

**MINUTES OF THE  
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS  
OF THE HOUSING AND REDEVELOPMENT AUTHORITY  
OF DULUTH, MINNESOTA  
HELD ON THE 25<sup>TH</sup> DAY OF MAY, 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](https://www.gotomeet.me/Duluth_HRA) at 3:30 P.M. on the 25<sup>th</sup> day of May 2021.

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

Also present were Jill A. Keppers, Executive Director; staff members Lenelle Hrabik, Traci Nindorf, Anna Carlson, Rachel Downs, Jacob Morgan, Brandon Engblom, and Steve Pelofske; Jason Hale, City of Duluth/HRA Senior Housing Developer; Daniel Maddy, Fryberger; and Andrea Hanek, Scattered Sites Resident.

**SCHEDULED PUBLIC HEARINGS**

None.

**UNFINISHED BUSINESS**

None.

**CONSENT AGENDA:**

The following items were introduced by Chair Talarico:

**MINUTES OF THE SCHEDULED REGULAR MEETING OF APRIL 27, 2021**

**FINANCIAL REPORT FOR PERIOD ENDING APRIL 2021**

**RESOLUTION NO. 4165-21**

**RATIFYING APPLICATION AND AUTHORIZING ACCEPTANCE OF FUNDING  
FOR THE BRIDGES RENT SUBSIDY PROGRAM FOR THE NEXT BIENNIUM FROM  
THE MINNESOTA HOUSING FINANCE AGENCY**

**RESOLUTION NO. 4166-21**

**AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF  
DULUTH, MN TO ENTER INTO A CONTRACT AGREEMENT WITH THE CITY OF  
DULUTH FOR ADMINISTRATION OF THE CITY'S EMERGENCY SOLUTIONS  
GRANT PROGRAM FLEX FUNDS**

**RESOLUTION 4167-21  
APPROVING ACCEPTANCE OF A GRANT RENEWAL FOR THE SHELTER PLUS  
CARE PROGRAM WITH HUMAN DEVELOPMENT CENTER THROUGH THE HUD  
NOFA**

**RESOLUTION 4168-21  
APPROVING ACCEPTANCE OF A GRANT RENEWAL AND ADMINISTRATION  
FOR THE SHELTER PLUS CARE PROGRAM WITH CHUM**

**RESOLUTION 4169-21  
AUTHORIZING THE ACCEPTANCE OF ANNUAL AUDIT FOR FISCAL YEAR  
ENDING SEPTEMBER 30, 2020**

**RESOLUTION 4170-21  
RENEWAL OF ANNUAL PROPERTY INSURANCE**

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

Roll was called with the following results:

Ayes: Commissioners Talarico, Cich, and Nephew

Nays: None

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

**DISCUSSION ITEMS**

**RESOLUTION APPROVING ELIMINATION OF THE HOUSING AND  
REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA HAWK RIDGE  
ESTATES HOMEBUYERS ASSISTANCE PROGRAM**

The Executive Director explained that this resolution eliminates the Authority's down payment assistance at Hawk Ridge Estates. The development is nearing completion and staff believes this is the most expeditious way to exit the development. Two lots remain for sale and 10 lots are under purchase agreements. The buyers with purchase agreements will still be able to access the down payment assistance, but if those lots come back to us because the buyer's inability to build in the required timeframe, then they would be sold without down payment assistance.

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

**RESOLUTION NO. 4171-21  
APPROVING ELIMINATION OF THE HOUSING AND REDEVELOPMENT  
AUTHORITY OF DULUTH, MINNESOTA HAWK RIDGE ESTATES HOMEBUYERS  
ASSISTANCE PROGRAM**

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

Roll was called with the following results:

Ayes: Commissioners Talarico, Cich, and Nephew

Nays: None

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

**RESOLUTION AUTHORIZING SUPPORT FOR THE REQUEST BY ORBACH  
AFFORDABLE HOUSING SOLUTIONS FOR TAX INCREMENT FINANCING FOR  
THE 150-UNIT GREYSOLON PLAZA HOUSING REDEVELOPMENT PROJECT**

The Executive Director explained this resolution approves forwarding the request for a TIF district to the City Council for approval. Orbach had wanted \$3,000,000.00 in TIF; however, the Authority was not comfortable with that amount, as it would have constituted nearly 100% of the rehab happening in the units. The amount of \$975,000.00 is the amount supported by the Authority's financial consultants, Ehlers, and determined to be reasonable with relation to the cost of the rehab. The Authority will also recommend a limit of 10 years to this TIF, so it would be \$975,000.00 or 10 years, whichever comes first.

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

**RESOLUTION NO. 4172-21  
AUTHORIZING SUPPORT FOR THE REQUEST BY ORBACH AFFORDABLE  
HOUSING SOLUTIONS FOR TAX INCREMENT FINANCING FOR THE 150-UNIT  
GREYSOLON PLAZA HOUSING REDEVELOPMENT PROJECT**

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

Roll was called with the following results:

Ayes: Commissioners Talarico, Cich, and Nephew

Nays: None

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

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

The Executive Director stated that last year the Board approved the ground lease for Skyridge Flats and it was set at 40 years. This year, the Authority can get extra points on the application by extending the lease to 50 years. This resolution authorizes changing that ground lease from 40 to 50 years.

