

**MINUTES OF THE
SCHEDULED REGULAR MEETING
OF THE COMMISSIONERS OF THE
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA
HELD ON THE 28TH DAY OF AUGUST, 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 28th day of August, 2018.

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

Also present were Jill A. Keppers, Executive Director; staff members Maureen Zupancich, David Peterson, Lynne Snyder, Cindy Weiske, and Carol Schultz; Mia Thibodeau, Fryberger Law Firm; Barb Findley, King Manor resident; Ann Abraham, Vice President, King Manor Residents Club; and Roger Endres, Midtowne Manor II Residents Club President; and Joe Boshey, visitor.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The Executive Director explained to Commissioners that attached to today's lavender agenda was page eight from the minutes. There was a typo on the last line which should have read Commissioner Scott seconded the motion, rather than tabled the motion.

Commissioner Sipress requested that when the wording of a Resolution was amended, as in Resolution 3879-18 at last month's meeting, the exact wording of the amended Resolution be included in the minutes. Commissioner Sipress moved that the Minutes from the July 31, 2018 Board meeting be tabled. Commissioner Glumac seconded the motion.

Roll was called with the following results:

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

Nays: None

The Chair declared that the motion to table the Minutes was approved.

The Chair asked if there were any other questions regarding the Consent Items. Hearing none, the Chair asked the Executive Director to provide further detail for Resolution 3887-18 regarding flat rents for public housing in the HOPE VI developments. The Executive Director indicated that these flat rents for public housing are for the HOPE VI developments and Minnesota Housing makes these determinations and created the tables on pages 20 and 21. The Authority then adjusts the flat rents to these numbers when Minnesota Housing publishes the tables. There will be another Resolution for flat rents for the regular public housing at a future Board meeting. Commissioner Sipress asked what the change in rents was from last year. Lynne Snyder and Maureen Zupancich provided him with those numbers and answered Commissioners' questions. The Executive Director indicated that she could provide Commissioners with the tables from Minnesota Housing. Commissioner Sipress asked if at the next Board meeting they could be provided with an explanation of what caused the increase in the flat rents from last year.

The following items were introduced by Commissioner Glumac:

FINANCIAL REPORT FOR PERIOD ENDING JULY 31, 2018

**RESOLUTION NO. 3886-18
RESOLUTION AWARDED CONTRACT FOR AMP 3 –
TRI-TOWERS EXTERIOR SEALANT REPLACEMENT**

**RESOLUTION NO. 3887-18
RESOLUTION APPROVING FLAT RENTS FOR PUBLIC HOUSING
IN HOPE VI DEVELOPMENTS**

Commissioner Glumac moved that the foregoing Items B, C, and D be approved as introduced. Commissioner Talarico seconded the motion.

Roll was called with the following results:

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

Nays: None

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

DISCUSSION ITEMS

RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF LOT 13, BLOCK 2, HAWK RIDGE ESTATES TO MARC R. AND KERRI M. MAAS BY THE HOUSING AND REDEVELOPMENT AUTHORITY

The Executive Director explained that they had received this purchase agreement after the Board packet had gone out, but since the Hawk Ridge Estate sales were generally placed on the Consent Agenda, she felt comfortable adding this to today's agenda for Commissioners to consider. It was a standard purchase agreement Resolution with the contingencies being that their new home plans are approved by the Hawk Ridge Estates Architectural Review Committee, that they obtain a new mortgage for the new home, and the buyers obtain the HRA 30 percent offset on the lot price. The following Resolution was introduced by Commissioner Talarico:

RESOLUTION NO. 3888-18 RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF LOT 13, BLOCK 2, HAWK RIDGE ESTATES TO MARC R. AND KERRI M. MAAS BY THE HOUSING AND REDEVELOPMENT AUTHORITY

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 Boshey, Glumac, 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 to Commissioners that the blue pages of Board packet included an article of interest regarding the HRA exiting the property management of Harbor Highlands and Gateway. In the Commissioners' green folders were copies of the Rainbow Center and Lincoln Park Senior Center schedules and a YMCA update. Staff from the YMCA will be coming to a Board meeting in the future to discuss all the programming they do for the Authority at Harbor Highlands Community Center. There

were also pictures in the green folders of the Build Up Duluth home at 903 East 6th Street which is being constructed by the homeowner with a \$25,000 forgivable loan under the Build Up Duluth project. Also in the green folders was a copy of Interim Evaluation of One Roof Housing's Tenant Land Connection 2017-2018 outcomes.

