

**MINUTES OF THE
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS
OF THE HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA
HELD ON THE 29TH DAY OF JUNE, 2021**

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 3:30 P.M. on the 29th day of June 2021.

Chair Talarico called the meeting to order and on roll call, the following members were present: Commissioners Talarico, Glumac, Sipress, and Cich. Newly appointed resident commissioner Hanek arrived at 3:45 P.M. Commissioner Nephew was absent. The Chair declared a quorum present.

Also present were Jill A. Keppers, Executive Director; staff members Maureen Zupancich, Lenelle Hrabik, Traci Nindorf, Anna Carlson, Rachel Downs, Jacob Morgan, Brandon Engblom, and Steve Pelofske; Jason Hale, City of Duluth/HRA Senior Housing Developer; Chris Virta, Fryberger; Jeff Corey, One Roof Community Housing; Heidi Rathman, ASI; Greg Gilbert, Green New Deal Housing, and Chris Flood, Three Rivers Community Action.

SCHEDULED PUBLIC HEARINGS

Notice of Public Hearing by Telephone or Other Electronic Means Pursuant to Minnesota Statutes, Section 13D.021 on the Fiscal Year 2021 Annual Agency Plan.

There were no attendees online for the Public Hearing. The Public Hearing was closed.

Notice of Public Hearing by Telephone or Other Electronic Means Pursuant to Minnesota Statutes, Section 13D.021 on the proposed sale of properties located in the City of Duluth.

There were no attendees online for the Public Hearing. The Public Hearing was closed.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The following items were introduced by Chair Talarico:

**MINUTES OF THE SCHEDULED REGULAR MEETING OF MAY 25, 2021
FINANCIAL REPORT FOR PERIOD ENDING MAY 2021**

**RESOLUTION NO. 4178-21
AUTHORIZING SUBMISSION OF AN APPLICATION FOR THE FSS
COORDINATOR GRANT**

**RESOLUTION NO. 4179-21
AUTHORIZING APPLICATION AND ACCEPTANCE OF HOME FUNDING FOR
TENANT BASED RENTAL ASSISTANCE**

**RESOLUTION 4180-21
APPROVING AND AUTHORIZING THE SUBMISSION OF THE FISCAL YEAR 2021
ANNUAL AGENCY PLAN TO THE DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT (HUD)**

**RESOLUTION 4181-21
AUTHORIZING THE DIRECT CONTINGENT SALE OF LOT 106 EXCEPT THE N'LY
100 FEET THEREOF, BLOCK 26, DULUTH PROPER THIRD DIVISION TO AMBER
MISJAK GREEN AND SAMUEL JOHN HENDERSON BY THE HOUSING AND
REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA**

**RESOLUTION 4182-21
RATIFYING APPLICATION AND AUTHORIZING ACCEPTANCE OF
CONGRESSIONALLY DIRECTED FUNDING FOR THE FAIRMOUNT COTTAGE
VILLAGE CONCEPT PROJECT**

Commissioner Glumac moved the foregoing items be approved as introduced.
Commissioner Sipress seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Talarico, Glumac, Sipress, and Cich

Nays: None

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

DISCUSSION ITEMS

**RESOLUTION ADOPTING THE AFFIRMATIVE FAIR HOUSING MARKETING
PLAN**

The Executive Director explained this resolution adopts the Affirmative Fair Housing Marketing Plan as this is a requirement under HUD Multi-Family for the RAD PBRA conversion. There will be four plans, one for each HAP contract. She further explained that in addition to these written plans there is a variety of training that has been developed for all staff to take related to fair housing such as reasonable accommodations, limited English proficiency, and harassment.

There being no questions, the following resolution was introduced by Chair Talarico:

**RESOLUTION NO. 4183-21
ADOPTING THE AFFIRMATIVE FAIR HOUSING MARKETING PLAN**

Commissioner Sipress moved that the foregoing resolution be approved as introduced.
Commissioner Cich seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Talarico, Glumac, Sipress, and Cich

Nays: None

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

**RESOLUTION APPROVING AGREEMENT FOR PAYMENT IN LIEU OF TAXES
BETWEEN THE CITY OF DULUTH AND THE HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MINNESOTA**

The Executive Director explained this resolution approves our PILOT agreement with the City of Duluth. The HRA has a PILOT agreement with the City – the latest revision being in the 1980s. The HRA has requested some modifications to the agreement so that when the switch to RAD is done, the wholly owned LLCs that the HRA owns/manages will continue to receive PILOT. The city in return wanted the HRA to take out some language that was in the agreement that was not applicable.

