

**MINUTES OF THE
SCHEDULED REGULAR MEETING
OF THE COMMISSIONERS OF THE
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA
HELD ON THE 27TH DAY OF MARCH, 2018**

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 27th day of March, 2018.

The Chair called the meeting to order and on roll call the following members were found to be present: Commissioners Glumac, Johnson, Julsrud, Sipress, and Talarico. Commissioners Boshey and Scott were absent. The Chair declared a quorum present.

Also present were Jill A. Keppers, Executive Director; staff members Carla Schneider, Maureen Zupancich, David Peterson, Lynne Snyder, Pam Benson, and Carol Schultz; Dan Maddy, Legal Counsel; Barbara Findley, King Manor resident and Ann Abraham, Vice President, King Manor Residents Club.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The following items were introduced by Commissioner Sipress:

**MINUTES OF THE SCHEDULED REGULAR MEETING OF
FEBRUARY 27, 2018**

FINANCIAL REPORT FOR PERIOD ENDING JANUARY 31, 2018

FINANCIAL REPORT FOR PERIOD ENDING FEBRUARY 28, 2018

**RESOLUTION NO. 3840-18
RESOLUTION APPOINTING DIRECTORS TO
GREAT LAKES DEVELOPMENT DULUTH, INC. BOARD**

Commissioner Sipress moved that the foregoing Items A, B, C, and D be approved as introduced. Commissioner Johnson seconded the motion.

Commissioner Talarico asked questions regarding the financial reports. Maureen provided an overview and answered his questions.

Roll was called with the following results:

Ayes: Commissioners Glumac, Johnson, Julsrud, Sipress, and Talarico

Nays: None

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

DISCUSSION ITEMS

RESOLUTION OF APPRECIATION TO JOHN MOORE

The Executive Director read into the minutes the Resolution of Appreciation to John Moore. The following Resolution was introduced by Commissioner Johnson:

RESOLUTION NO. 3839-18 RESOLUTION OF APPRECIATION TO JOHN MOORE

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Johnson, Julsrud, Sipress, and Talarico

Nays: None

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

RESOLUTION AWARDED CONTRACT FOR AMP 1 – REPLACEMENT OF 50 SCATTERED SITE FURNACES

The Executive Director explained that there was a placeholder for this Resolution in Commissioners' Board packets for the replacement of 50 furnaces in scattered site public housing properties. This is part of the capital fund grant which needed to be obligated by

April 12th. The bid were reviewed for responsiveness, and Northstar Mechanical Services was the low, responsive bidder at \$126,350. The following Resolution was introduced by Commissioner Talarico:

RESOLUTION NO. 3841-18
RESOLUTION AWARDED CONTRACT FOR AMP 1 –
REPLACEMENT OF 50 SCATTERED SITE FURNACES

Commissioner Talarico moved that the foregoing Resolution be approved as introduced. Commissioner Sipress seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Johnson, Julsrud, Sipress, and Talarico

Nays: None

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

RESOLUTION APPROVING AN AMENDMENT TO THE 2016-2020 CAPITAL FUND FIVE YEAR SPENDING PLAN

The Executive Director explained that this Resolution was originally placed on the Consent Agenda, but an omission was noticed, and was corrected to include appliances and furnaces. A public hearing was held along with a resident advisory board meeting to review additions and changes. After she indicated there were no negative comments, the following Resolution was introduced by Commissioner Talarico:

RESOLUTION NO. 3842-18
RESOLUTION APPROVING AN AMENDMENT TO THE
2016-2020 CAPITAL FUND FIVE YEAR SPENDING PLAN

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Johnson, Julsrud, Sipress, and Talarico

Nays: None

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

read.