REPORTS OF COMMITTEES

Rehab Advisory Committee: The Rehab Advisory Committee did not meet.

Finance Committee: The Finance Committee did not meet. The Chair mentioned there was a Finance Committee meeting on Friday, August 31st at 9 A.M.

OPPORTUNITY FOR VISITORS TO BE HEARD

None.

BUSINESS BY COMMISSIONERS

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

Goal 1:

The Build Up Duluth home was progressing and pictures were included in the Commissioners' green folders.

The Executive Director indicated they had reached out to the City again regarding a Revolving Loan Fund contract to help eligible households. She was following up with the City in regard to timelines for approvals on income eligibility for applicants, and was working with the City to speed up the processes.

They have learned that the City's Chief Administrative Officer wants to continue to move the program forward for acquiring and rehabbing existing tax forfeit or condemned for habitation homes. The Executive Director offered the HRA rehab department to assist/manage the program that the Authority had presented two years ago, but it seems that they were looking at something else.

The Authority is researching the ability to transition from scattered sites to vouchers in order sustain these affordable units.

Goal 3:

David Peterson has been working with Maxfield to study what would be the best use of the land for housing development at Harbor Highlands and what type of housing would

have the greatest chance for success.

The Executive Director has attempted to follow up regarding the meeting on the Esmond. The Authority was proceeding with getting quotes for professional services on the various financing options available for this project. She hesitates spending too much on this until they receive further direction from the City and DEDA regarding the Authority's proposal.

The Chair asked Commissioner Sipress if he could help initiate conversation between the City and the Authority regarding the direction to proceed with the Esmond. Commissioner Sipress asked the Executive Director to provide some clarification regarding this situation. The Executive Director addressed Commissioner Sipress' questions and she and David Peterson provided him with background information and timelines. Commissioner Sipress indicated he would be happy to look into this situation.

Commissioner Glumac commented that she didn't understand the dynamics between the City and the Authority, but she found that it was surprising and didn't understand why the City government didn't leverage the capacity and expertise of the Authority. Commissioner Sipress made the observation that the current communications between the City and DEDA, on the one hand, and the HRA, on the other, leave something to be desired. There was a general sense among everyone involved who were part of these discussions that there was a problem. The analysis of the nature of the problem depends on who you talk to. Commissioner Sipress stated that having someone on the HRA Board and on the City Council might be helpful and constructive. The Executive Director looked to Commissioner Sipress and others involved to help the Authority find a solution to this problem as the HRA has continued to offer solutions, propose programs, adapt their strategic plan, and offer to help on all of the Mayor's housing initiatives. The Executive Director indicated she would be happy to have discussions regarding a solution.

Goal 5:

The Executive Director indicated that she has been working with the Information Technology Systems Manager to get documents on the HRA website to make it more user friendly.

The Authority has partnered with Northspan to collect data on rents for various affordable units as well as utility allowances for a study they were conducting. They have also worked with Zeitgeist this month to provide rehab opportunities in the Hillside.

REPORT OF EXECUTIVE DIRECTOR

The Executive Director introduced the Board to Cindy Weiske who is the new Director of

Property Management. She explained that Mary Pelofske is the new Director of Rent Subsidy, but she was unable to attend the meeting because she was on vacation. Both of these were internal promotions.

The Executive Director indicated they have been working on budgets in August to meet the City's deadline of having the 2018 budget completed for the Authority's September 10th presentation. The Finance Committee will meet on Friday to go over the budget. The Executive Director received a verbal confirmation that the County would be contributing \$20,000 to Coordinated Entry.

The Executive Director reported that she had a meeting with the new YMCA Executive Director, Sara Cole. The YMCA provides programming at the Harbor Highlands Community Center at Harbor Highlands, which the HRA owns. The HRA supports the community center with a reduced lease which is paid for out of the HOPE VI endowment and enables the YMCA to have these programs. Last year they provided \$60,000 worth of services out of the community center. There was a brief overview in Commissioners' green folders, and they will attend a future Board meeting to give a more detailed report.

