development agreement. The Executive Director highlighted that the recommendation was that the funding would cover 16 years of tax increment payments, rather than the full 26 years allowed by state statute. After Jason answered Commissioners' questions, the following Resolution was introduced by Commissioner Rolle:

**RESOLUTION NO. 3588-15
RESOLUTION ADOPTING A MODIFICATION TO THE
REDEVELOPMENT PLAN FOR PROJECT AREA NO 1,
ESTABLISHING THE POINT OF ROCKS TAX INCREMENT
FINANCING DISTRICT PLAN THEREFOR**

Commissioner Rolle moved that the foregoing Resolution be approved as introduced. Commissioner Boshey seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Boshey, Cuneo, Glumac, Johnson, Reichert, Rolle, and Thomas

Nays: None

The Chair declared the motion carried and said Resolution approved as introduced and read.

**RESOLUTION EXPRESSING INTENT TO CREATE AND ADMINISTER TAX
INCREMENT FINANCE DISTRICT FOR ROCKRIDGE APARTMENTS AND
LAKESIDE ESTATES DEVELOPMENT**

The Executive Director explained that the developer for this development was also Aaron Schweiger. He indicated that this was a Resolution of intent which was the early phase relating to a review of creating a tax increment finance district for the Rockridge Apartments and Lakeside Estates development. He explained there was an additional handout in Commissioners' green folders that provided an updated site plan which was entitled Item H, and it shows a slightly different site plan from the one included in the Board packet. Since the initial discussions with the City Planning staff occurred, this was identified as an opportunity for 98 units originally, including 30 units in the Rockridge School building and eight eight-plex buildings on the site. That has been reduced, after discussions with the neighborhood and the Planning Commission, to include the 30 unit school building revitalization along with four six-plex buildings and three eight-plex buildings for a total of 78 units. Aaron Schweiger presented the vision for this development. Jason Arsvold from Ehlers was asked to review this project and he has prepared a preliminary memo relating to the Rockridge School project, which was included in Commissioners' folders. Jason highlighted the points included in his memo. He indicated that they would want to come back to the Board with a more complete analysis before recommending actually creating a district, as they did earlier for the Point of Rocks project. The Executive Director emphasized that this was a Resolution of intent, and it was subject to further detail with the numbers analysis and would not be created unless the City Council also were to approve it. Commissioner Glumac asked that when the Board looks at tax increment finance resolutions they have the report that had been generated to see it in context and see what was being added. After the Executive Director addressed Commissioners' questions, the following Resolution was introduced by Commissioner Glumac:

RESOLUTION NO. 3590-15
EXPRESSING INTENT TO CREATE AND ADMINISTER
TAX INCREMENT FINANCE DISTRICT FOR
ROCKRIDGE APARTMENTS AND LAKESIDE ESTATES DEVELOPMENT

Commissioner Glumac moved that the foregoing Resolution be approved as introduced. Commissioner Thomas seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Boshey, Cuneo, Glumac, Johnson, Reichert, Rolle, and Thomas

Nays: None

The Chair declared the motion carried and said Resolution approved as introduced and read.

RESOLUTION OF APPRECIATION TO RICHARD W. BALL

The Chair read the Resolution of Appreciation to Richard W. Ball, and he expressed that the Board and staff most certainly have appreciated the 22 years of service and all of his many accomplishments. The Executive Director thanked the Chair for his kind words and indicated that it had been a pleasure working for the Authority and with the Board, and had been a great opportunity. The following Resolution was introduced by Commissioner Rolle:

RESOLUTION NO. 3585-15
RESOLUTION OF APPRECIATION TO RICHARD W. BALL

Commissioner Rolle moved that the foregoing Resolution be approved as introduced. Commissioner Cuneo seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Boshey, Cuneo, Glumac, Johnson, Reichert, Rolle, and Thomas

Nays: None

The Chair declared the motion carried unanimously and said Resolution approved as introduced and read.

Commissioner Boshey left at 4:20 P.M.