RESOLUTION AUTHORIZING AGREEMENT FOR ACQUISITION OF TAX FORFEIT PROPERTY IN THE CITY OF DULUTH FROM THE ST. LOUIS COUNTY LAND DEPARTMENT FOR HNH LLC

The Executive Director explained that this Resolution authorized the acquisition of tax forfeit land in the Piedmont neighborhood for the construction of a single family home. She indicated that the developer, HNH LLC, had site control of a majority of the property in this area with the exception of this one lot. The City requested that the Authority participate in the acquisition of that lot and conveyance to the developer for the fair market value price determined by the County. This fits within the City's Comprehensive Land Use plan, and the developer will pay a \$500 fee to the Authority and cover any of the Authority's costs associated with acquisition and conveyance of the property. After the Executive Director explained that there still needed to be a public hearing before this property can be conveyed, the following Resolution was introduced by Commissioner Talarico:

**RESOLUTION NO. 3843-18
RESOLUTION AUTHORIZING AGREEMENT FOR ACQUISITION OF
TAX FORFEIT PROPERTY IN THE CITY OF DULUTH FROM THE
ST. LOUIS COUNTY LAND DEPARTMENT HNH LLC**

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Johnson, Julsrud, Sipress, and Talarico

Nays: None

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

COMMUNICATIONS/CORRESPONDENCE

The Executive Director mentioned that in Commissioners' green folders were copies of the Esmond report, a notice for the Esmond charrette, and the Rainbow Center and Lincoln Park Center schedules. The Executive Director indicated that originally there had been a RFQ for a development partner, but upon reviewing the responses to the RFQ it was determined and recommended by members of the review committee that the RFQ process should be terminated and a more concrete plan should be put in place. It was

decided that the Authority should proceed with additional planning including holding this charrette, and then reissue a more specific request for a development partner or general contractor. She invited Commissioners to attend the charrette process on April 18th. She requested the Board members RSVP so she knew if there would be four or more in which case she would need to ensure open meeting law protocols were followed. The blue pages of the Board packet included some relevant articles on Brewery Creek apartments and the high cost of construction in Duluth. Commissioners asked if the Executive Director could get them a copy of the report conducted by Maxfield Research Consulting.

REPORTS OF COMMITTEES

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

Finance Committee: The Finance Committee had not met.

OPPORTUNITY FOR VISITORS TO BE HEARD

Carla Schneider, Deputy Director announced to the Board that this would be her last Board meeting, as that she was leaving the HRA. She took a moment to thank the Board and staff.

BUSINESS BY COMMISSIONERS

The Executive Director reported that she would briefly cover dashboard highlights.

Regarding Goal One, the Executive Director reported that they had met with LISC about using the neighborhood liaisons, Eco3 and Zeitgeist, to market the exterior rehab program, and the flyer for the exterior rehab project has been sent to MHFA for approval.

The Executive Director reported that they had updated the previous Five Year plan to include the purchase of furnaces for public housing scattered site units.

Regarding Goal Three, the RFQs for the Esmond have been reviewed and it was decided that more planning was needed to determine appropriate options for the building, so they a charrette has been scheduled. They also received an additional request for land conveyance and they were working on receiving the applicable fee. City Planning has told the Authority that Habitat for Humanity would be coming forward which might generate an additional fee and another affordable house would be built in Duluth.

A conditional job offer has been made for the Deputy Director position, and the new Deputy Director would be scheduled to start in April. The job offer has been accepted and they are waiting for the results of the background checks and drug test screening.

A working foreman has retired and that position has been posted.

Regarding Goal Five, the Executive Director reported that she had attended Minnesota NAHRO Day at the Capitol and Duluth-St. Louis County Day at the Capitol, and she had promoted bonding for public housing and senior housing as an eligible use along with other Homes For All legislative initiatives.

The Executive Director reported that she had reviewed the contract for the second community police officer and it would go before the City Council for approval in April.

Commissioners indicated that regarding the Esmond charrette, they would like to see more individuals from the Lincoln Park neighborhood invited to attend.

