

**MINUTES OF THE
SCHEDULED REGULAR MEETING
OF THE COMMISSIONERS OF THE
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA
HELD ON THE 26TH DAY OF SEPTEMBER, 2017**

The Commissioners of the Housing and Redevelopment Authority of Duluth, Minnesota, met in a Scheduled Regular Meeting in the Community Room located on the Second Floor of King Manor, 222 East Second Street, Duluth, Minnesota at 3:30 P.M. on the 26th day of September, 2017.

The Chair called the Meeting to order and on roll call the following members were found to be present: Commissioners Glumac, Johnson, Rolle, Scott, and Talarico. Commissioner Boshey was absent. The Chair declared a quorum present.

Also present were Jill A. Keppers, Executive Director; staff members Carla Schneider, Maureen Zupancich, David Peterson, and Pam Benson; Chris Virta, Legal Counsel; Tracey Montgomery, Arc Northland; Barbara Findley, President of King Manor Residents Club, and Ann Abraham, Vice President of King Manor Residents Club; and Roger Endres, President of Midtowne Manor II Residents Club.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

None.

The Chair indicated that he had received a special call from Jeanne Sederberg who expressed how surprised she was and what a pleasure it was to receive the plaque with the Resolution of Appreciation commending her for over 18 years of service to the Authority as Hearing Officer. She complimented the Executive Director and the entire staff and indicated what a pleasure it had been to work with such a professional and caring organization which the Chair felt was an extraordinary testament to the staff of the Authority. The Chair expressed how gratifying it had been to receive that call. The Executive Director stated that she has not been easy to replace.

CONSENT AGENDA:

The following items were introduced by Commissioner Glumac:

MINUTES OF THE SCHEDULED REGULAR MEETING OF

AUGUST 29, 2017

FINANCIAL REPORT FOR PERIOD ENDING AUGUST 31, 2017

**RESOLUTION NO. 3810-17
RESOLUTION AUTHORIZING BAD DEBT WRITE-OFFS**

**RESOLUTION NO. 3811-17
RESOLUTION AUTHORIZING BAD DEBT WRITE-OFFS**

**RESOLUTION NO. 3814-17
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE
OF LOT 1, BLOCK 2, HAWK RIDGE ESTATES FIRST ADDITION
TO LOREN W. AND SUSAN W JANSON
BY THE HOUSING AND REDEVELOPMENT AUTHORITY**

Commissioner Glumac moved that the foregoing Items A, B, C, D, and E be approved as introduced. Commissioner Scott seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Johnson, Rolle, Scott, and Talarico

Nays: None

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

DISCUSSION ITEMS

RESOLUTION APPROVING THE 2017 CAPITAL FUND ANNUAL STATEMENT AND THE 2017-2021 CAPITAL FUND FIVE YEAR SPENDING PLAN

The Executive Director explained to the Board that this Resolution would approve the Capital Fund 5-year plan. Every year the Authority submits the 5-year plan to HUD outlining the anticipated projects that would utilize the capital fund dollars that come from HUD. This is normally approved at the same time as the annual plan, however HUD did not have the capital fund award amount completed when the annual plan was approved. After the Executive Director reviewed the highlights and Carla Schneider answered the Chair's questions, the following Resolution was introduced by Commissioner Johnson:

RESOLUTION NO. 3809-17

**RESOLUTION APPROVING THE 2017 CAPITAL FUND ANNUAL
STATEMENT AND THE 2017-2021 CAPITAL FUND
FIVE YEAR SPENDING PLAN**

Commissioner Johnson moved that the foregoing Resolution be approved as introduced. Commissioner Talarico seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Johnson, Rolle, Scott, and Talarico

Nays: None

The Chair declared the motion carried and said Resolution approved as introduced and read.

PHA BOARD RESOLUTION APPROVING OPERATING BUDGET

The Executive Director reminded Commissioners that last month she had provided a draft of the budget that was going to be presented to the City Council. She indicated that Commissioners had asked for the projected actuals for 2017, the budget for 2018, and a comparison of the variances. After providing an overview of the operating budget and answering the Chair's questions, the following Resolution was introduced by Commissioner Glumac:

**RESOLUTION NO. 3812-17
PHA BOARD RESOLUTION APPROVING OPERATING BUDGET**

Commissioner Glumac moved that the foregoing Resolution be approved as introduced. Commissioner Scott seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Johnson, Rolle, Scott, and Talarico

Nays: None

The Chair declared the motion carried and said Resolution approved as introduced and read.