The Executive Director indicated that they had met with One Roof's Executive Director, Jeff Corey, to review the TLC budget as David Montgomery had directed. The Executive Director indicated they needed to determine how to make TLC financially sustainable and she did have a suggestion that she would like to discuss with the Board later.

The Executive Director reported that the legal RFP had been posted the previous Sunday. They will be analyzing the responses in October. The audit RFP has been completed, and they will be scoring those in the next week or two since the audit will be starting in October.

The Authority has been working towards the transition with Gateway and Harbor Highlands. They have also spoken with Phase I and are working with Legal Counsel on the due diligence for the possible purchase of that phase in the coming months. The Executive Director has also talked with Greater Minnesota Housing Fund and Minnesota Housing about their loans on this phase and about the Authority moving forward with the purchase of Phase I. The Executive Director and Carol Schultz answered the Chair's questions regarding the involvement and funding from Greater Minnesota Housing Fund and Minnesota Housing.

The Executive Director attended a Joint Powers Meeting for health insurance, and she also attended a Northeast Regional Directors Association meeting of Minnesota NAHRO.

The City cancelled the scheduled bi-monthly meeting, so the Executive Director had nothing to report regarding this. She did attempt to contact Heather Rand because she hadn't heard anything with regard to rescheduling either that meeting or the

Esmond/Lincoln Park redevelopment meeting.

The Executive Director attended a Tina Smith event with Commissioner Julsrud. She indicated she had met Senator Smith in Washington D.C., and that she was a housing supporter.

The Sunshine Club held a float day for staff at the all staff ergonomics training, and a deferred comp check-in day was held so employees could meet with the deferred comp provider.

The posting for the Deputy Director position expires on August 29th.

The Executive Director explained the process for setting up a meeting regarding TLC with City staff and answered Commissioners' questions.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Mia Thibodeau from the Public Finance Department at Fryberger Law Firm stated that she would be reporting for Dan Maddy, Legal Counsel, at today's Board meeting. Dan did not have any substantive to provide or report on. Things he has been working on were moving along and he would report on them next month.

OTHER BUSINESS

The Executive Director indicated she would like to discuss the goal of sustainable funding for TLC and provide stable housing for people. One Roof has presented a budget of almost \$170,000, of which the HRA's portion continues to rise. The primary outcomes discussed in the TLC report were regarding the Ready to Rent classes. Almost all the participants of the Ready to Rent classes were referred to One Roof by the HRA. The HRA had taught this class in-between the Housing Access Center and Tenant Landlord Connection. She thought if the HRA was going to fund this on an ongoing basis, an option would be for the HRA to take back teaching the Ready to Rent classes. They have staff with experience and expertise and would be able to hold the classes weekly so files wouldn't be held up. Then the only funding needed would be for mediation services. Also, marketing mediation services to landlord would be helpful. It had also been suggested that if One Roof wanted to continue to do the Ready to Rent classes, the HRA could provide a voucher that would pay Ready to Rent \$100 per person.

Commissioner Sipress stated that the four areas of service that the TLC provided were mediation, the ready to rent classes, professional development for landlords, and responding to inquiries. Regarding the question of how the TLC could be sustainably funded, it would need to be determined how much money would be saved if the HRA took back the Ready to Rent classes. Another question was what would be a fair

allocation between the three stakeholders, the City, the County and the HRA.

The Chair suggested that the HRA determine how much they could fund, and then discuss the funding with the stakeholders.

The Executive Director indicated that she was disappointed that the evaluation did not address whether participants in mediation were stably housed for six months or longer as this was the one area the HRA had asked to have evaluated.

There was discussion that followed by Commissioners regarding the value of the program, and the Executive Director and the Deputy Director answered Commissioners' questions.

The Executive Director indicated that they would look at what it would cost the HRA to take over the Ready to Rent class, plus add in funding for preventing homelessness as part of the HRA's mission.

The Chair asked how they should proceed with deciding what to do regarding TLC, and the Executive Director stated that she and Maureen would work on the numbers for the budget presentation.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 5:09 P.M.

Chair

ATTEST:

Secretary

Scheduled Regular Meeting – August 28, 2018