



MEETING AGENDA

Housing Trust Fund Review Committee Annual Meeting

City Hall – Room 430
September 24, 2025 – 2pm

Members Present: Frank Jewell (Former SLC Commissioner), Laura Birnbaum (SLC), Chris Johnson (St. Scholastica), Sumair Sheikh (LISC), Tony Sertich (Northland Foundation), Ben VanTassel (City of Duluth)

Absent: Jacob Morgan (HRA), Sumair Sheikh (LISC)

Others Present: Lenna Pfankuch (City of Duluth), Tom Church (City of Duluth), Ariana Dahlen (City of Duluth)

I. Call to Order Called to order at 2:07

II. Approval of May 13th, 2025 Meeting Minutes (Jewell, Johnson), Passes (4-0)

III. Summary of Loan Activity & Project Updates

Lenna Pfankuch gave an overview of the loan balance. The balance is just under \$1.2M with total investment to date just under \$5M. In 2025, four loans have been repaid. Two loans have been issued in 2025, and 8 loans are currently active. Birnbaum asked which loan recipients are eligible to receive loans forgiveness. Pfankuch stated that it was Top Dog, Divine Konnections, and One Roof. Birnbaum asked if forgiveness is automatically given or if the staff works with them to achieve forgiveness. Church stated that most applicants work forgiveness into their loan application to create their projections, so most are forgiven up front.

a. Merge—Urbane 218

- i. Tom Church stated that Merge received their extension at the start of 2025. Their deadline for construction completion is at the end of October with the loan being owned at the end of the year. Jewell asked how their loan repayment would be received. Church stated it will be received in a lump sum payment.

b. Top Dog Investments—631 E 3rd Street

- i. Pfankuch stated that this is an 8-unit rehab of a condemned building. The developer provided a progress update and stated that the building is fully enclosed, and the roof is completely on with electrical and plumbing work expected to begin at the end of the month.

c. Divine Konnections—Comfort & Joy Duplexes

- i. This project was preapproved by the board, but the project has been stalled due to complications with their site location. They have officially closed on a new site for the duplex project in the Irving neighborhood. Church stated that the costs of the project have increased with the selection of the new site. Jewell asked if the board is ready to react to the increase in prices for construction. Church stated that cost increases are reflected mostly in the requested amount, specifically from One Roof CLT project applications. Deyona Kirk of Divine Konnections



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has secured funding sources beyond the site costs. VanTassel stated that the city has seen inflexions in permitting which came to a lull a bit earlier than usual.

Tony Sertich arrived at 2:15pm.

IV. Loan Applications & Extension Requests

- a. Divine Konnections—Comfort & Joy Duplexes Updated Pre-Application (**Sertich, Birnbaum**), Passes (5-0)
 - i. Divine Konnections has resubmitted their pre application with their updated loan request due to the differing costs of their new site. They are requesting a \$700,000 loan with \$50,000 in forgiveness, with 18-month term at 2% interest rate. Church stated that this project is for the construction of two duplexes on the site and will be a continuation of the Divine Konnections housing model. This will serve young mothers and their children, and this will be the next step in establishing home ownership for these families. Birnbaum stated that this project helps enact the vision of Divine Konnections and helps to eliminate the cycle of poverty for the participants it serves and helps to create generational wealth. Jewell asked about construction costs. Pfankuch stated that they have several other funding sources for the project. Jewell asked about the pricing for the project. Church stated that they will know more once their full application is submitted to the HRA.
- b. Festies—Six Month Extension Request (**Jewell, Sertich**), Passes (5-0)
 - i. Pfankuch stated that this project is an existing loan, and the developer has requested a 6-month extension to his loan which was at the maximum 18-month extension limit. This loan was for \$300,000 at 5% interest with no forgiveness eligibility. The developer hoped to keep ownership of the duplex he built however he since decided to sell. The extension would allow him to complete the sale of the building. Jewell asked if the project was completed. Church confirmed it is complete. Jewell asked if there was any affordability for their project. Church stated the units are market rate. Church stated \$15,000 in interest has been generated on the loan. Jewell asked when the developer plans to make the last draw. Church stated he will not use those funds.

V. City of Duluth Program Updates

- a. Establish Dedicated Affordable Housing Fund [UPDATES & DISCUSSION]
 - i. Church stated that a conversation was held in May about potential program updates. Pfankuch stated that they had applied for the MHFA Local Housing Trust Fund Grant, and the fund was selected as being eligible for a \$225k grant for affordable projects. Birnbaum asked how they define affordability. Church stated it was \$115,000 for for-sale developments and 80% AMI for rentals. Birnbaum asked if this is subject to local jurisdiction. Pfankuch confirmed. Church stated these funds will be used to support a request to DEDA in October to establish a \$1M Affordable Housing program. LISC has expressed that this money could be used to leverage their locally raised pool of money of \$3M and can be loaned out at 4% interest. This will allow for low rates



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for these affordable housing projects. These changes will be implemented following the fund contributions.

- b. Establish Dedicated Site Prep Fund [UPDATES & DISCUSSION]
 - i. A \$500,000 fund may be established with the help of DEDA, specifically to help with demolition and blight mitigation. Church stated that an application was submitted for CDBG funds for this fund as well. Jewell asked how they would choose to spend the money for this fund. Church stated that the programs guidelines require the developer to apply to use these funds with additional requirements, including plans for redevelopment. Birnbaum asked that with an influx in funds, could the affordable pool of money be increased. Church stated there are hopes to add additional funds to this pool. \$225,000 in funds would come from the State annually and will hold more strict requirements for affordability.
- c. Review Committee Membership Updates
 - i. Church stated that several membership terms will be coming up next month and an update will come for term renewals or new appointments.
- d. City Council Presentation—October 14th
 - i. Church stated that the funds have been given a levy contribution annually however with a difficult budget year, this may be cut. Church stated that with this, the board will have to be more protective of the fund. Church stated that staff has received feedback from past and current borrowers. They shared positive experiences and stated the fund was essential for their project development.

VI. LISC Program Updates

VII. New Business by Committee Members

VIII. Adjourn – (Jewell, Birnbaum), Meet adjourned at 2:52pm.