**RESOLUTION APPROVING THE HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MN PURCHASING AND PROCUREMENT
POLICY**

The Executive Director explained to Commissioners that there was a new federal law, referred to as Rule 200, which governs the Authority's procurement policy. HRA's were required to update their purchasing policies to comply with Rule 200, and they also must comply with state law. She indicated that this purchasing policy represents the required revisions as well as some adjustments allowed under the law for easier operation. The most substantial change was changing the dollar amount that would come before the Board to \$100,000. The following Resolution was introduced by Commissioner Talarico:

RESOLUTION NO. 3813-17
RESOLUTION APPROVING THE HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MN PURCHASING AND
PROCUREMENT POLICY

Commissioner Talarico moved that the foregoing Resolution be approved as introduced. Commissioner Scott seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Johnson, Rolle, Scott, and Talarico

Nays: None

The Chair declared the motion carried and said Resolution approved as introduced and read.

RESOLUTION APPROVING THE HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MN SUB-RECIPIENT MONITORING POLICY

The Executive Director explained that this Resolution was also a part of Rule 200 which stated that the Authority needed a sub-recipient monitoring policy. The Authority is a sub-recipient from the City, so they would monitor the Authority, but if the Authority passes through funds to another entity then they become a sub-recipient, and the Authority would do the monitoring. This policy will assist the Authority's departments to be consistent and accountable for any federal funds passing through the Authority. The following Resolution was introduced by Commissioner Scott:

RESOLUTION NO. 3815-17
RESOLUTION APPROVING THE HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MN SUB-RECIPIENT MONITORING POLICY

Commissioner Scott moved that the foregoing Resolution be approved as introduced.

Commissioner Johnson seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Johnson, Rolle, Scott, and Talarico

Nays: None

The Chair declared the motion carried and said Resolution approved as introduced and read.

COMMUNICATIONS/CORRESPONDENCE

The Executive Director mentioned that included in the blue pages of Commissioners' board packets were articles regarding Gateway Tower and the City Council candidate forum. Also included was the LISC semi-annual report. Included in Commissioners' green folders were copies of the Esmond report and the Rainbow Center and Lincoln Park Center schedules.

REPORTS OF COMMITTEES

Rehab Advisory Committee: The Rehab Advisory Committee had not met.

Finance Committee: The Finance Committee had not met.

OPPORTUNITY FOR VISITORS TO BE HEARD

Pam Benson, Director of Housing Services, introduced Tracey Montgomery who is the new Service and Public Housing Outreach Coordinator.

BUSINESS BY COMMISSIONERS

The Executive Director indicated that this was the first month working with the new dashboard and she would appreciate any feedback.

The Executive Director reported that the City had been contacted to obtain maps to identify tax forfeit properties for Build Up Duluth. Regarding Morgan Park, the tree survey and the RFP for land clearing have been completed and a vendor had been chosen. They will be able to proceed once the architect and engineering contract was completed for platting as required by the City. A proposal for utilizing the Revolving Loan Fund has been submitted to the City Planning Department and they have started assessing the exteriors of properties in the Lincoln Park neighborhood with their partners from Eco3 for the Exterior Renovation Program. A flyer has been created for targeted

neighborhoods to market to potential customers and the City will be providing a mailing list. The 5-year capital fund plan had been brought to the Board for approval which will help with the preservation of scattered site units. Revisions and additions to the agency plan requested by the HUD field staff were being completed, and once the plan has been accepted by HUD, the Authority will move forward with the disposition of some of the scattered site units. Carol Schultz, Special Projects Administrator, participated in a phone survey for MN Housing regarding POHP.

The Authority has entered into a contract with ARC Northland, and the new Service Coordinator has started.

There was a Resolution on the agenda for another lot sale at Hawk Ridge Estates. David Peterson, Director of Development and Redevelopment, has met with key residents at Hawk Ridge Estates regarding the idea of selling adjacent lots to home owners in the development. She reported that they were working on the staffing needs for Gateway. There had been some internal postings and they will start the transitioning of HRA staff at Gateway Tower. They have a receivable of approximately \$4,000 for fee for service, and she has contacted One Roof regarding setting up an agreement for services when layering funds.

There was one retirement in September and the position was filled in advance by cross training with the entering and exiting employee. Data gathering for Commissioners has started, and Jen Julsrud was no longer working at the Center for Changing Lives and was interested in returning to the HRA Board. This is expected to take place in October.

The Executive Director attended a training on marketing. With the addition of the new IT person, it is hoped he will do some of the website design and marketing strategy in-house. He has already started working on an online application for the Rehab Department. She reminded Commissioners that they had discussed partnering with the local non-profits and the City to further the mission of combating homelessness and affordable housing initiatives. She indicated that she had met with the City regarding the Affordable Housing Trust Fund activity, but the City indicated they did not have funding and they were not entertaining the idea of an Affordable Housing Trust Fund.

