

**MINUTES OF THE  
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS  
OF THE HOUSING AND REDEVELOPMENT AUTHORITY  
OF DULUTH, MINNESOTA  
HELD ON THE 28<sup>th</sup> DAY OF MAY, 2024**

The Commissioners of the Housing and Redevelopment Authority of Duluth, Minnesota, met in a Scheduled Regular Meeting at 3:37 P.M. on the 28<sup>th</sup> day of May 2024.

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

Also present were Jill A. Keppers, Executive Director; staff members Rachel Downs, Brandon Engblom, Anna Carlson, Sarah Pierce, Sarah Saucedo, Mike Marquardt, Maureen Zupancich, and Caleb Anderson; Tom Church, City of Duluth/HRA Senior Housing Developer; Community Member; Blake Thomas, Community Member; Rachael Anderson, Community Member; Ronnie Thomas, Community Member; and Chris Virta, Fryberger Law.

**SCHEDULED PUBLIC HEARINGS**

Public Hearing on the Public Housing Agency Plan.

Public Hearing for Pennel Park Commons Bond Issuance.

There were no comments received.

**UNFINISHED BUSINESS**

None.

**CONSENT AGENDA:**

The following items were introduced by Chair Cich:

**MINUTES OF THE SCHEDULED REGULAR MEETING OF APRIL 30, 2024**

**APPROVAL OF THE FINANCIAL REPORT FOR PERIOD ENDING APRIL 2024**

**RESOLUTION NO. 4526-24**

**RESOLUTION AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF  
DULUTH, MINNESOTA TO ENTER INTO A CONTRACT AGREEMENT WITH THE CITY  
OF DULUTH FOR ADMINISTRATION OF THE CITY OF DULUTH'S EMERGENCY  
SOLUTIONS GRANT PROGRAM FLEX FUNDS**

**RESOLUTION NO. 4527-24**

**RESOLUTION AUTHORIZING APPLICATION AND ADMISSION FOR HOME FUNDING  
FOR TENANT BASED RENTAL ASSISTANCE**

**RESOLUTION 4528-24**

**RESOLUTION AUTHORIZING SUBMISSION OF AN APPLICATION FOR THE FSS  
COORDINATOR GRANT**

**RESOLUTION 4529-24  
RESOLUTION APPROVING PROPOSAL FOR BRING IT HOME MINNESOTA STATE  
RENTAL ASSISTANCE PROGRAM FOR THE SKYRIDGE FLATS SENIOR HOUSING  
DEVELOPMENT**

**RESOLUTION 4530-24  
RESOLUTION APPROVING PROPOSAL FOR BRING IT HOME MINNESOTA STATE  
RENTAL ASSISTANCE PROGRAM FOR FAITH HAVEN SENIOR HOUSING**

**RESOLUTION 4531-24  
RESOLUTION APPROVING PROPOSAL FOR BRING IT HOME MINNESOTA STATE  
RENTAL ASSISTANCE PROGRAM FOR THE S-ELECT SENIOR HOUSING  
DEVELOPMENT**

**RESOLUTION 4532-24  
RESOLUTION APPROVING PROPOSAL FOR BRING IT HOME MINNESOTA STATE  
RENTAL ASSISTANCE PROGRAM FOR THE LAKEVIEW APARTMENTS**

**RESOLUTION 4533-24  
RESOLUTION APPOINTING BOARD OF DIRECTORS FOR LIMITED LIABILITY  
COMPANIES WHEN THE SOLE MEMBER IS THE HOUSING AND REDEVELOPMENT  
AUTHORITY OF DULUTH, MINNESOTA**

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, Joeckel, Meyer, and Nephew

Nays: None

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

**DISCUSSION ITEMS**

**RESOLUTION APPROVING MODIFICATIONS TO THE "BUILD UP DULUTH" HOUSING  
PROGRAM**

This resolution authorizes modifications to the Build Up Duluth program. The Authority in the past had a development program called Build Up Duluth. This program addressed in-fill housing needs in Duluth in order to seed new homes into existing neighborhoods. The Authority would like to bring back this program for the new Morgan Park and Hillside home ownership initiatives. In the past, the down payment assistance was forgivable, but now, however, the Authority would like to structure that down payment assistance as revolving. The hope is to set it up in the same way as the offered down payment assistance in the form of the "soft second" mortgages at Hawk Ridge Estates.