Commissioner Johnson had asked Executive Director to add a discussion item regarding new construction in Duluth and the HRA's role regarding this to the agenda, and the Executive Director read to the Board the email she had sent back to Commissioner Johnson.

The Executive Director began this discussion explaining that the HRA was responsible for approximately one third of the new homes being built in Duluth. The City is focused on rehab and infill housing to use existing infrastructure rather than new construction because of the high costs connected with new construction. She also pointed out even Minnesota Housing won't fund the value gap that is needed in Duluth's more distressed neighborhoods. She mentioned opportunities for new construction including Morgan Park and even properties such as the Lester Park golf course and the DWP site. She indicated that the Authority needed the support of the City and the County to make new construction work. David Peterson, Director of Development and Redevelopment, expressed his thoughts regarding new construction to the Board, and what he would like to see the Board discuss. Commissioners expressed their thoughts and concerns regarding the risks and rewards of new construction, rehabbing older homes, and new or existing infrastructure along with other issues. The Chair indicated that the Board should meet as a Committee of the Whole more often to discuss these issues and what direction the Authority should take, and after much discussion it was decided that these conversations would be continued.

Commissioner Glumac and Johnson left at 4:50 P.M.

REPORT OF EXECUTIVE DIRECTOR

The Executive Director reminded the Board that they had asked her to report on her ongoing meeting with City administration. In March the Mayor cancelled the meeting due to illness and rescheduled it for the coming Friday. The City administration did not set a meeting, so she had nothing to report.

The Executive Director indicated that they had held second interviews with the top two candidates for the Deputy Director position and a conditional job offer had been made, and this person would be starting around April 9th.

The Executive Director attended Duluth-St. Louis County Days and promoted the Homes for All legislative priorities which included bonding for public housing needs and senior housing as an eligible use for housing infrastructure bonds.

Commissioner Julsrud attended a brief tour of some of the Authority's scattered site housing. If any other Commissioners are interested in such a tour, please let her know.

This month the Executive Director had a MN NAHRO Board meeting as well as a Regional Director's meeting. LISC started their new Quality of Life Neighborhoods Housing Work Group. Adam Fulton from the City is chairing the group. She indicated that it appears that they are both on the same page when it comes to ensuring that this group has a "doing" component, and not just a "planning" purpose.

The Executive Director reported that, internally, they had a Labor-Management meeting this month. AFSCME had been having trouble encouraging participation by their members in several departments, so she offered to help and was able to get volunteers from each missing department. If any Commissioners are ever interested in attending a Labor-Management meeting let her know. The bylaws allow for one Commissioner to attend each meeting. The Sunshine Club held Pi Day on 3.14 for staff, and the safety committee has met this month.

The Executive Director reported that they had received approximately \$22,000 in deferred developer fees from the Village at Matterhorn.

Management proposed adding a new position to the AFSCME bargaining unit called Maintenance Technician Trainee due to the fact that they were having trouble finding employees who met the minimum qualification of the Maintenance Technician job description. AFSCME was not interested in adding this position at this time.

The Executive Director announced that the Annual LISC Luncheon was on May 10th at the DECC. The HRA sponsors a table each year with seating for eight. Commissioner Mary Tingerthal from Minnesota Housing will be the speaker. If any Commissioners were interested in attending, please let her know.

The Executive Director indicated that she needed to reschedule the April Board Meeting as she will be in Washington D.C. for the National NAHRO Legislative Conference and meeting with our Senators and Representative. She indicated that she would like to reschedule the meeting for Monday, April 30th at 3:30 P.M. if this worked for

Commissioners.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel reported that they have been working on various real estate matters related to helping facilitate lot development throughout the City. They have also been working on tenant matters, primarily related to eviction.

Legal Counsel indicated that there was not a quorum to conduct the Great Lakes Development Duluth Board meeting, so it will be rescheduled to follow the April Board meeting.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 5:04 P.M.

Chair

ATTEST:

Secretary

Scheduled Regular Meeting – March 27, 2018