

**MINUTES OF THE  
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS  
OF THE HOUSING AND REDEVELOPMENT AUTHORITY  
OF DULUTH, MINNESOTA  
HELD ON THE 30<sup>th</sup> DAY OF MAY, 2023**

The Commissioners of the Housing and Redevelopment Authority of Duluth, Minnesota, met in a Scheduled Regular Meeting at 3:30 P.M. on the 30<sup>th</sup> day of May 2023.

Chair Glumac called the meeting to order and on roll call, the following members were present: Commissioners Cich, Glumac, Meyer, and Nephew. Commissioner Hanek arrived at 3:55 P.M. Commissioners Awal and Talarico were absent. The Chair declared a quorum present.

Also present were Jill A. Keppers, Executive Director; staff members Anna Carlson, Rachel Downs, Brandon Engblom, Mike Marquardt, Jacob Morgan, Traci Nindorf, and Maureen Zupancich; Chris Virta, Fryberger Law; contractors Jason Youngberg from Youngberg Builders, Raymond Sundberg from J&RS Construction, and Marlin Sundberg from J&RS Construction; and community members Sarah Kjorlien with DSA, and Kathleen Spencer, community activist.

**SCHEDULED PUBLIC HEARINGS**

None.

**UNFINISHED BUSINESS**

None.

**CONSENT AGENDA:**

The following items were introduced by Chair Glumac:

**MINUTES OF THE SCHEDULED REGULAR MEETING OF APRIL 25, 2023**

**FINANCIAL REPORT FOR PERIOD ENDING APRIL 2023**

**RESOLUTION NO. 4401-23**

**RESOLUTION APPROVING PROJECT BASED SECTION 8 RENTAL ASSISTANCE FOR THE  
HARBORVIEW PHASE VI TOWNHOMES, LLLP, AFFORDABLE HOUSING DEVELOPMENT AT  
HARBOR HIGHLANDS**

**RESOLUTION NO. 4402-23**

**RESOLUTION AUTHORIZING RENEWAL OF ANNUAL PROPERTY AND LIABILITY INSURANCE  
FOR THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA AND  
BLUEWATER HOUSING, LLC**

**RESOLUTION NO. 4403-23**

**RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF LOT 1, BLOCK 4, HAWK  
RIDGE ESTATES FIRST ADDITION TO J&B HOMES, LLC BY THE HOUSING AND  
REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA**

**RESOLUTION NO. 4404-23**

**RESOLUTION AUTHORIZING THE DIRECT SALE OF LOT 2, BLOCK 1, HAWK RIDGE ESTATES  
FIRST ADDITION TO JEFFREY W. LINKENBACH AND CYNTHIA W. LINKENBACH BY THE  
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA**

**RESOLUTION NO. 4405-23  
RESOLUTION APPROVING PROPOSALS FOR PROJECT BASED SECTION 8 RENTAL  
ASSISTANCE PROGRAM FOR BRAE VIEW SENIOR HOUSING**

**RESOLUTION NO. 4406-23  
RESOLUTION AUTHORIZING ACCEPTANCE OF FUNDING FOR THE BRIDGES RENT SUBSIDY  
PROGRAM FOR THE NEXT BIENNIUM FROM THE MINNESOTA HOUSING FINANCE AGENCY**

**RESOLUTION NO. 4407-23  
RESOLUTION AUTHORIZING THE 99 YEAR LEASE BETWEEN BLUEWATER HOUSING, LLC  
AND THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA**

**RESOLUTION NO. 4408-23  
RESOLUTION APPROVING ONE UNIT TO BE PLACED INTO HOLD FOR MODERNIZATION AT  
MIDTOWNE MANOR II, #406**

**RESOLUTION NO. 4409-23  
RESOLUTION APPROVING THREE UNITS TO BE PLACED INTO HOLD FOR MODERNIZATION  
AT HARBOR HIGHLANDS**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Meyer, and Nephew

Nays: None

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

**DISCUSSION ITEMS**

**RESOLUTION APPROVING MODIFICATIONS TO THE PUBLIC HOUSING ADMISSIONS AND  
CONTINUED OCCUPANCY POLICY (ACOP) RELATING TO REPAYMENT AGREEMENT**

This resolution amends the Authority's ACOP to give the Authority more flexibility to create repayment plans with residents who are behind. It aligns the ACOP with current practice to help keep people housed and allow them to access other resources to assist them. It allows the Authority to create 18 month re-payment plans rather than limit it to three month plans.

