

**MINUTES OF THE
SCHEDULED REGULAR MEETING
OF THE COMMISSIONERS OF THE
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA
HELD ON THE 31ST DAY OF OCTOBER, 2017**

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 31st day of October, 2017.

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

Also present were Jill A. Keppers, Executive Director; staff members Carla Schneider, Maureen Zupancich, David Peterson, Pam Benson, Lynne Snyder, and Carol Schultz; Dan Maddy and Chris Virta, Legal Counsel; Cathy Mahlberg, President of King Manor Residents Club, Ann Abraham, Vice President of King Manor Residents Club, and Barb Findley, King Manor resident; and Roger Endres, President of Midtowne Manor II Residents Club.

SCHEDULED PUBLIC HEARINGS

The Executive Director indicated there was a public hearing regarding the issuance of multifamily housing revenue bonds for the Terrex-Heritage Affordable LP project. The Chair asked for comments or questions. Legal Counsel explained that this was a procedural federal law requirement that was required to occur prior to the authorization of the issuance of these bonds. It affords people from the community an opportunity to speak in favor or against the project. There were no further comments.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The following items were introduced by Commissioner Talarico:

**MINUTES OF THE SCHEDULED REGULAR MEETING OF
SEPTEMBER 26, 2017**

FINANCIAL REPORT FOR PERIOD ENDING SEPTEMBER 30, 2017

**RESOLUTION NO. 3816-17
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF
LOT 11, BLOCK 5, HAWK RIDGE ESTATES TO
SHIRDELL L. MATTOX ND GLENN E. SIMMONS, JR.
BY THE HOUSING AND REDEVELOPMENT AUTHORITY**

**RESOLUTION NO. 3817-17
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF
LOT 20, BLOCK 2, HAWK RIDGE ESTATES FIRST ADDITION
TO JAMES J. GRANDAW BY THE
HOUSING AND REDEVELOPMENT AUTHORITY**

**RESOLUTION NO. 3818-17
AUTHORIZING HOUSING CHOICE VOUCHER PAYMENT STANDARDS**

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

Roll was called with the following results:

Ayes: Commissioners Boshey, Johnson, Julsrud, Rolle, Scott, and Talarico

Nays: None

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

DISCUSSION ITEMS

**RESOLUTION AWARDING CONTRACT FOR RAMSEY MANOR AIR
HANDLER – DAMPER & FIRE SYSTEM CONTROL UPGRADE**

The Executive Director explained to the Board that this was a capital fund project for the Ramsey Manor air handler, damper and fire system control upgrade. Fourteen bid packets were sent out, 12 contractors attended the pre-bid meeting, and two bids were received. A. G. O'Brien Plumbing and Heating had the low bid and was deemed the responsible low bidder. After the Executive Director and Carla Schneider, Deputy Director, answered Commissioners' questions, the following Resolution was introduced by Commissioner Julsrud:

**RESOLUTION NO. 3819-17
RESOLUTION AWARDING CONTRACT FOR RAMSEY MANOR**

AIR HANDLER – DAMPER & FIRE SYSTEM CONTROL UPGRADE

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

Roll was called with the following results:

Ayes: Commissioners Boshey, Johnson, Julsrud, Rolle, and Talarico

Nays: None

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

RESOLUTION APPROVING THE ISSUANCE AND SALE OF MULTIFAMILY HOUSING REVENUE BONDS (TERREX-HERITAGE AFFORDABLE LP PROJECT), SERIES 2017

The Executive Director informed Commissioners that this Resolution relates to the issuance of bonds for the Heritage Affordable Housing project which was discussed at the public hearing. It has been discussed at previous meetings that the Authority will receive a fee for the use of their bonding authority and all related legal fees will be paid by the recipient of the bond. Legal Counsel was available to answer any questions. Legal Counsel explained that although the Authority was issuing these bonds, they were not held liable in any regard with respect to repayment of these obligations. He also indicated that the Authority would be receiving a one percent fee which was \$58,005. The following Resolution was introduced by Commissioner Talarico:

RESOLUTION NO. 3820-17 RESOLUTION APPROVING THE ISSUANCE AND SALE OF MULTIFAMILY HOUSING REVENUE BONDS (TERREX-HERITAGE AFFORDABLE LP PROJECT) SERIES 2017

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

Roll was called with the following results:

Ayes: Commissioners Boshey, Johnson, Julsrud, Rolle, Scott, 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 included in the blue pages of Commissioners' board packets was an article relating to the MHFA funding awards with a mention about the Esmond building and an article regarding the Irving/Fairmont neighborhood and brown field money potentially assisting in revitalization of that part of the city. Included in Commissioners' green folders were copies of the Esmond report, the Rainbow Center and Lincoln Park Center schedules, and the engagement letter from RSM.

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

None.

BUSINESS BY COMMISSIONERS

The Executive Director reviewed dashboard highlights.

