

**MINUTES OF THE
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS
OF THE HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA
HELD ON THE 30th DAY OF JANUARY, 2024**

The Commissioners of the Housing and Redevelopment Authority of Duluth, Minnesota, met in a Scheduled Regular Meeting at 4:17 P.M. on the 30th day of January 2024.

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

Also present were Jill A. Keppers, Executive Director; staff members Anna Carlson, Jacob Morgan, Rachel Downs, Brandon Engblom, Maureen Zupancich, Lenelle Hrabik, Mike Marquardt, Sarah Pierce, Caleb Anderson, Rob Johnson, and Traci Nindorf; Tom Church, City of Duluth/HRA Senior Housing Developer; Duluth Police Officer Kinsela; and community member/Duluth resident Rachael Anderson.

As required under the open meeting law, Executive Director Keppers gave a summary of the special meeting held on January 23, 2024.

The Board of Commissioners went into a closed session on January 23, 2024, to discuss the Executive Director's performance review materials, annual goals, and salary considerations for the previous year. The results of the 2023 executive director performance review were shared with the Commissioners, which included the Board of Commissioners scoring results as well as the feedback provided by Community Partners in the 360 review process.

Both the Board of Commissioners' scoring results and the 360 review process indicated exceptional performance. After reviewing the scoring results and 360 review process comments, Commissioners shared individual comments, which included areas where they believe there are improvement opportunities for the Executive Director for the upcoming year. No salary change other than the existing contractual CPIU increase was proposed by the Board.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

The process for electing officers was brought forward by Commissioner Awal. She suggested the Chair and the Vice-Chair work together with administration to nominate officers, reaching out to the entire Board of Commissioners first to gauge interest. Chair Cich suggested a process to add an agenda item in October to start the process, bringing the nominations forward in the November meeting, and then electing officers at the annual meeting in January. All Commissioners were in agreement with this process and staff noted the change and will start the process in October of the next election cycle.

CONSENT AGENDA:

The following items were introduced by Chair Cich:

MINUTES OF THE SCHEDULED REGULAR MEETING OF NOVEMBER 28, 2023

**APPROVAL OF THE FINANCIAL REPORTS FOR PERIODS ENDING OCTOBER,
NOVEMBER, AND DECEMBER 2023**

**RESOLUTION NO. 4481-24
RESOLUTION APPROVING 2024 UPDATED DATA PRACTICES POLICY FOR DATA
SUBJECT DATA REQUESTS AND DATA PRACTICES POLICY FOR PUBLIC DATA
REQUESTS**

**RESOLUTION NO. 4483-24
RESOLUTION IMPLEMENTING THE ANNUAL OPERATING COST ADJUSTMENT
FACTOR (OCAF) FOR NORTH POINTE APARTMENTS, LLC**

**RESOLUTION 4484-24
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF 808 N 6TH AVENUE E,
DULUTH, MN 55805 TO BRITTANY FANNING BY THE HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MINNESOTA**

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

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Hanek, Meyer, Nephew, and Talarico

Nays: None

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

DISCUSSION ITEMS

**RESOLUTION AUTHORIZING SUBMISSION OF APPLICATIONS TO THE MINNESOTA
HOUSING FINANCE AGENCY (MHFA) FOR PUBLICLY OWNED HOUSING PROGRAM
(POHP) FUNDING FOR CAPITAL IMPROVEMENT PROJECTS AT MIDTOWNE MANOR
AND GRANDVIEW MANOR**

The Executive Director informed the Board that Minnesota Housing has issued their RFP for Publicly Owned Housing Program Funds, and the Authority would like to submit an application for funding to address capital needs at Midtowne Manor and Grandview Manor to help maintain the buildings into the future. The Midtowne application would include wall panel and window replacements as well as waste line replacements, and the Grandview application would be for waste line replacements. The Authority needs to provide matching funds for this program and has historically matched 30% but because of our change in funding streams, the match for this is anticipated to be between 20-30% depending on the project. If awarded this funding, it will help the Authority to further its mission of achieving quality living environments for all.

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

**RESOLUTION NO. 4485-24
AUTHORIZING SUBMISSION OF APPLICATIONS TO THE MINNESOTA HOUSING
FINANCE AGENCY (MHFA) FOR PUBLICLY OWNED HOUSING PROGRAM (POHP)
FUNDING FOR CAPITAL IMPROVEMENT PROJECTS AT MIDTOWNE MANOR AND
GRANDVIEW MANOR**

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

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Hanek, Meyer, Nephew, and Talarico

Nays: None

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

**RESOLUTION APPROVING UPDATES TO THE HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MINNESOTA'S STANDARD MAINTENANCE CHARGES FOR
BLUEWATER HOUSING, LLC**

The Executive Director explained this resolution approves the 2024 standard maintenance charges for Bluewater. There were no changes to the hourly rates as they would have been minimal for the Authority, but would have a larger impact on the tenants. The Authority tries to be very conscientious as expenses are looked at for the Authority vs costs to tenants. In addition, language that was specific to high rises was removed and language specific to scattered sites was added.

Commissioner Hanek asked if the \$40/hr charge was a flat rate. The Executive Director answered that the \$40/hour is per staff member, so if it is a 2 person job, each staff member that was assigned to the work order would be \$40/hour. Commissioner Nephew agreed and suggested amending the document to insert language to make that clear. She also asked if it was correct to assume this is only for tenant caused damages, and it was answered that yes, that is correct.

