

**MINUTES OF THE
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS
OF THE HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA
HELD ON THE 25th DAY OF JANUARY, 2022**

The Commissioners of the Housing and Redevelopment Authority of Duluth, Minnesota, met in a Scheduled Regular Meeting virtually via https://www.gotomeet.me/Duluth_HRA at 3:35 P.M. on the 25th day of January 2022.

Chair Glumac called the meeting to order and on roll call, the following members were present: Commissioners Glumac, Cich, Hanek, Meyer, Nephew, Randorf, and Talarico. The Chair declared a quorum present.

Also present were Jill A. Keppers, Executive Director; staff members Lenelle Hrabik, Maureen Zupancich, Traci Nindorf, Anna Carlson, Rachel Downs, Brandon Engblom, Jacob Morgan, and Steve Pelofske; and Jason Hale, Senior Housing Developer.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

Resolution 4230-21 – Approving Modifications to the Housing Choice Voucher Administrative Plan

Commissioner Talarico motioned to remove Resolution No 4230-21 from the table.
Commissioner Cich seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Cich, Hanek, Meyer, Nephew, Randorf, and Talarico

Nays: None

Chair Glumac declared the motion removed from the table and open for discussion.

Chair Glumac asked for highlights of the changes so the Executive Director gave an overview. The Director of Rent Subsidy and the Subsidy Supervisor reviewed the paragraphs where changes were being made to the document and answered Commissioners' questions.

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

**RESOLUTION NO. 4230-21
APPROVING MODIFICATIONS TO THE HOUSING CHOICE VOUCHER
ADMINISTRATIVE PLAN**

Commissioner Talarico moved that the foregoing items be approved as introduced.
Commissioner Randorf seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Cich, Hanek, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

CONSENT AGENDA:

The following items were introduced by Chair Glumac:

MINUTES OF THE SCHEDULED REGULAR MEETING OF NOVEMBER 24, 2021

**FINANCIAL REPORT FOR PERIOD ENDING OCTOBER, NOVEMBER, AND
DECEMBER 2021**

**RESOLUTION NO. 4242-21
RESOLUTION APPROVING DATA PRACTICES POLICY FOR DATA SUBJECT
DATA REQUESTS AND DATA PRACTICES POLICY FOR PUBLIC DATA
REQUESTS FOR THE YEAR OF 2022**

**RESOLUTION 4243-21
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF LOT 21,
BLOCK 2, HAWK RIDGE ESTATES FIRST ADDITION TO DAWN E. PAVLOVICH
BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH,
MINNESOTA**

**RESOLUTION 4244-21
APPROVING MODIFICATIONS TO THE PUBLIC HOUSING LEASE AGREEMENT**

**RESOLUTION 4245-21
APPROVING MODIFICATIONS TO THE PUBLIC HOUSING ADMISSIONS AND
CONTINUED OCCUPANCY POLICY (ACOP) RELATING TO NOTICE TO VACATE
TIME PERIODS**

**RESOLUTION 4246-21
AUTHORIZING AGREEMENT WITH GENERAL DRIVERS, WAREHOUSEMEN,
HELPERS, AND INSIDE EMPLOYEES LOCAL 346 CONFIDENTIAL UNIT**

**RESOLUTION 4247-21
AUTHORIZING THE DIRECT CONTINGENT SALE OF 4005 W. 5TH ST., DULUTH,
MN 55807 TO CARTER DUMARS BY THE HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MINNESOTA**

Commissioner Hanek moved that the foregoing items be approved as introduced.

Commissioner Meyer seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Cich, Hanek, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

DISCUSSION ITEMS

**RESOLUTION AUTHORIZING FUNDING FOR THE HOUSING AND
REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA'S COTTAGE
VILLAGE DEVELOPMENT**

The Executive Director explained that this resolution authorizes funding for the Cottage Village development. The HRA is requesting that the Board approve up to \$2 Million of remaining HOPE VI funds for this project. If the award from the City for the American Rescue Plan Act funds is received, there will only be \$1 Million needed, which will leave \$1 Million for Harbor Highlands Phase VI. The Executive Director wanted to ensure permission to use the full \$2 Million, as was previously intended, in case that funding application is not awarded.

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

**RESOLUTION NO. 4248-21
AUTHORIZING FUNDING FOR THE HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MINNESOTA'S COTTAGE VILLAGE DEVELOPMENT**

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Cich, Hanek, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

RESOLUTION PROVIDING FOR THE SALE OF HOUSING DEVELOPMENT BONDS, SERIES 2022A

This resolution gives approval for the HRA to issue bonds for the Cottage Village Development. It was known that this project would require the HRA to take out debt which can be repaid with the rental proceeds from the development. Jason Hale has developed a pro forma to ensure the Cottage Village is a going concern for the Authority. It will be a mixed income development as recommended by the Board of Commissioners with varying levels of affordability. The anticipated bonding proceeds is \$2.5-2.6 Million. Setting the limit of \$3 Million should ensure the Authority had enough bonding capacity approved to cover any unforeseen costs with the development.