After Executive Director Keppers answered Commissioners' questions regarding the reasonableness of the timeline for repayment, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4410-23  
APPROVING MODIFICATIONS TO THE PUBLIC HOUSING ADMISSIONS AND CONTINUED  
OCCUPANCY POLICY (ACOP) RELATING TO REPAYMENT AGREEMENT**

Commissioner Nephew moved that the foregoing item be approved as introduced.  
Commissioner Meyer seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Meyer, and Nephew

Nays: None

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

**RESOLUTION APPROVING A LIMITED PARTNERSHIP AGREEMENT OF HARBORVIEW PHASE VI TOWNHOMES, LLLP BETWEEN HARBORVIEW PHASE VI GP, LLC AND HARBORVIEW PHASE VI LP, LLC**

This resolution approves the limited partnership agreement for the Harborview Phase VI. This is a placeholder agreement until the Authority can finalize the agreement with Wells Fargo, when they take over as limited partner. This is required to get to closing on Phase VI.

There being no discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4411-23  
APPROVING A LIMITED PARTNERSHIP AGREEMENT OF HARBORVIEW PHASE VI TOWNHOMES, LLLP BETWEEN HARBORVIEW PHASE VI GP, LLC AND HARBORVIEW PHASE VI LP, LLC**

Commissioner Cich moved that the foregoing item be approved as introduced.  
Commissioner Nephew seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Meyer, and Nephew

Nays: None

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

**RESOLUTION AUTHORIZING A USE AGREEMENT IN FAVOR OF HUD RELATING TO SKYRIDGE FLATS**

This resolution satisfies the requirements being placed on the Authority by HUD for Phase V – Skyridge Flats. Even though HUD has approved the disposition of Tract D for Skyridge Flats, the HUD attorney at the field office is asking for additional protections to be placed on the land.

There being no discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4412-23  
AUTHORIZING A USE AGREEMENT IN FAVOR OF HUD RELATING TO SKYRIDGE FLATS**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Meyer, and Nephew

Nays: None

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

**RESOLUTION AUTHORIZING A SECOND AMENDMENT TO GROUND LEASE WITH HARBORVIEW PHASE V, LLC**

This resolution, goes along with the previous resolution, to satisfy the requirements placed on the Authority by HUD for additional protections on the land for Phase V – Skyridge Flats.

There being no discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4413-23  
AUTHORIZING A SECOND AMENDMENT TO GROUND LEASE WITH HARBORVIEW PHASE V,  
LLC**

Commissioner Meyer moved that the foregoing item be approved as introduced.  
Commissioner Nephew seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Meyer, and Nephew

Nays: None

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

**RESOLUTION AUTHORIZING FIRST AMENDMENT TO TAX INCREMENT FINANCING DEVELOPMENT AGREEMENT RELATING TO THE RESIDENCE RESIDENTIAL DEVELOPMENT**

This resolution authorizes \$500,000.00 of additional funding, needed due to soil conditions, for the Residence housing development. The Authority believes the development agreement is sound, as far as to prevent the developer from changing to hotel units like what happened at Lincoln Park Flats. Executive Director Keppers spoke with the Senior Housing Developer before the board meeting, and this development is not in a “form” district; therefore, it would not be eligible to convert to vacation dwelling units except via lottery. Additionally, all of the units are income restricted with TIF and ARPA; therefore, it wouldn’t be able to meet the income guidelines with hotel units. It is also flagged in the permitting system so someone wouldn’t be able to do a conversion down the road “under the radar.”

