

**MINUTES OF THE
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS
OF THE HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA
HELD ON THE 28th DAY OF NOVEMBER, 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 28th day of November 2023.

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

Also present were Jill A. Keppers, Executive Director; staff members Anna Carlson, Rachel Downs, Brandon Engblom, Jacob Morgan, Lenelle Hrabik, Sarah Saucedo, Mike Marquardt, Sarah Pierce, Rob Johnson, and Maureen Zupancich; Tom Church, City of Duluth/HRA Senior Housing Developer; Chris Virta, Fryberger; and Community Member Ginka Tarnowski.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

Tabled Resolution 4467-23 – Resolution Approving the Removal of a Parcel from Harborview Phase II Tax Increment Financing District

Tabled Resolution 4468-23 – Resolution of Intent to Establish Harborview 3 Tax Increment Financing District

Commissioner Nephew moved to pull Resolution 4467-23 from the table for discussion. Seconded by Commissioner Awal.

Commissioner Awal moved to pull Resolution 4468-23 from the table for discussion. Seconded by Commissioner Hanek.

Executive Director Keppers explained that staff would like to withdraw these tabled resolutions as Minnesota Housing has indicated that they will not forward the Authority's carry over application to the Minnesota Housing Board in December. It's possible the project will need to be re-designed and/or re-bid again as costs are so high, and the need for a TIF can be evaluated at a later date.

Commissioner Nephew moved to withdraw Resolution 4467-23. Passed unanimously with a vote of Commissioners present.

Commissioner Awal moved to withdraw Resolution 4468-23. Passed unanimously with a vote of Commissioners present.

CONSENT AGENDA:

The following items were introduced by Vice-Chair Talarico:

MINUTES OF THE SCHEDULED REGULAR MEETING OF OCTOBER 31, 2023

RESOLUTION NO. 4473-23

RESOLUTION APPROVING THE PAY EQUITY REPORT

RESOLUTION NO. 4374-23

RESOLUTION APPROVING SUBMISSION OF SECTION EIGHT MANAGEMENT ASSESSMENT PROGRAM (SEMAP) CERTIFICATION TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RESOLUTION 4475-23

RESOLUTION AMENDING RESOLUTION 4284-22, APPROVING PROJECT BASED SECTION 8 RENTAL ASSISTANCE FOR THE HARBORVIEW PHASE VI AFFORDABLE HOUSING DEVELOPMENT AT HARBOR HIGHLANDS

RESOLUTION 4476-23

RESOLUTION APPROVING, ON A PRELIMINARY BASIS, THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR A PROJECT BY STANDARD COMMUNITIES, OR ITS AFFILIATE, AND AUTHORIZING AN APPLICATION FOR ALLOCATION OF BONDING AUTHORITY FROM THE STATE OF MINNESOTA, PREPARATION OF A MULTIFAMILY HOUSING DEVELOPMENT PROGRAM, A PUBLIC HEARING AND A FEE AGREEMENT

RESOLUTION 4477-23

RESOLUTION APPROVING, ON A PRELIMINARY BASIS, THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR A PROJECT BY STEELE ACQUISITIONS IV LLC, OR ITS AFFILIATE, AND AUTHORIZING AN APPLICATION FOR ALLOCATION OF BONDING AUTHORITY FROM THE STATE OF MINNESOTA, PREPARATION OF A MULTIFAMILY HOUSING DEVELOPMENT PROGRAM, A PUBLIC HEARING AND A FEE AGREEMENT

Commissioner Awal asked for further clarification on Resolutions 4476-23 and 4477-23. Executive Director explained that these resolutions are for conduit bonding where the Authority is the pass through entity. The developers will be applying to Minnesota Management and Budget for bonding allocations.

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, Hanek, 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 EXTENSION OF THE DEVELOPMENT AGREEMENT BETWEEN THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA, AND MERGE, LLC, FOR THE DEVELOPMENT OF THE OLD ESMOND SITE

This resolution extends the development agreement for the Esmond project by one year. The City did an engineering study showing the building, although not wrapped, is still structurally sound. The delays experienced by the developer thus far are primarily funding related.

