

**MINUTES OF THE
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS
OF THE HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA
HELD ON THE 25th DAY OF JUNE, 2024**

The Commissioners of the Housing and Redevelopment Authority of Duluth, Minnesota, met in a Scheduled Regular Meeting at 3:30 P.M. on the 25th day of June 2024.

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

Also present were Jill A. Keppers, Executive Director; staff members Anna Carlson, Rachel Downs, Brandon Engblom, Sarah Pierce, Caleb Anderson, Lenelle Hrabik, Jacob Morgan, Traci Nindorf, Jill Erickson, and Maureen Zupancich; Katie Becker, HRA Legal Intern; NAHRO Scholarship Recipient Otto Signorelli; Shane Signorelli; and community member Andrea Hanek.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

None.

OPPORTUNITY FOR VISITORS TO BE HEARD

None.

NEW BUSINESS

The Executive Director presented Otto Signorelli with the MN NAHRO College Scholarship, the North Central Region NAHRO College Scholarship, and announced he is in the running for a National NAHRO College Scholarship, which will be decided in July. Congratulations to Otto Signorelli, 2024 Duluth East Graduate and future University of Minnesota Duluth Electrical Engineering student.

CONSENT AGENDA:

The following items were introduced by Vice-Chair Talarico:

MINUTES OF THE SCHEDULED REGULAR MEETING OF MAY 28, 2024

APPROVAL OF THE FINANCIAL REPORT FOR PERIOD ENDING MAY 2024

RESOLUTION NO. 4541-24

**RESOLUTION AUTHORIZING THE DIRECT SALE OF LOT 15, BLOCK 4, HAWK RIDGE
ESTATES FIRST ADDITION TO HEATH AND JILL VOSBERG BY THE HOUSING AND
REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA**

RESOLUTION NO. 4542-24

**RESOLUTION AUTHORIZING A ONE-YEAR RENEWAL OF THE CONTRACT BETWEEN
THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA, AND
COMMUNITY ACTION DULUTH FOR OPERATION OF THE COMMUNITY
CONSTRUCTION PROGRAM**

RESOLUTION 4543-24

RESOLUTION AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA ("AUTHORITY") TO ENTER INTO AN AGREEMENT WITH THE CITY OF DULUTH WHEREBY THE AUTHORITY WILL ASSIST WITH HOME MONITORING

RESOLUTION 4544-24

RESOLUTION AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA ("AUTHORITY") TO MAKE AN APPLICATION TO ADMINISTER AND OPERATE FISCAL YEAR 2025 COMMUNITY DEVELOPMENT BLOCK GRANT ("CDBG") REHABILITATION PROGRAM

RESOLUTION 4545-24

RESOLUTION AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA TO MAKE AN APPLICATION TO MINNESOTA HOUSING FOR THEIR COMMUNITY HOMEOWNERSHIP IMPACT FUNDS

RESOLUTION 4546-24

RESOLUTION AUTHORIZING THE RENEWAL APPLICATION AND ADMINISTRATION FOR THE COORDINATED ENTRY PROJECT WITH THE ST. LOUIS COUNTY CONTINUUM OF CARE THROUGH THE HUD NOTICE OF FUNDING OPPORTUNITY

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

Roll was called with the following results:

Ayes: Commissioners Awal, Meyer, Nephew, and Talarico

Nays: None

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

DISCUSSION ITEMS

RESOLUTION AUTHORIZING AN INCREASE TO THE LOAN FOR HARBORVIEW PHASE I, LLC BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA AND BY RED ROCK, LLC

This resolution authorizes the Authority to add an additional \$100,000.00 to the internal loan for Harbor Highlands Phase I. During and after COVID, with all of the challenges with supply chain issues and the eviction moratorium, Harbor Highlands Phase I did not have enough money from operations to cover their costs. They have exhausted the initial \$100,000.00 loan. However, as of July 1, they will be 100% occupied. There is a very positive outlook that their cash flow will greatly improve and they will be able to start paying back the loan with excess revenue. This resolution allows the Authority to loan an additional \$100,000.00, if necessary, as they currently do not have any operating reserves.