Commissioner Talarico moved to insert language into the Standard Maintenance Charges for Bluewater Housing, LLC to specify the \$40/hour is \$40/hour per staff member.
Commissioner Nephew seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Meyer, Nephew, and Talarico

Nays: Commissioner Hanek

Chair Cich declared the motion to insert language approved.

After the previous discussion and the motion to insert language, the following resolution was introduced by Chair Cich:

**RESOLUTION NO. 4486-24
APPROVING UPDATES TO THE HOUSING AND REDEVELOPMENT AUTHORITY OF
DULUTH, MINNESOTA'S STANDARD MAINTENANCE CHARGES FOR BLUEWATER
HOUSING, LLC**

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

Roll was called with the following results:

Ayes: Commissioners Awal, Cich, Hanek, Meyer, Nephew, and Talarico

Nays: None

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

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 was in attendance and thanked everyone for being here and for all they're doing to make things better. She raised questions about the POHP improvements at Midtowne and was wondering about interior improvements. It was discussed that there is a need for communication between the Authority and its tenants. The Executive Director explained that resident meetings at Midtowne and Ramsey were held last week to ensure residents were informed about RAD and the potential repairs related to both RAD and POHP.

BUSINESS BY COMMISSIONERS

Commissioner Hanek expressed that she thinks Commissioners don't know what projects are going on in Authority buildings. Executive Director Keppers explained all of the ways the Board is informed of projects (i.e. Monthly Board Reports [both operational projects and capital projects], Budget approval [which includes anticipated projects], Capital Needs Assessment [20-year plan for projects given to the Board during the budget process], Capital Fund 5-year plan approval, etc.), to which Commissioner Awal agreed, the Board is informed monthly of projects. Commissioner Hanek would like a project timeline created that is easy to read and somehow available for tenants. A discussion was had regarding how the Authority can go about doing this and making this information more readily available and easier to understand for tenants. Commissioner Awal summarized what she believed Commissioner Hanek was asking for is a clearer version of projects that is more accessible to residents and the public such as adding it to the website.

REPORT OF THE EXECUTIVE DIRECTOR

In addition to her written report the Executive Director updated the Board on the following:

Skyridge Flats continues to be on budget and on target for a late summer/early fall completion. In addition, because of the mild winter and good soil conditions, the Authority has extra funds in the contingency. The Executive Director has asked staff and contractors to look into adding solar to the building, as well as wildlife friendly exterior lighting. It appears both items will be able to be added within budget. As a reminder, this project is 100% affordable to households at 50% AMI and has seven units of supportive housing.

Phase VI, with the new funding that was received to fill the gap, is moving ahead. The Authority is working with Wells Fargo, MHFA, and HUD to make sure all of the pieces fall into place for a late spring closing and early summer start. This project has 40 units of 100% affordable family units of varying bedroom sizes (10-1BR; 14-2BR; 12-3BR; and 4-4BR units). This project also has 13 units of supportive housing – 7 long term homeless and 6 for persons with disabilities.

Both projects align with the Authority's mission of creating housing opportunities and strengthening neighborhoods to sustainably achieve a quality living environment for all.

RAD is moving right along. The Authority hopes to have HAP contracts in place for the remaining high rises by May. At that time, the Authority will move ahead with the streamlined voluntary conversion of the 46 remaining scattered sites, as well as the public housing that remains in the HOPE VI projects. After that, the long range plan on converting from public housing to various Section 8 platforms will be complete.

The Executive Director also reported back on a request by Commissioner Meyer to look into 24-hour staffing of our high rise buildings. She presented the Board with the financial information on what it would look like if the Authority were to implement this. Summarized, it would cost approximately \$949,272.00 per year for staff wages alone. There would be break periods where there would be no coverage, along with no coverage between 5pm and 7pm daily. This is in addition to the security contracts that are already in place as those are still needed for walk-throughs, absences, and holidays. The DPD contract would also stay in place for criminal activity. Employing 24-hour staff would put Midtowne over budget by approximately \$114,693.00 and Tri-Towers over budget by approximately \$98,103.00. Ramsey could possibly afford it, but it wouldn't be fiscally responsible of the Authority to reduce the bottom line of that building by such a large amount. All in all, in the first year, the Authority would be over budget by approximately \$76,374.00 in salaries and benefits and over budget in total with lobby remodels to make this change, by approximately \$376,374.00. With union contracts in place, the salaries and benefits would increase 2 times a year for the first four years. More simply put, not including the lobby remodeling projects, it would cost close to \$1,000,000.00 per year to have 24-hour staff coverage at the Authority's high rise buildings.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel submitted a written report and also wanted to respond to a couple of things that were brought up earlier in the meeting. He talked about the process for visitors to be heard and noted that the Authority has not allowed members of the public to engage with a back and forth with the Board and Staff during this time as to preserve fairness and so that people get their fully allotted 3 minutes of time. Legal Counsel also assured the Board that the Authority absolutely does not engage in retaliation against residents who come forward with complaints.

No Closed Session was needed.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, Chair Cich declared the meeting adjourned at 5:08 P.M.



Chair

ATTEST:



Secretary

Next Scheduled Regular Meeting – February 27, 2024.