There being no discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4414-23  
AUTHORIZING FIRST AMENDMENT TO TAX INCREMENT FINANCING DEVELOPMENT  
AGREEMENT RELATING TO THE RESIDENCE RESIDENTIAL DEVELOPMENT**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Meyer, and Nephew

Nays: None

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

**RESOLUTION AUTHORIZING THE EXPLORATION OF A POTENTIAL FAIRCLOTH TO RAD CONVERSION FOR FAITHHAVEN APARTMENTS**

This resolution authorizes the exploration of Faircloth to RAD for “substantial rehab projects.” Faircloth to RAD provides an opportunity to provide rental assistance in units without impacting the Authority’s cap. It is unknown if the RAD rents will be satisfactory for the developers of these projects, but this allows the Authority to begin exploration. This resolution is for 124 units at Faithhaven Apartments.

After Executive Director answered Commissioner’s questions, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4415-23  
AUTHORIZING THE EXPLORATION OF A POTENTIAL FAIRCLOTH TO RAD CONVERSION FOR FAITHHAVEN APARTMENTS**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION AUTHORIZING THE EXPLORATION OF A POTENTIAL FAIRCLOTH TO RAD CONVERSION FOR PENNEL PARK COMMONS**

This resolution serves the same purpose as the previous resolution, only this one is for 101 units at Pennel Park Commons.

There being no discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4416-23  
AUTHORIZING THE EXPLORATION OF A POTENTIAL FAIRCLOTH TO RAD CONVERSION FOR PENNEL PARK COMMONS**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION AUTHORIZING A CONTRACT FOR THE REPLACEMENT OF WINDOWS AND DOORS IN 22 BUILDINGS AT THE FAIRMONT HOMES DEVELOPMENT**

These next six resolutions authorize contracts for rehabilitation of our Fairmont Homes scattered sites. If approved, there will be \$3,527,811.00 in capital improvement projects at Fairmont Homes.

These resolutions address some of the point reductions we experienced in our last REAC inspection such as missing vent covers, misaligned water heater ventilation, deteriorating porches, or overgrown vegetation.

Commissioner Meyer expressed several concerns about the selected contractor. Executive Director Keppers explained that unless the Authority has a poor performance history with a contractor or unresolved “notices to cure,” we are required to follow our procurement policy for bidding and awarding of construction contracts. After a discussion surrounding quality vs price in regards to windows, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4417-23  
AUTHORIZING A CONTRACT FOR THE REPLACEMENT OF WINDOWS AND DOORS IN 22 BUILDINGS AT THE FAIRMONT HOMES DEVELOPMENT**

Commissioner Cich moved that the foregoing item be approved as introduced.  
Commissioner Nephew seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, and Nephew

Nays: Commissioners Hanek and Meyer

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

**RESOLUTION AUTHORIZING A CONTRACT FOR THE REPLACEMENT OF FURNACES AND WATER HEATERS IN 22 BUILDINGS AT THE FAIRMONT HOMES DEVELOPMENT**

There being no discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4418-23  
AUTHORIZING A CONTRACT FOR THE REPLACEMENT OF FURNACES AND WATER HEATERS IN 22 BUILDINGS AT THE FAIRMONT HOMES DEVELOPMENT**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION AUTHORIZING A CONTRACT FOR PORCH REPLACEMENT ON 19 BUILDINGS AT THE FAIRMONT HOMES DEVELOPMENT**

There being no discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4419-23  
AUTHORIZING A CONTRACT FOR PORCH REPLACEMENT ON 19 BUILDINGS AT THE FAIRMONT HOMES DEVELOPMENT**

Commissioner Cich moved that the foregoing item be approved as introduced.  
Commissioner Nephew seconded the motion.

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION AUTHORIZING A CONTRACT FOR ROOFING REPLACEMENT ON 19 BUILDINGS AT THE FAIRMONT HOMES DEVELOPMENT**

There being no discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4420-23  
AUTHORIZING A CONTRACT FOR ROOFING REPLACEMENT ON 19 BUILDINGS AT THE FAIRMONT HOMES DEVELOPMENT**

Commissioner Nephew moved that the foregoing item be approved as introduced.  
Commissioner Meyer seconded the motion.