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

**RESOLUTION NO. 4249-21
PROVIDING FOR THE SALE OF HOUSING DEVELOPMENT BONDS, SERIES 2022A**

Commissioner Cich moved that the foregoing resolution be approved as amended.
Commissioner Randorf seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Cich, Hanek, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

RESOLUTION APPROVING NORTHLAND HOMES/DIRT, INC AS THE GENERAL CONTRACTOR FOR COTTAGE VILLAGE

The Executive Director explained that this resolution awards the contract for the Cottage Village Development to Northland Homes/Dirt Inc. They are a full service company that will not only make ready the site, but also stick build the homes on site. The total estimated costs for this contract is approximately \$4.5 Million. This equates to approximately \$250,000 per unit.

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

**RESOLUTION NO. 4250-21
APPROVING NORTHLAND HOMES/DIRT, INC AS THE GENERAL CONTRACTOR
FOR COTTAGE VILLAGE**

Commissioner Randorf moved that the foregoing resolution be approved as introduced.
Commissioner Talarico seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Cich, Hanek, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

RESOLUTION AWARDING CONTRACT FOR DEMOLITION OF THE ESMOND BUILDING

The Executive Director stated this resolution authorizes awarding a contract for the demolition of the Esmond building. As the Board is aware, the initial contracted entity, Dore and Associates, was unable to demolish the building within the contract period. The HRA has terminated their contract, and wishes to proceed with our second highest bidder, Rachel Contracting. There is a high degree of confidence that Rachel Contracting will be able to demolish the building within the prescribed timeframe.

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

**RESOLUTION NO. 4251-21
AWARDING CONTRACT FOR DEMOLITION OF THE ESMOND BUILDING**

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Cich, Hanek, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

RESOLUTION AUTHORIZING ACQUISITION OF TWO NEW PROPERTIES FOR REHABILITATION UNDER THE CONSTRUCTION TRAINING PROGRAM

The Executive Director explained that this resolution authorizes the purchase of two homes for the construction training program. The HRA was very happy to find these two foreclosed homes on the same block with only one home in between. The thought was to potentially double the construction crews (4 at each site) with one supervisor to oversee the jobs since they were practically next door. Unfortunately, the bank has received a higher offer even though we had

agreed to sign the purchase order subject to Board approval. The Executive Director would like to continue with this resolution, however, in case the bank's other offers falls through as there was already one other offer that fell through. Jacob Morgan, Director of Rehab and Real Estate, is starting the process of searching for the next home all over again. The Executive Director is still hopeful that the bank comes back to us.

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

**RESOLUTION NO. 4252-21
AUTHORIZING ACQUISITION OF TWO NEW PROPERTIES FOR
REHABILITATION UNDER THE CONSTRUCTION TRAINING PROGRAM**

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Cich, Hanek, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

**RESOLUTION AUTHORIZING THE ACQUISITION OF TAX FORFEIT PROPERTY
IN THE CITY OF DULUTH FROM THE ST. LOUIS COUNTY LAND DEPARTMENT,
AND SUBSEQUENTLY EXECUTE A CONTRACT FOR HOUSING DEVELOPMENT
WITH, AND CONVEY PROPERTY TO, ONE ROOF COMMUNITY HOUSING**

The Executive Director explained that this resolution is a request for the HRA to acquire tax forfeit land from St. Louis County and convey to One Roof. One Roof will pay for the land, the HRA is just the pass through. A development agreement is required when the HRA acts in this capacity; therefore, this resolution approves that as well.

After a short discussion, Commissioners wanted to add an end date to the development agreement. The Executive Director was directed to add an end date to the agreement and confirm with One Roof that this does not affect the site control needed for their finding application. The following resolution with the addition of an end date to the development agreement was introduced by Chair Glumac:

**RESOLUTION NO. 4253-21
AUTHORIZING THE ACQUISITION OF TAX FORFEIT PROPERTY IN THE CITY
OF DULUTH FROM THE ST. LOUIS COUNTY LAND DEPARTMENT, AND
SUBSEQUENTLY EXECUTE A CONTRACT FOR HOUSING DEVELOPMENT WITH,
AND CONVEY PROPERTY TO, ONE ROOF COMMUNITY HOUSING**

Commissioner Talarico moved that the foregoing resolution be approved as introduced and amended with an end date.