RESOLUTION APPROVING MEMORANDUM OF UNDERSTANDING FOR HOMEOWNERSHIP DEVELOPMENT AT HARBOR HIGHLANDS AND TO ESTABLISH A DOWNPAYMENT ASSISTANCE PROGRAM FOR HOMEBUYERS

The Executive Director reminded Commissioners that they had been discussing the possibility of creating a homeownership development at Harbor Highlands, and to revive the effort and the original vision of the Harbor Highlands neighborhood to have a mix of homeownership as well as the rental phases that have already been constructed. They have been working closely with One Roof Community Housing and Jeff Corey, to come up with a plan that would involve One Roof Community Housing as a development partner, as well as their subsidiary entity that does housing development. The Director indicated that the Board had been provided an updated redlined version of the Memorandum of Understanding that was identified as Item J in their green folders today. This version had a few modifications from their discussions with One Roof. Legal Counsel briefly highlighted those changes that came out of several Finance Committee meetings and meetings with development partners. He stated they have identified three different types of housing relating to the income of the homeowner. They will have homes which will follow the Community Land Trust model, homes that would be

moderately priced homes, whose target market would be families who earn 115 percent or less of area median income, and market rate homes, which would not have any income restrictions on them. The overall vision would be one third of each type of housing. He indicated that initially they would concentrate on the first two phases of development. They have identified the overall project area so that they could set out goals for the project area, and they have carefully and closely identified what phase one would be because that was the phase they got the most feedback on, and they want to establish whether this could be done or not. The reason they included phase two was because they felt that MHFA would like to see that they were anticipating phase two, and this would assist One Roof in its efforts to obtain potential financing for phase two. He explained that they were currently selling phase one with the understanding that the developer has a right to purchase up to six additional lots for phase 2 in 2016. He indicated that he had included in the document approval rights for the Authority with respect to the total development cost and price for the home. Both of those were intended to try to give the Authority a voice in how much the actual subsidy will end up costing. Other elements of the Memorandum of Understanding address the overall development of the site, and anticipate that there would be a master association put in place done by the Authority. The developer asked for approval rights, and he indicated that we were unwilling to provide approval rights, but a provision was added that the Authority would consult with them. There would also be a common interest community mechanism put in place, and there would be a regime put in place for common maintenance, architectural review, and assessment that would have to be paid throughout the overall project, and within their subportion of the project. The land has not been separately platted at this point, and can't be conveyed separately. The responsibility to get platting or other approval was going to be on the developer. A predevelopment loan is anticipated, and they would repay that loan from proceeds from the first 11 units they sell, so if they don't ever get into a second phase, they will never repay the whole loan. The developer's design and construction methods would be subject to the Authority's approval, which would not be unreasonably conditioned, delayed, or withheld, and when the master association and the common interest community association are put in place, it would also be subject to approval by those associations. The larger financing that would be provided anticipates that the Authority would provide a loan for the cost of acquiring each lot, and for the construction of each home. He included the loan for the acquisition of lots because he wanted to state that we were selling the lots to them for their fair market value, because that fits best with their statutes, and the Authority would give a grant to whoever purchases the lot to make the statute work. The hope was that if we could establish the market for this project, we would be able to pay lower subsidies, and that on the market rate homes we may be able to recover our land and utility costs for those homes. Once the Authority has established a total development cost for each home, they would get a guarantee from One Roof that if there was any expense above and beyond the total development cost that the Authority had approved, they would have to pay it. This guarantee was similar to development guarantees that have been required from our other development partners.

The Chair and Commissioners asked Jeff Corey for information on real estate comps and a detailed budget, which he stated he would bring back to Commissioners if they would be able to approve the Memorandum of Understanding today. Jeff explained to Commissioners that the product they were bringing forward wasn't one that was presently on the market, or much similar in the community.