There being no discussion, the following resolution was introduced by Vice-Chair Talarico:

**RESOLUTION NO. 4548-24
AUTHORIZING AN INCREASE TO THE LOAN FOR HARBORVIEW PHASE I, LLC BY THE
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA AND BY RED
ROCK, LLC**

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

Roll was called with the following results:

Ayes: Commissioners Awal, Meyer, Nephew, and Talarico

Nays: None

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

**RESOLUTION AUTHORIZING A CONDITIONAL OPTION AGREEMENT FOR
ACQUISITION OF PROPERTY FROM THE HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MINNESOTA**

This resolution authorizes a conditional option agreement for Divine Konnections to acquire property from the Authority. The Authority owns a 25-foot lot that is adjacent to two City lots, and these three lots, in combination are being contemplated for use by Divine Konnections for their single-family impact fund application to build a small multi-unit building to be used for single mothers exiting homelessness. The Authority does not have plans for this small lot and staff recommend selling this lot for \$1 for this project, subject to them being awarded funding.

Following discussion surrounding the Authority's plans and future involvement in this project, the following resolution was introduced by Vice-Chair Talarico:

**RESOLUTION NO. 4549-24
AUTHORIZING A CONDITIONAL OPTION AGREEMENT FOR ACQUISITION OF
PROPERTY FROM THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH,
MINNESOTA**

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

Roll was called with the following results:

Ayes: Commissioners Awal, Meyer, Nephew, and Talarico

Nays: None

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

**RESOLUTION AUTHORIZING DEVELOPMENT AGREEMENT RELATING TO THE
WELCH PLACE TAX INCREMENT FINANCING DISTRICT**

This resolution authorizes the development agreement related to the Welch Place TIF district. This is the final step in the process for this project to receive its TIF funding.

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

**RESOLUTION NO. 4550-24
AUTHORIZING DEVELOPMENT AGREEMENT RELATING TO THE WELCH PLACE TAX
INCREMENT FINANCING DISTRICT**

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, Meyer, Nephew, and Talarico

Nays: None

Vice-Chair Talarico 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.

A discussion was had about continuing to provide the PHAS dashboard and inspection reports each month to Commissioners. It was decided to keep this process in place for the time being.

REPORTS OF COMMITTEES

Finance Committee: The Finance Committee met on June 20, 2024. The Executive Director gave a report on the meeting and informed the Board that a draft audit still has not been received by the auditors, but there are no findings and no areas of concern. Commissioner Nephew asked if the Board members that missed the meeting could possibly meet to review the audit before the next Board meeting. The Executive Director will look into possible dates and times.

BUSINESS BY COMMISSIONERS

Commissioner Meyer asked about what is going on with the Esmond as he is getting a lot of calls from people thinking it is the Authority holding up this project. The Executive Director explained to him that she was informed by the City that Kraus Anderson pulled out of the project. The City has a developer that is interested in taking over the project, but Merge/Urbane would need to walk away from the development. If the Authority ends up taking this back, the Executive Director would like to check into the feasibility of the Authority developing this as we now have a full development team in house. Once again, Executive Director informed Board members to send any calls her way and she is happy to address any questions the public may have.

Commissioner Awal had a few questions regarding the wait list purge. Lenelle Hrabik, Director of Rent Subsidy, and Rachel Downs, Rent Subsidy Supervisor explained the process to the Board and the timing and leniency given to applicants. Purges are not done often and applicants are given 6 months to respond, however, if they come back after that with a reason they missed the deadline, the Authority is very accommodating with getting their spot back on the wait list.

REPORT OF THE EXECUTIVE DIRECTOR

In addition to her written report, the Executive Director wanted to inform the Board there will be a ceremonial ground breaking for Phase VI on July 11 at 1:00 p.m. and they are all invited to attend.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel submitted a written report and added that he has had some inquiries into some eviction filings and reported he has seen an uptick in lease violations recently. Of the eight filed as of this meeting, six were damage to property and meth, and only two were for non-payment.

He also explained there was a handout in Commissioners folders for mold/mildew procedures and policies that will be included in move-in packets and as needed with tenants. He would like the Commissioners to call or email him if they have any comments or suggestions on the handout.

Legal Counsel also let the Board know he will be coming to them with bylaw and process changes, but being its not a full Board tonight, he will wait until everyone is in attendance.

No Closed Session was needed.

OTHER BUSINESS

None.

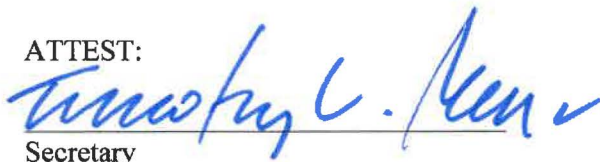
ADJOURNMENT

There being no further business to come before the Board, Vice-Chair Talarico declared the meeting adjourned at 4:14 P.M.



Chair

ATTEST:



Secretary

Next Scheduled Regular Meeting – July 30, 2024.