There being no questions, the following resolution was introduced by Chair Talarico:

**RESOLUTION NO. 4184-21
APPROVING AGREEMENT FOR PAYMENT IN LIEU OF TAXES BETWEEN THE
CITY OF DULUTH AND THE HOUSING AND REDEVELOPMENT AUTHORITY OF
DULUTH, MINNESOTA**

Commissioner Glumac moved that the foregoing resolution be approved as introduced.
Commissioner Sipress seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Talarico, Glumac, Sipress, and Cich

Nays: None

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

RESOLUTION APPROVING ONE ROOF COMMUNITY HOUSING AS THE DEVELOPER FOR TRACT B AT HARBOR HIGHLANDS

The Executive Director stated that this resolution approves One Roof Community Housing as the developer of Tract B at Harbor Highlands. The HRA re-issued the RFP at the Board's request with a focus on home ownership and only received one response; however, Jason Hale, Senior Housing Developer, and the Executive Director evaluated the proposal and found it to be responsive and responsible. The HRA is recommending approving One Roof as the developer of Tract B. A development agreement with One Roof will come to the Board once the terms have been negotiated.

Following discussion and after answering Commissioners' questions, the following resolution was introduced by Chair Talarico:

**RESOLUTION NO. 4185-21
APPROVING ONE ROOF COMMUNITY HOUSING AS THE DEVELOPER FOR TRACT B AT HARBOR HIGHLANDS**

Commissioner Cich moved that the foregoing resolution be approved as introduced. Commissioner Sipress seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Talarico, Glumac, Sipress, Cich, and Hanek

Nays: None

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

RESOLUTION SUPPORTING THE REQUEST BY ACCESSIBLE SPACE, INC. FOR TAX INCREMENT FINANCING FOR THE 55-UNIT MORGAN PARK APARTMENTS HOUSING DEVELOPMENT

The Executed Director explained that this resolution supports the creation of a housing TIF district for the development of the Morgan Park senior building. This is just the first step, and once the project is funded, the more detailed resolutions would be brought forth to the Board. This resolution is just for support.

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

**RESOLUTION NO. 4186-21
SUPPORTING THE REQUEST BY ACCESSIBLE SPACE, INC. FOR TAX INCREMENT FINANCING FOR THE 55-UNIT MORGAN PARK APARTMENTS HOUSING DEVELOPMENT**

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

Commissioner Sipress seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Talarico, Glumac, Sipress, Cich, and Hanek

Nays: None

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

RESOLUTION AMENDING RESOLUTION NO. 4110-20 WHICH APPROVED, ON A PRELIMINARY BASIS, THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR A PROJECT BY OAHS GREYSOLON LLC, OR IT'S AFFILIATE, AND AUTHORIZED AN APPLICATION FOR ALLOCATION OF BONDING AUTHORITY FROM THE STATE OF MINNESOTA, AUTHORIZED PREPARATION OF A MULTIFAMILY HOUSING DEVELOPMENT PROGRAM, A PUBLIC HEARING AND A FEE AGREEMENT

The Executive Director explained this resolution amends the original resolution authorizing an application for multi-family housing revenue bonds by Orbach Affordable Housing Solutions as this is the funding they will use to complete the refinance and redevelopment of the Greysolon Plaza. The HRA will receive their standard conduit debt fee for this transaction. This bonding request is completely separate and not related to the TIF.

Chris Virta was in attendance to answer any questions and after a short discussion, the following resolution was introduced by Chair Talarico:

RESOLUTION NO. 4187-21

RESOLUTION AMENDING RESOLUTION NO. 4110-20 WHICH APPROVED, ON A PRELIMINARY BASIS, THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR A PROJECT BY OAHS GREYSOLON LLC, OR IT'S AFFILIATE, AND AUTHORIZED AN APPLICATION FOR ALLOCATION OF BONDING AUTHORITY FROM THE STATE OF MINNESOTA, AUTHORIZED PREPARATION OF A MULTIFAMILY HOUSING DEVELOPMENT PROGRAM, A PUBLIC HEARING AND A FEE AGREEMENT

Commissioner Cich moved that the foregoing resolution be approved as introduced.
Commissioner Glumac seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Talarico, Glumac, Sipress, Cich, and Hanek

Nays: None

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

RESOLUTION APPROVING THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA'S CONSTRUCTION FINANCING REVOLVING LOAN PROGRAM

The Executive Director explained this resolution adopts a new program for the HRA. A few years ago, she and Jodi Slick from Eco3 had discussed a financing plan to help build resilient housing. Her model was panelized housing; however, she was never able to move that project to a shovel ready position; therefore, a construction financing program was never developed. The HRA now has a second developer in town looking to build affordable, zero net energy homes. She explained that she thought this would be an excellent opportunity to establish a revolving loan fund to assist in resilient zero net energy affordable home construction. The Executive Director is recommending the Board allocate \$300,000.00 to this fund to help developers secure financing for this purpose.