Commissioner Meyer seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Cich, Hanek, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

**RESOLUTION AUTHORIZING THE HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MINNESOTA TO ADMINISTER THE DULUTH
HOUSING TRUST FUND**

The Executive Director explained that this resolution authorizes the HRA to administer the Duluth Housing Trust Fund for the City. The HRA will be reviewing applications, evaluating the underwriting for projects, and monitoring construction draw requests and loan servicing. This program will be managed within the HRA's Rehab and Real Estate Department.

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

**RESOLUTION NO. 4254-21
AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF
DULUTH, MINNESOTA TO ADMINISTER THE DULUTH HOUSING TRUST FUND**

Commissioner Randorf moved that the foregoing resolution be approved as introduced.
Commissioner Talarico seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Cich, Hanek, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

**RESOLUTION AUTHORIZING AN APPLICATION TO, AND IF AWARDED,
ACCEPTANCE OF CITY OF DULUTH AMERICAN RESCUE PLAN ACT FUNDING
FOR THE FAIRMOUNT COTTAGE VILLAGE PROJECT**

The Executive Director explained that this resolution authorizes the HRA to apply for, and, if awarded, accept American Rescue Plan Act money for the Cottage Village Development. The

HRA believes it has a solid application as they already have the land, the general contractor, solid development costs, and approval for the balance of funding.

After a brief discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4255-21
AUTHORIZING AN APPLICATION TO, AND IF AWARDED, ACCEPTANCE OF
CITY OF DULUTH AMERICAN RESCUE PLAN ACT FUNDING FOR THE
FAIRMOUNT COTTAGE VILLAGE PROJECT**

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Cich, Hanek, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

RESOLUTION OF APPRECIATION TO JOEL SIPRESS

The Executive Director read the resolution of appreciation to Joel Sipress into the record as follows:

**RESOLUTION NO. 4256-21
RESOLUTION OF APPRECIATION TO
JOEL SIPRESS**

WHEREAS, *Joel Sipress*, has served as a Commissioner of the Housing and Redevelopment Authority of Duluth, Minnesota from January 2, 2018 to January 2, 2022; 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 dedicated citizens who give freely of their time, efforts and ideas; and

WHEREAS, *Joel Sipress* has given freely of his time, efforts, ideas and professional knowledge to the best interest and advancement of the various programs and policies of the Housing and Redevelopment Authority; and

WHEREAS, *Joel Sipress* has in the discharge of his responsibilities and duties as a Commissioner of the Authority, played an influential role in effecting the orderly development and growth of housing in this community; and

WHEREAS, *Joel Sipress* has at all times executed his responsibilities and duties as a Commissioner with vigor, genuine sincerity and a high degree of excellence in his service to the Housing and Redevelopment Authority and to the Community.

NOW, THEREFORE, BE IT RESOLVED, that as evidence of appreciation and gratitude of his fellow Commissioners and on behalf of the staff of the Housing and Redevelopment Authority, for his wise judgment, counsel and conscientious leadership during his term of dedicated 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 *Joel Sipress* as a visible reminder of the appreciation and gratitude herein expressed.

The following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4256-21
RESOLUTION OF APPRECIATION TO JOEL SIPRESS**

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Cich, Hanek, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

COMMUNICATIONS/CORRESPONDENCE

The Executive Director stated that in this section Board members would find the department reports. Housing articles were sent separately.

OTHER BUSINESS

None.

REPORTS OF COMMITTEES

Finance Committee: The Finance Committee has not met since the last Board meeting.

OPPORTUNITY FOR VISITORS TO BE HEARD

None.

BUSINESS BY COMMISSIONERS

It was brought up that the signature line on Resolution 4256-22 should be changed to reflect the new Board Chair.

REPORT OF THE EXECUTIVE DIRECTOR

The Executive Director submitted a written report and wanted to add that the Warming Center at Lincoln Park should be opening on February 7, 2022.

She also added related to the Esmond building, there are still no report of injuries or any missing persons. Insurance adjusters have been there and the fire department has released the scene for demolition to proceed. Fencing is currently in place for community safety.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel added that, in addition to his written report, the HRA is still taking all measures to help tenants avoid eviction for outstanding rent in particular. Legal Counsel received word today, January 25, 2022, that a deadline has been imposed for renthelpmn.org and that is this Friday. There was discussion surrounding issuing a press release regarding this. The Executive Director will reach out to her media contacts and take care of this.

No closed session was needed.

ADJOURNMENT

There being no further business to come before the Board, Chair Glumac declared the meeting adjourned at 5:14 P.M.



Chair

ATTEST:



Secretary

Next Scheduled Regular Meeting – February 22, 2022.