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

**RESOLUTION NO. 4173-21  
AUTHORIZING A GROUND LEASE WITH HARBORVIEW PHASE V, LLC**

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

Roll was called with the following results:

Ayes: Commissioners Talarico, Cich, and Nephew

Nays: None

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

**RESOLUTION ESTABLISHING PRICING SCHEDULE FOR CERTAIN VACANT  
LAND OWNED BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF  
DULUTH, MINNESOTA**

The Executed Director explained that this resolution establishes a pricing schedule for certain parcels of vacant land owned by the Authority at the sale prices that are set at the County assessed values. This resolution is similar to the resolution previously brought to the Board, however Jacob Morgan, Director of Rehab and Real Estate, has identified additional lots that can be added to this list, and there is already interest in one of these additional lots. This resolution allows staff to update prices annually based on the county assessed value.

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

**RESOLUTION NO. 4174-21  
ESTABLISHING PRICING SCHEDULE FOR CERTAIN VACANT LAND OWNED BY  
THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA**

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

Roll was called with the following results:

Ayes: Commissioners Talarico, Cich, and Nephew

Nays: None

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

**RESOLUTION APPROVING SUBMISSION OF AN APPLICATION TO THE SPECIAL APPLICATIONS CENTER OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR THE SECTION 18 DISPOSITION OF SCATTERED SITES**

The Executive Director brought forth this resolution authorizing the submission of the application to the HUD Special Applications Center for the Section 18 conversion of the Authority's scattered sites. The disposition of scattered sites has been approved by the Board through the agency plan the past two years, and the Authority is now in a place to complete the application and move this forward. The Authority has already completed the steps needed in order to present this to the Board (resident meetings, etc.). This resolution is required for the application.

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

**RESOLUTION NO. 4175-21  
APPROVING SUBMISSION OF AN APPLICATION TO THE SPECIAL APPLICATIONS CENTER OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR THE SECTION 18 DISPOSITION OF SCATTERED SITES**

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

Roll was called with the following results:

Ayes: Commissioners Talarico, Cich, and Nephew

Nays: None

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

**RESOLUTION APPROVING UPDATES AND MODIFICATIONS TO THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA HOUSING REHAB POLICIES AND PROCEDURES**

The Executive Director explained this resolution approves modifications and updates to the Authority's housing rehab policies and procedures. HUD is monitoring the City on its CDBG and the Authority is a sub-recipient of that funding. The Executive Director further went on to say this is a good opportunity to remove obsolete language and clean up our documents. Also, after the HUD monitoring of the City, there may be additional suggestions that may be brought to the Board again as required.

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

**RESOLUTION NO. 4176-21**

**APPROVING UPDATES AND MODIFICATIONS TO THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA HOUSING REHAB POLICIES AND PROCEDURES**

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

Roll was called with the following results:

Ayes: Commissioners Talarico, Cich, and Nephew

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 ESTABLISHMENT OF THE LAND LORD MITIGATION FUND**

The Executive Director explained that this resolution approves the establishment of a land lord mitigation fund. With the receipt of additional CARES Act funding this past year, the Authority did not need to use its general fund dollars as budgeted to support the Section 8 program. She stated that this is a good opportunity to utilize that funding to establish this fund and hopefully incent land lords to participate in the Section 8 program; thus increasing utilization. The written program and is currently being reviewed by Legal Counsel.

Following a discussion (see report of Executive Director below), the following resolution was introduced by Chair Talarico:

**RESOLUTION NO. 4177-21  
APPROVING THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH,  
MINNESOTA'S ESTABLISHMENT OF THE LANDLORD MITIGATION FUND**

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

Roll was called with the following results:

Ayes: Commissioners Talarico, Cich, and Nephew

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**

None.

## **REPORTS OF COMMITTEES 12**

*Finance Committee:* The Finance Committee met in May. RSM, the Authority's contracted audit firm, reviewed the audit with staff and Commissioners for FY2020. There were no findings or concerns.

## **OPPORTUNITY FOR VISITORS TO BE HEARD**

Andrea Hanek was in attendance again this week and wanted to let the Board know that she has submitted her application to become the new Resident Board Member.

## **REPORT OF THE EXECUTIVE DIRECTOR**

The Executive Director reported that since the Finance Committee meeting where the Board had agreed that accepting the Emergency Housing Vouchers (EHV) was not the answer to the affordable housing crisis in Duluth (building more units is the better solution), there had been a lot of pressure surrounding the acceptance of the EHV's. Pressure from HUD was brought down on both the City and the County to subsequently pressure the Authority to accept the EHV's (a discussion was had regarding these vouchers as part of a question asked regarding Resolution 4177-21). The vouchers ended up having to be accepted and the Authority is taking the necessary steps/system updates to make this work. The Board reiterated that they stand behind and trust the decisions of the Executive Director, that they understand the pressure even though they are also somewhat offended that HUD is taking the decision out of their hands, but will stand behind the Executive Director with whatever happens. The Executive Director was instructed to hold the City accountable to their guarantee of assistance in utilizing these vouchers. It was agreed we could work stronger together and as a partnership. The hope from the Executive Director, staff, and the Board is that these vouchers may be utilized.

A comment was brought up regarding the Ramsey Manor Wall Panel Project, but it was decided that a discussion surrounding that would be best when all Board members are present.

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

Legal Counsel's activity report was submitted in writing to Commissioners. Legal Counsel is ramping up and preparing for the evictions that are to come.

A short discussion was had regarding the options for rent assistance and what the Authority is doing to make tenants aware of these resources.

Daniel Maddy attended the meeting to report on the endeavors he and the Fryberger legal team have been involved in with regarding the Authority.

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

The Board moved into closed session at 4:15 P.M.

The Board returned to open session at 4:23 P.M.

**ADJOURNMENT**

There being no further business to come before the Board, Chair Talarico declared the meeting adjourned at 4:24 P.M.

  
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Chair

ATTEST:

  
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Secretary

Next Scheduled Regular Meeting – June 29, 2021.