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

**RESOLUTION NO. 4188-21
APPROVING THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH,
MINNESOTA'S CONSTRUCTION FINANCING REVOLVING LOAN PROGRAM**

Commissioner Glumac moved that the foregoing resolution be approved as introduced. Commissioner Sipress seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Talarico, Glumac, Sipress, Cich, and Hanek

Nays: None

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

RESOLUTION APPROVING GREEN NEW DEAL HOUSING FOR UP TO \$285,000.00 UNDER THE CONSTRUCTION FINANCING REVOLVING LOAN PROGRAM

The Executive Director explained that this resolution approves Green New Deal housing for the newly created revolving loan fund for affordable, zero net energy homes that was approved in the previous resolution. They plan to build a 3-bedroom home on the Harbor Highlands lot that they purchased last year from the HRA.

There being no questions, the following resolution was introduced by Chair Talarico:

**RESOLUTION NO. 4189-21
APPROVING GREEN NEW DEAL HOUSING FOR UP TO \$285,000.00 UNDER THE
CONSTRUCTION FINANCING REVOLVING LOAN PROGRAM**

Commissioner Sipress moved that the foregoing resolution be approved as introduced.

Commissioner Hanek seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Talarico, Glumac, Sipress, Cich, and Hanek

Nays: None

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

RESOLUTION ESTABLISHING BREWERY CREEK TAX INCREMENT FINANCING DISTRICT, AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR

The Executive Director explained that this resolution establishes the Brewery Creek TIF district (in the Medical District). This development will have 52-units of affordable, rental housing. Once the Board approves the TIF district, it will still need to be approved by the Duluth City Council.

Following a brief discussion, the following resolution was introduced by Chair Talarico:

**RESOLUTION NO. 4190-21
ESTABLISHING BREWERY CREEK TAX INCREMENT FINANCING DISTRICT,
AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR**

Commissioner Sipress moved that the foregoing resolution be approved as introduced.
Commissioner Cich seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Talarico, Glumac, Sipress, Cich, and Hanek

Nays: None

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

RESOLUTION AUTHORIZING DEVELOPMENT AGREEMENT RELATING TO THE BREWERY CREEK TAX INCREMENT FINANCING DISTRICT

The Executive Director explained that this resolution establishes the development agreement for Brewery Creek, as required.

There being no questions, the following resolution was introduced by Chair Talarico:

**RESOLUTION NO. 4191-21
AUTHORIZING DEVELOPMENT AGREEMENT RELATING TO THE BREWERY CREEK TAX INCREMENT FINANCING DISTRICT**

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

Roll was called with the following results:

Ayes: Commissioners Talarico, Glumac, Sipress, Cich, and Hanek

Nays: None

Chair Talarico 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

Commissioner Sipress commented that in going over the agenda for today's meeting, he was struck by how much is going on and it is all great work. He wanted to thank everyone involved for their hard work.

Discussion was had regarding going back to in-person Board meetings. The Executive Director recommended doing the July meeting virtually, re-evaluating at that time, and then possibly having a face-to-face meeting in August. All seemed to be in agreement with that suggestion.

Other suggestions for future Board meetings included hybrid meetings and web-casting meetings to open up the accessibility for community members to participate.

REPORTS OF COMMITTEES

Finance Committee: The Finance Committee had not met.

OPPORTUNITY FOR VISITORS TO BE HEARD

None.

REPORT OF THE EXECUTIVE DIRECTOR

The Executive Director reported that there are two other topics that came up that were not in her written report. The first topic surrounds the Esmond. MERGE finally returned the development agreement and it was heavily redlined. There is a call with MERGE tomorrow to discuss. Also, the fire department is going to be using the Esmond in July for training.

The other topic to come before the Executive Director was in regards to the Superior Housing Authority. The HRA has an AHAP for Decker Dwellings and Decker Dwellings recently

changed their management company to the Superior Housing Authority. The HRA's legal counsels have been digging into how a political subdivision of one state can operate in a different state. Everything that has been found so far is that they cannot. She believes this puts the HRA in a difficult position as it relates to the project based vouchers in the development. The Executive Director will keep the Board apprised of any developments.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel's activity report was submitted in writing to Commissioners. He wanted to let the Board know that it has been determined that the expedited eviction process conflicts with the law, and he is working with the Director of Property Management to update the lease language to comply.

Legal Counsel is also tracking the eviction moratorium very carefully, as well as the ongoing litigation with the CDC and their eviction moratorium.

He also mentioned the closed session litigation from the last meeting is now in litigation.

Legal Counsel, Brandon Engblom, requested a closed session to discuss the current litigation issue.

The Board moved into closed session at 4:27 P.M.


The Board returned to open session at 4:31 P.M.

ADJOURNMENT

There being no further business to come before the Board, Chair Talarico declared the meeting adjourned at 4:41 P.M.


Chair

ATTEST:


Secretary

Next Scheduled Regular Meeting – July 27, 2021.