After answering Commissioner questions, the following resolution was introduced by Chair Cich:

**RESOLUTION NO. 4534-24  
APPROVING MODIFICATIONS TO THE "BUILD UP DULUTH" HOUSING 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, Joeckel, Meyer, and Nephew

Nays: None

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

**RESOLUTION AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF  
DULUTH, MINNESOTA TO MAKE AN APPLICATION TO MINNESOTA HOUSING FOR  
THEIR COMMUNITY HOMEOWNERSHIP IMPACT FUNDS FOR A SINGLE FAMILY  
HOME DEVELOPMENT IN THE CENTRAL HILLSIDE**

This resolution authorizes the Authority to submit an impact fund application for single family home ownership development in the Central Hillside. The Authority has land available up near Harbor Highlands in order to build three home ownership units. This resolution also authorizes the Authority to utilize up to \$250,000.00 from the general fund for down payment assistance under the Build Up Duluth program guidelines.

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

**RESOLUTION NO. 4535-24  
AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH,  
MINNESOTA TO MAKE AN APPLICATION TO MINNESOTA HOUSING FOR THEIR  
COMMUNITY HOMEOWNERSHIP IMPACT FUNDS FOR A SINGLE FAMILY HOME  
DEVELOPMENT IN THE CENTRAL HILLSIDE**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Joeckel, Meyer, and Nephew

Nays: None

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

**RESOLUTION AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF  
DULUTH, MINNESOTA TO MAKE AN APPLICATION TO MINNESOTA HOUSING FOR  
THEIR COMMUNITY HOMEOWNERSHIP IMPACT FUNDS FOR A SINGLE FAMILY  
HOME DEVELOPMENT IN MORGAN PARK**

This resolution authorizes the Authority to submit an impact fund application for single family home ownership development in Morgan Park. The Authority has land available in Morgan Park on 88th and Falcon that would accommodate up to 12 new homes. This resolution also authorizes the Authority to utilize up to \$1,000,000.00 from the general fund for down payment assistance under the Build Up Duluth

program guidelines, and \$300,000.00 from the general fund for local match to be used towards development costs.

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

**RESOLUTION NO. 4536-24  
AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH,  
MINNESOTA TO MAKE AN APPLICATION TO MINNESOTA HOUSING FOR THEIR  
COMMUNITY HOMEOWNERSHIP IMPACT FUNDS FOR A SINGLE FAMILY HOME  
DEVELOPMENT IN MORGAN PARK**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Joeckel, Meyer, and Nephew

Nays: None

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

**RESOLUTION APPROVING AND AUTHORIZING THE SUBMISSION OF THE FISCAL  
YEAR 2024 ANNUAL AGENCY PLAN TO THE U.S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT**

This resolution approves and authorizes submission of the annual agency plan to HUD. The Executive Director summarized the plan to Commissioners and answered questions.

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

**RESOLUTION NO. 4537-24  
APPROVING AND AUTHORIZING THE SUBMISSION OF THE FISCAL YEAR 2024  
ANNUAL AGENCY PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT**

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, Joeckel, Meyer, and Nephew

Nays: None

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

**RESOLUTION APPROVING THE ISSUANCE AND SALE OF MULTIFAMILY TAX-EXEMPT  
MORTGAGE-BACKED BONDS (M-TEMS) (PENNEL PARK PROJECT), SERIES 2024(FN)**

This resolution relates to the conduit bonds for the Pennel Park Commons apartment complex. Steele Pennel Park LLC was successful in receiving tax exempt mortgage backed bonds of \$13,100,000.00 for the rehabilitation of Pennel Park Commons. The Authority is the conduit for these bonds and will receive a 1% fee for the issuance of the bonds. The Board previously approved the preliminary issuance of these bonds on November 28, 2023 via resolution 4477-23. This is the second resolution needed now that the Minnesota Office of Management and Budget has awarded the bonds.

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

**RESOLUTION NO. 4538-24  
APPROVING THE ISSUANCE AND SALE OF MULTIFAMILY TAX-EXEMPT MORTGAGE-  
BACKED BONDS (M-TEMS) (PENNEL PARK PROJECT), SERIES 2024(FN)**

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, Joeckel, Meyer, and Nephew

Nays: None

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

**RESOLUTION AUTHORIZING APPLICATION AND ACCEPTANCE OF COMMUNITIES  
SPARKING INVESTMENT IN TRANSFORMATIVE ENERGY GRANT**

This resolution authorizes the Authority to apply for \$2.5 million from the Sparking Investment in Transformative Energy grant. If funded, this grant would allow the Authority to assist low and moderate-income (LMI) homeowners with the electrification of their homes including heat pumps and solar panels. This project would allow LMI homeowners to see on-going savings in their energy bills and thus assist in maintaining the affordability of their homes.