The Executive Director reported that in October she received news that MHFA had not awarded the Authority gap finance funding for Build Up Duluth houses or other homes. Without gap financing they will need to regroup with the Committee of the Whole to determine priorities and timelines and determine how they want to proceed with the Build Up Duluth houses. She mentioned that they did get funded for both the exterior rehab program and the new houses for the Eco3 project.

The Executive Director indicated that David Montgomery has asked the Authority to take the map of the specialized improvement areas from the Housing Action Framework and overlay the details of the houses in those specialized improvement areas. To date the Authority has not received the map. The Executive Director answered Commissioners' questions regarding this.

The Executive Director stated that the Publicly Owned Housing Program (POHP) announcement was released in mid-October so Carol Schultz, Special Projects Administrator, would be working with public housing to complete that application for the Ramsey Manor waste line project.

The Executive Director indicated that under Goal 2 in regards to Build Up Duluth there was one home under construction in the hillside. She indicated that the reason it was working dollar wise was because the owner was building it himself. Also, in the Sackette addition there was one home under construction.

The Executive Director mentioned that they have updated the Hawk Ridge Estates websites, and there were two more purchase agreements for lots in the October Board packet. David Peterson, Director of Development and Redevelopment, indicated that the fact that there were not many lots left in the development has created additional interest.

The Architect and Engineering Contract is being finalized.

The Executive Director reported that they had advertised for the Housing Tech and Maintenance Tech positions for Gateway, and our staff should be in place at Gateway Tower by January.

As far as succession planning in regards to Goal 4, an employee has been hired to work directly with a retiring employee in the Section 8 program. The anticipated retirement date is December 15th.

Jen Julsrud has been appointed to the HRA Board of Commissioners. The Executive Director welcomed her back.

The Executive Director indicated that they were working with the Flint Group to access the Build Up Duluth website, and they will integrate both the Build Up Duluth and the Hawk Ridge websites with the Authority's home website.

The Executive Director reported that they continue to participate in the Affordable Housing Coalition. She indicated that she was happy that the Authority has been mentioned on TV and in the newspaper as an integral partner in recent media events.

REPORT OF EXECUTIVE DIRECTOR

The Executive Director reported that the Minnesota NAHRO fall conference was held at the end of September and several staff members attended sessions. Also, she was elected to the Minnesota NAHRO board as an at-large representative effective November 1st, and the legislative committee will start meeting in November in preparation for the session that begins February 20th.

Relating to the legislative session, she has been participating in the Homes for All policy committee calls, and they have currently been reviewing applications. She assumed there would be an Affordable Housing Trust Fund appropriation request for a match for local municipalities that establish a local Affordable Housing Trust Fund. She has been

discussing with NAHRO a policy change with the Office of Management and Budgets regarding the RAD issues the Authority had with the POHP funds. She was hopeful now that she was on the board and the legislative committee, she could continue pushing for that policy change.

The Executive Director explained that the Vision Committee group was evaluating the final policies laid out by the City planning department. There had been discussion at the last meeting regarding reworking the housing policy.

The Executive Director reported that there had been a meeting with Senator Klobuchar's aides relating to the opioid epidemic, and she reminded the regional aide that the housing authority was a unique resource for that, not only with their unique relationship with the police department, but also a way of identifying people with issues, and potentially helping to house people with issues.

The Executive Director indicated that MN DOT has been having meetings relating to the "can of worms" or the Twin Ports interchange. She met with them at Midtowne Manor along with the property manager and maintenance supervisor to give them feedback on the Authority's view as residents under part of the interchange.

The Executive Director mentioned the Irving Fairmont Brownstone Redevelopment Initiative continues to move forward. The City owns the DWP site, and was looking at housing development as an option, which may be an opportunity for the Authority.

The Executive Director mentioned that Garfield Square was funded. General information notices have been distributed at the Esmond Building, and a waiver has been created for new residents, which would be signed upon move-in. A press conference had been held and there was coverage in the Duluth News Tribune and on local TV stations.

The Executive Director explained that the City continues to deal with the lead issue with HUD. The Authority has been helpful in getting the City information they need regarding this, and HUD has been threatening to recapture funds from the City, but the City has not shared with the Authority the basis for this recapture in any specific terms.

The Executive Director indicated that the "shared housing goals", which David Montgomery leads, was being reconvened, and Mayor Larson plans on attending.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel reported that he had been working on some of the Gateway issues. They have also been busy with evictions, and Chris Virta has been working on some issues with David Peterson relating to development. The Executive Director mentioned that she has asked Legal Counsel to work on an amendment to the contract for private

development regarding Garfield Square because the existing contract has references to the DEDA agreement for the land which was never executed.

OTHER BUSINESS

Commissioner Julsrud asked for a follow up on the Committee of the Whole meeting. The Chair stated that there should be further discussion regarding the Esmond after responses to an RFP were received.

The Executive Director indicated there would be a Board meeting in November, most likely there would not be a Board meeting in December, as it would be on December 26th, and January 30th will be the Annual Meeting.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4:30 P.M.

Chair

ATTEST:

Secretary

Scheduled Regular Meeting – October 31, 2017