REPORT OF EXECUTIVE DIRECTOR

The Executive Director reported that she had spoken with Councilor Sipress in advance of the Authority's tax levy and budget presentation to the City Council to ensure that they would be providing the information that the Councilors needed and expected. Commissioner Johnson also attended the City Council presentation, and the tax levy was approved by the Council that evening.

The Executive Director mentioned that the Esmond elevator project was underway, and

that the City electrical inspector had added another electrical panel requirement which will cost an additional \$7,000.

The Executive Director reported that the Joint Powers Enterprise, which was the self-funded health insurance plan, voted on a consultant after receiving RFP's and hearing their presentations. The Authority has budgeted for a 10 percent increase in premiums.

The Executive Director reported that she and several staff members participated in a webinar put on by National NAHRO regarding low income housing tax credits.

The Executive Director mentioned that at this month's Labor/Management meeting no pre-grievance issues were brought forward. AFSCME has had several staff members volunteer to be union stewards, and they will be electing a new president soon.

The Executive Director, Carla Schneider, and Lynne Snyder met with City staff regarding the revolving loan fund. They presented a strategy to fund eligible households within the Housing Action Framework, which the City approved, so they will be moving forward with this strategy.

The Executive Director mentioned that the Vision Committee would be meeting to review the policies the City has put together for the comprehensive plan, and that the Authority's initiatives seem to fall in line with the City's vision for housing development which included urban orchards, building on land with existing infrastructure, and completing existing developments.

The Executive Director reminded Commissioners that they had discussed selling adjacent lots to homeowners at Hawk Ridge at last month's Board meeting. David Peterson had spoken to several of Hawk Ridge's Board members, and the feedback was positive. The way they planned on handling this was existing homeowners would be given the option to purchase a lot that touches their existing property, they would pay full price as established by the Board, there would be no soft seconds, financing needed to be secured, and they needed to close within 90 days. Any changes to the lot needed to be approved by the architectural review committee. She indicated that when she informed City planning staff about these plans, they had concerns that the lots may go tax forfeit, and that it would create a political issue on how to assess for street and infrastructure improvements in the future. The Authority would address these concerns by stating that it was unlikely that someone paying nearly \$70,000 for a lot would let it go tax forfeit. As far as assessments, if the City assessed from frontage or if they assessed by lot, it would not impact the assessments. The only way it could impact future assessments was if the lots were combined and the City assessed by lot. The lots were only required to be combined if a person bought two lots up front and their permit to build crossed over the lot boundary or set back. According to David, there were only a couple of spots in the entire development where this was even possible at this late stage. Commissioners

agreed the benefit of selling these lots and completing the development, which was part of the comprehensive plan, was the way the Authority should proceed.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel reported that financing for the Terrex-Heritage affordable housing project continues to move forward, documents were being drafted, and the public hearing was on the calendar for the October Board meeting.

OTHER BUSINESS

The Executive Director reported to the Board that the Authority's Bylaws allowed the Chair to establish a committee if the Board chose to have a committee. She indicated that they had been discussing, given the makeup of the Board, and the fact that they were looking forward with the development of Morgan Park and Harbor Highlands, redevelopment of the Esmond, and continuing changes at Hawk Ridge Estates, she asked if the Board would prefer to change the existing Rehab Advisory Committee to a Rehab and Redevelopment Committee or keep the Rehab Advisory Committee to hear community complaints and establish a new Redevelopment Committee.

The Chair indicated that his first thought was that it would be good to focus on redevelopment, but later he also thought the Board often used the Committee of the Whole to deal with projects and talk about strategies. Commissioner Scott thought it would be worthwhile to have a committee which could meet quarterly to discuss the redevelopment issues. The Chair indicated that was what has taken place at the Committee of the Whole meetings in the past, and he thought they should have a Committee of the Whole meeting to focus on development strategies in the next 30 to 60 days. At that meeting they could discuss further whether they should form a committee with a separate Chair.

The Executive Director indicated that it would be good to take advantage of all the knowledge and expertise they have on the Board. Commissioner Glumac asked about bringing in outside expertise for a committee versus a Committee of the Whole meeting. Legal Counsel indicated he would need to check the bylaws, but he thought they could have non-Board members on a committee. The Executive Director and Legal Counsel would look into scheduling a Committee of a Whole meeting and checking the bylaws.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4:30 P.M.

Chair

ATTEST:

Secretary

Scheduled Regular Meeting – September 26, 2017