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION AUTHORIZING A CONTRACT FOR THE REPLACEMENT OF SIDING, SOFFIT, FASCIA, AND METAL TRIM AT 19 BUILDINGS AT THE FAIRMONT HOMES DEVELOPMENT**

There being no discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4421-23  
AUTHORIZING A CONTRACT FOR THE REPLACEMENT OF SIDING, SOFFIT, FASCIA, AND METAL TRIM AT 19 BUILDINGS AT THE FAIRMONT HOMES DEVELOPMENT**

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



Roll was called with the following results:

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

Nays: None

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

**RESOLUTION AUTHORIZING A CONTRACT FOR MODERNIZATION OF THREE DUPLEXES AT THE FAIRMONT HOMES DEVELOPMENT**

Executive Director Keppers commented that awhile back 19 of the Fairmont Homes underwent modernization and this resolution is for the remaining 3 that didn't, which is why the previous resolutions were for 19 buildings (with the exception of windows, doors, furnaces, and water heaters).

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

**RESOLUTION NO. 4422-23  
AUTHORIZING A CONTRACT FOR MODERNIZATION OF THREE DUPLEXES AT THE  
FAIRMONT HOMES DEVELOPMENT**

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

Roll was called with the following results:

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

Nays: None

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

**COMMUNICATIONS/CORRESPONDENCE**

Board members can find the department reports in this section of the Board Packet. There were no housing articles this month.

**REPORTS OF COMMITTEES**

*Finance Committee:* The Finance Committee has not met since the last Board meeting. There is a Finance Committee meeting scheduled for June 21, 2023.

**OPPORTUNITY FOR VISITORS TO BE HEARD**

Sarah Kjorlien and Kathleen Spencer spoke to the Board about the housing crisis in Duluth. Both conveyed stories of substandard rental housing with unfavorable conditions or a history of fires which recently resulted in the death of two people.

**BUSINESS BY COMMISSIONERS**

The Executive Director reviewed the PHAS dashboard. Commissioner Meyer thanked Executive Director Keppers for the level of detail provided in the action plan and for the hard work that is being done. Commissioner Hanek expressed that she would like to see the PHAS action plan that was previously provided to the board on the agenda next month.



Commissioners requested that we provide not just the inspections that had issues and were completed within the month, but also a list of all properties that passed without issues.

The Executive Director reported on the updated results of the resident survey which included both paper responses and electronic responses. The results are still looking great with nothing showing an average of “needs improvement” or “poor”. All results across all buildings and scattered sites show scoring above a three in all categories. Commissioner Hanek and Commissioner Nephew expressed that they would like to see all of the survey comments as well.

Commissioner Hanek brought up Commissioner trainings through NAHRO that she would like all Commissioners to attend. Executive Director Keppers informed Commissioners that all of their emails had been added to both the National and State NAHRO mailing lists. If there are trainings they are interested in, they should let her know. The discussion also included possibly having local entities present to the Board on topics such as poverty, fair housing, etc. during the Board meetings.

Commissioner Hanek brought up that she would like the board packet sent out earlier than the Friday before the meeting. After discussion, a compromise was made to send the department activity reports out earlier, and then the remainder of the packet would be sent the Thursday before the board meeting whenever possible to give Commissioners extra time with the material.

#### **REPORT OF THE EXECUTIVE DIRECTOR**

Written report submitted.

#### **REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES**

Legal Counsel submitted a written report and added that he continues to work on expungement factors, landlord/tenant law, and the updated animal policy (which is out for comment as of this meeting).

No Closed Session was needed.

#### **OTHER BUSINESS**

The Board recessed at 5:15 P.M. to head to a tour of a unit in King Manor and a scattered site house. The meeting re-opened at 5:20 P.M. in a King Manor unit.


#### **ADJOURNMENT**

There being no further business to come before the Board, Chair Glumac declared the meeting adjourned at 6:00 P.M.



Chair

ATTEST:



Secretary

Next Scheduled Regular Meeting – June 27, 2023.