Commissioner Meyer raised a concern about moisture damage. Executive Director Keppers acknowledged that Authority and DEDA staff shared that concern and reiterated that the City of Duluth had an engineering study done, and it showed the building was structurally sound. She also stated that DEDA will need to extend their development agreement as well in order for the project to continue to move forward.

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

**RESOLUTION NO. 4478-23
AUTHORIZING EXTENSION OF THE DEVELOPMENT AGREEMENT BETWEEN THE
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA, AND
MERGE, LLC, FOR THE DEVELOPMENT OF THE OLD ESMOND SITE**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF
DULUTH, MINNESOTA TO SUBMIT A LOW INCOME HOUSING ROUND TWO TAX
CREDIT APPLICATION TO MINNESOTA HOUSING TO DEVELOP AFFORDABLE
HOUSING ON THE HARBOR HIGHLANDS SITE**

This resolution authorizes the submission of a round two tax credit application to Minnesota Housing to seek more Low Income Housing Tax Credits in order to bridge the gap for Harbor Highlands Phase VI Townhomes.

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

**RESOLUTION NO. 4479-23
AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH,
MINNESOTA TO SUBMIT A LOW INCOME HOUSING ROUND TWO TAX CREDIT
APPLICATION TO MINNESOTA HOUSING TO DEVELOP AFFORDABLE HOUSING ON
THE HARBOR HIGHLANDS SITE**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION AUTHORIZING ACQUISITION OF 804 NORTH SIXTH AVENUE EAST,
DULUTH, MN 55805 FOR AFFORDABLE HOUSING**

This resolution authorizes the Authority to acquire the tiny house on East 6th Street and add it to the Bluewater Housing affordable housing rental portfolio as a studio unit. In order for the Authority to entertain this acquisition, a variance from the City for a rental license for the property is needed. The resolution just gives the Authority permission to acquire this property if this is the direction the City chooses to go. The City may choose to sell the property instead, however, if they do not, the Authority is there to help and offer a public purpose for this project.

There were discussions surrounding how to make it compliant for passing HUD inspections as well as cost of acquiring and winterizing. The board also discussed the City granting a rental license and what it would take for that to happen (i.e. installing a staircase as opposed to the ladder that's in there now).

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

**RESOLUTION NO. 4480-23
AUTHORIZING ACQUISITION OF 804 NORTH SIXTH AVENUE EAST, DULUTH, MN 55805
FOR AFFORDABLE HOUSING**

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

Roll was called with the following results:

Ayes: Commissioners Awal, Hanek, 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.

REPORTS OF COMMITTEES

Finance Committee: The Finance Committee has not met since the last Board meeting.

OPPORTUNITY FOR VISITORS TO BE HEARD

None.

BUSINESS BY COMMISSIONERS

None.

REPORT OF THE EXECUTIVE DIRECTOR

Nothing additional to report.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel submitted a written report and had a correction in his originally submitted report. The correction was there were nine new eviction filings for non-payment. He reiterated his desire to have a channel for a faster way to get assistance to participants and skip having to go to court. Commissioner Hanek provided feedback for the Authority to look at the notices that go out to tenants as they all look the same, and eviction notices should stand out so they don't get missed.

In addition to that, Legal Counsel updated the Board on the favorable judgement received in the Wicklow property damage case. Commissioner Hanek asked if the tenant is responsible for paying for the damage before they could move into a HUD property and Legal Counsel explained that, yes, that is unfortunately the case. Commissioner Hanek further inquired if their rental history would show this as to which a discussion was had surrounding how landlords check rental history for potential tenants.

No Closed Session was needed.

OTHER BUSINESS

None.

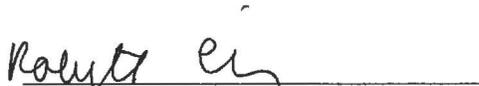
ADJOURNMENT

There being no further business to come before the Board, Vice-Chair Talarico declared the meeting adjourned at 4:10 P.M.



Chair

ATTEST:



Secretary

Next Scheduled Regular Meeting – January 30, 2024.