Legal Council indicated that One Roof would be responsible for selling the homes once they were developed to identified recipient. Subject to One Roof's ability to obtain the subsidies needed for phase two from MHFA, which would reduce the amount of subsidy that would be expected from the Authority, and subject to agreeing on six or more lots that they could develop in 2016, they could proceed with developing a second phase. He indicated the subsidy levels for phase two were set forth in a table that was shared with the Finance Committee. The Executive Director pointed out an error of transposed numbers in the CLT column under Authority contribution exclusive of land. Rather than \$42,500, it should read \$45,200. Regarding future phases, he indicated that there were a series of topics that needed to be discussed about the potential for future development, and these were items where there was no agreement or commitment at this time. The predevelopment loan was proposed in the amount of \$24,000 to cover expenses specific to the project. The items that would be approved will be set forth in a budget presented to the staff by One Roof, and it had to relate to items that might be useful to the Authority if it took over development of the project. There were other approvals needed, including approvals from HUD, because this was currently subject to one or more declarations in favor of HUD because it was a part of the old public housing project. There may be a series of additional agreements put in place that would more clearly state and formalize the development as it moves forward, such as a contract for private development. One Roof could assign the rights under this agreement, because they were planning to form a single purpose entity to carry out this project, but the guarantee would still have to come from One Roof. The following Resolution was introduced by Commissioner Rolle:

RESOLUTION NO. 3591-15
RESOLUTION APPROVING MEMORANDUM OF UNDERSTANDING FOR
HOMEOWNERSHIP DEVELOPMENT AT HARBOR HIGHLANDS AND TO
ESTABLISH A DOWNPAYMENT ASSISTANCE PROGRAM
FOR HOMEBUYERS

Commissioner Rolle moved that the foregoing Resolution be approved as modified with the redlined Memorandum of Understanding and the correction in the table under the CLT column under Authority contribution exclusive of land to \$45,200. Commissioner Cuneo seconded the motion.

Commissioner Rolle requested that the request for real estate comps and a detailed budget with the breakdown of development cost be included in the minutes.

Roll was called with the following results:

Ayes: Commissioners Cuneo, Glumac, Johnson, Reichert, Rolle, and Thomas

Nays: None

The Chair declared the motion carried and said Resolution approved as introduced and read.

**RESOLUTION AUTHORIZING \$20,000 MATCHING GRANT AGREEMENT
FOR HOUSING ACCESS CENTER**

The Executive Director explained that they have had discussions with the City regarding the Housing Access Center, as the City has been pursuing the creation of a Housing Access Center to replace the Housing Access Center that previously existed until 2009, and due to a lack of funding was unable to continue. It provided a very helpful service to both tenants and landlords, and has been sorely missed, especially with regard to resolving disputes between tenants and landlords, problem solve issues that arise, assist tenants to become better tenants and understand their responsibilities, and assist landlords to become better landlords and better understand their responsibilities. He explained that there was an education component as well as an assistance component that was recommended. He indicated that a handout labeled Item K included in Commissioners' green folders provided a Housing Access Center staffing plan and a Housing Access Center budget. The Authority, along with the City of Duluth, has been asked to provide funding in the amount of \$20,000 a year for two years to support the Housing Access Center. He explained that this was a matching contribution with the City, and dependent on the City Council approval. He indicated that if they were to proceed with this contribution, it might also be appropriate to provide the City Council with a letter of support. One Roof Community Housing would provide the staffing through a contract with the City of Duluth. Jeff Corey from One Roof and Joel Kilgore from Loaves and Fishes were available for questions at the Board meeting, and they have been working with many community partners such as the Affordable Housing Coalition to try to reestablish the Housing Access Center. After Jeff commented on the program and the advisory board, and answered Commissioners' questions, and Joel spoke further about the letters of support, the following Resolution was introduced by Commissioner Thomas:

Commissioner Rolle left at 5:05 P.M.

**RESOLUTION NO. 3592-15
RESOLUTION AUTHORIZING \$20,000 MATCHING GRANT AGREEMENT
FOR HOUSING ACCESS CENTER**

Commissioner Thomas moved that the foregoing Resolution be approved as introduced. Commissioner Glumac seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Cuneo, Glumac, Johnson, Reichert, and Thomas

Nays: None

The Chair declared the motion carried and said Resolution approved as introduced and read.