Commissioners questions were asked about the parameters of the grant once received. Staff indicated the Authority is only in the application phase and will keep the Board informed as more information is known, if said grant is awarded.

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

**RESOLUTION NO. 4539-24  
AUTHORIZING APPLICATION AND ACCEPTANCE OF COMMUNITIES SPARKING  
INVESTMENT IN TRANSFORMATIVE ENERGY GRANT**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Joeckel, Meyer, and Nephew

Nays: None

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

**RESOLUTION OF APPRECIATION TO ANDREA HANEK**

The Executive Director read the Resolution of Appreciation to Andrea Hanek into the record as follows:

**RESOLUTION NO. 4540-24  
RESOLUTION OF APPRECIATION TO  
ANDREA HANEK**

**WHEREAS**, *Andrea Hanek*, has served as a Commissioner of the Housing and Redevelopment Authority of Duluth, Minnesota from June 23, 2021 to May 13, 2024; and

**WHEREAS**, the effectiveness of the Authority in carrying out the City's Housing and Redevelopment requirements and in advancing the general progress of the community is dependent upon citizens who give freely of their time, efforts, and ideas; and

**WHEREAS**, *Andrea Hanek* has given freely of her time, efforts, and ideas for the advancement of the various programs and policies of the Housing and Redevelopment Authority; and

**WHEREAS**, *Andrea Hanek* has, in the discharge of her responsibilities and duties as a Commissioner of the Authority, played a role in effecting the development and growth of housing in this community.

**NOW, THEREFORE, BE IT RESOLVED**, that as evidence of appreciation and gratitude of her fellow Commissioners and on behalf of the staff of the Housing and Redevelopment Authority, for her input during her term of service, this Resolution be adopted and spread upon the minutes of this meeting.

**BE IT FURTHER RESOLVED**, that the Secretary shall cause to be prepared a certified copy of this Resolution with the seal of the Housing and Redevelopment Authority impressed thereon, to be presented to *Andrea Hanek* as a visible reminder of her years served on the Housing and Redevelopment Authority's Board of Commissioners.

Commissioner Joeckel asked that the resolution indicate that Commissioner Hanek was the *Resident* Commissioner and made a motion to amend.

Commissioner Meyer seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Cich, Joeckel, Meyer, and Nephew

Nays: None

The following resolution was introduced by Chair Cich:

**RESOLUTION NO. 4540-24  
RESOLUTION OF APPRECIATION TO ANDREA HANEK**

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

Commissioner Joeckel seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Cich, Joeckel, Meyer, and Nephew

Nays: None

Chair Cich declared the motion carried and said item approved as amended.

#### **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, Community Member, spoke on housing issues she has experienced.

#### **BUSINESS BY COMMISSIONERS**

A new Board Secretary needed to be elected. Commissioner Meyer volunteered to take on the role. Commissioner Nephew seconded. Chair Cich called for a vote and it passed unanimously with all Commissioners present.

#### **REPORT OF THE EXECUTIVE DIRECTOR**

In addition to her written report, the Executive Director wanted the Board to be on the lookout for finance committee meeting notifications that will be occurring in June and July. June is the audit review and July will be the budget review.

#### **REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES**

Legal Counsel submitted a written report and added that the Authority is currently in the process of reviewing and attempting to withdraw from a VT3 contract for IT security in order to move in a different direction for these services.

He also added that there is a MURL property with possible litigation coming up as the neighbor has slowly been encroaching on the property.

Legal Counsel reported he has been working with the Executive Director and Property Managers with mold education. It's been found that high levels of plants in units is causing mold problems and the Authority is working to create a policy for plants. A lengthy discussion was had surrounding this.

Legal Counsel also provided an update on legislative changes regarding landlord/tenant laws.

No Closed Session was needed.

#### **OTHER BUSINESS**

A short discussion was had regarding when Skyridge Flats would be ready to lease and the status of occupancy at Fairmount Cottages. Commissioner Nephew suggested putting Fairmount Cottages on Zillow.com and Realtor.com as those sites tend to generate a lot of interest in her experience.

#### **ADJOURNMENT**

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

*Robert Cich*

Chair

ATTEST:

*Ann Kien*

Secretary

Next Scheduled Regular Meeting – June 25, 2024.