RESOLUTION APPROVING COMMUNITY REVITALIZATION PLAN FOR GATEWAY AREA IN DOWNTOWN DULUTH

The Executive Director explained that as they pursue the Gateway redevelopment initiative and their low income housing tax credit application, it was helpful to have an official community revitalization plan that has been approved. He indicated that in Commissioners' green folders was an updated copy of the Community Revitalization Plan. He stated that it was also an expression of what the Authority was trying to accomplish, and it was appropriate to memorialize that in an official plan to be adopted by the Board. After the Executive Director recommended this Resolution for the Board's approval, the following Resolution was introduced by Commissioner Thomas:

**RESOLUTION NO. 3593-15
RESOLUTION APPROVING COMMUNITY REVITALIZATION PLAN
FOR GATEWAY AREA IN DOWNTOWN DULUTH**

Commissioner Thomas moved that the foregoing Resolution be approved as introduced. Commissioner Johnson seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Cuneo, Glumac, Johnson, Reichert, and Thomas

Nays: None

The Chair declared the motion carried and said Resolution approved as introduced and read.

RESOLUTON APPROVING A SUPPLEMENTAL INDENTURE RELATING TO LEASE REVENUE BONDS, SERIES 2010A (DULUTH PUBLIC SCHOOLS ACADEMY PROJECT)

The Executive Director asked Legal Council to address this Resolution. He explained that his partner, Mary Frances Skala, represented the borrower, and it was a special form of conduit financing that was put in place in 2010. Conduit financing from the HRA's perspective was financing where the Authority was the identified issuer for, but it has no obligation whatsoever with respect to payment. This was a special class of tax benefited borrowing to obtain a special rate and special terms. The HRA gets paid a fee, and the fee was usually one percent. The HRA would not get a new fee for this now, because they received the fee in 2010. He explained that North Shore Bank of Commerce has been identified as a lender that was going to provide financing related to this issuance, but they were not identified in the original 2010 documents. The primary purpose of this was to identify North Shore Bank of Commerce as a lender which holds the operating accounts for this school, and which was providing an operating line of credit. He indicated that this did not alter in any way the obligations of the Authority. The Authority continues to have no obligation at all to repay this financing, even though it was identified as the issuer. He explained that there could not be any changes to the loan documents without the Authority's approval because it was listed as the issuer. The following Resolution was introduced by Commissioner Glumac:

RESOLUTION NO. 3594-15
RESOLUTION APPROVING A SUPPLEMENTAL INDENTURE RELATING TO
LEASE REVENUE BONDS, SERIES 2010A
(DULUTH PUBLIC SCHOOLS ACADEMY PROJECT)

Commissioner Glumac moved that the foregoing Resolution be approved as introduced. Commissioner Thomas seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Cuneo, Glumac, Johnson, Reichert, and Thomas

Nays: None

The Chair declared the motion carried and said Resolution approved as introduced and read.

COMMUNICATIONS/CORRESPONDENCE

The Executive Director indicated that in addition to the correspondence he had already mentioned relating to the Housing Access Center, also included in the blue pages of the Board packet was a piece written by David Ross, the President and CEO of the Chamber of Commerce, as a community communication entitled *Our Community's Greatest Challenge* relating to housing. He explained that the article from the Duluth News

Tribune regarding the bear at City Hall had been included because the person in the picture shown running away from the bear was the Board Chair, Bob Reichert. There was an article from the Duluth News Tribune announcing the hiring of the HRA's new Executive Director, and an invitation to the Lincoln Park Apartments grand opening on Friday, June 5th. He explained that the Authority had been involved in this project, and he welcomed Commissioners to join this event which would include tours and comments. Also included in the blue pages was the summary of the monthly checks.

REPORTS OF COMMITTEES

Rehab Advisory Committee: The Rehab Advisory Committee had not met.

Finance Committee: The Executive Director indicated that the Finance Committee had met to discuss homeownership at Harbor Highlands.

OPPORTUNITY FOR VISITORS TO BE HEARD

None.

BUSINESS BY COMMISSIONERS

The Chair announced that this was the Executive Director's last Board meeting, and he wished to comment that among his many accomplishments, was the selection of his staff. He indicated that the Authority has an excellent staff, and at the last meeting the Authority had received another positive audit. The staff reports showed a vacancy rate in public housing of less than one percent, the rehab department has been exceeding their goal and had put over \$3 million construction dollars into the local economy, David Peterson has reported that the Hawk Ridge Estates development, at the current rate of sales, would be sold out in a year and a half, and the Central Office kept the Authority functioning, all to the credit of the Executive Director and having such a good staff. The Chair indicated he wanted to compliment everyone on the work they have been doing.

The Executive Director reported that regarding the Board dashboard, there were a few items that would be coming up in the near future. Regarding goal #2, which was revitalizing neighborhoods, and dealing with blighted properties, he indicated that there was a HUD resiliency grant application that was being submitted, with \$500 million available nationally, and the Authority was one of very few applicants. He reported that two model homes in the Build Up Duluth program were currently in progress. He also reported that they were working with resident councils regarding the community policing program. With regards to Goal #5, energy conservation, they have completed a green physical needs assessment, and a final draft would soon be available. They were working with their capital funds trying to steer the capital funding decisions to address some of the green physical needs that have been identified in the report.

REPORT OF EXECUTIVE DIRECTOR

The Executive Director reported that they have been taking bids and seeking to make arrangements for continuing insurance renewals. They have been able to achieve a \$6,000 reduction in the overall insurance costs over last year's costs. This was in large part due to worker's comp bids, which came in at \$44,000 and was approximately \$10,000 lower than last year's costs. He explained that they work with Housing Authority Insurance, which was a provider that did not require Board action due to the fact that they specifically serve housing authorities.

The Executive Director indicated that there had been a question at a previous Board meeting regarding the hard to house development plan. He circulated a very preliminary plan which showed approximately 50 units of housing for the hard to house at 16th Avenue West and Superior Street, west of the Gospel Tabernacle property, which the Authority was acquiring for Center City Housing.

The Executive Director mentioned that he and several staff members had attended the Minnesota NAHRO conference last week, and had gained some valuable insights in professional development.

The Executive Director reported that they were waiting for HUD approval on the RAD program, and would be meeting with potential development facilitators as they worked with HUD to implement RAD. He explained that they would be seeking more professional support and possibly development partners, and would keep Commissioners updated.

The Executive Director commented that at the last Board meeting they had discussed following up on their development discussion, and registering their concerns with the Mayor. He indicated that Commissioner Reichert, Jill Knutson-Kaske, the new Executive Director, and he had met with the Chamber of Commerce. They discussed the Chamber of Commerce having an interest in the same issue, the Chamber was doing some survey work, and they were planning on making some of the same kind of comments to the Mayor and the administration in the near future. The Director indicated he was open to writing an individual letter and thought the Board should discuss whether to register their comments specifically and directly from the Housing Authority or be a part of the Chamber's broader discussion. Commissioner Glumac thought that since the Authority has a different role than the Chamber who would speak for the private sector, and since the Authority was responsible for public dollars, they should have a separate letter.

The Executive Director reported that it has been discussed having a public celebration regarding the success of the Esmond Building. He indicated that they would like the

Board to be a part of this celebration and would keep Commissioners updated on a possible date.

The Executive Director explained that they had provided an operating pro forma for Gateway to the Finance Committee, but he wanted to circulate those numbers to the other Commissioners. The pro forma showed the viability of the project, it didn't show a large surplus cash flow, but actually showed a diminishing cash flow by year fifteen.

The Executive Director mentioned that the Guardian Pest Control site on Fourth Street was a property they continue discussing further. He indicated that they have not been able to craft a clear vision for a redevelopment project with viable funding, so they will continue to work on that. They will be meeting with a private developer who may have an interest in pursuing that redevelopment, and will continue to explore that possibility.

The Executive Director stated that they were working towards creating a smooth leadership transition as possible, with a very busy timeline for meetings on the week of June 8th through June 12th, which would be the one week of overlap and an opportunity to share as much information as possible.

The Executive Director reflected that over the last 22 years the Authority has been involved in over \$140 million worth of development that has included over 600 units of housing, including not only HOPE VI but partnering on other projects that have been built in the community. He expressed that the most important aspect of all that the Authority does was not the things that tended to be newsworthy, but the day to day operations of keeping over 2,500 families housed requiring and depending on some sort of subsidy, and they have a great staff all through the ranks that have kept things running. He indicated he was proud of that, and it has been great to be a part of it.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel reported that his efforts this month have been focused on the homeownership and Gateway projects. Legal Council added that Harbor Highlands should be included on the Authority's list of great accomplishments. It changed the central section of Duluth in a dramatic and positive way.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 5:34 P.M.

Chair

ATTEST:

Secretary

Scheduled Regular Meeting – May 26, 2015