

**MINUTES OF THE
SCHEDULED REGULAR MEETING
OF THE COMMISSIONERS OF THE
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA
HELD ON THE 31ST DAY OF JANUARY, 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 3:32 P.M. on the 31st day of January, 2017.

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

Also present were Jill A. Keppers, Executive Director; staff members Carla Schneider, Maureen Zupancich, David Peterson, Lynne Snyder, Pam Benson, and Carol Schultz; Dan Maddy, Legal Counsel; Barbara Findley, President of King Manor Residents Club, and Anne Abraham, Vice President of King Manor Residents Club; Roger Endres, Midtowne Manor II Residents Club President; and Wendy Pospeck, resident.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The Executive Director indicated that she had asked that Item A be moved to the Discussion Items due to an error. The following items were introduced by Commissioner Talarico:

FINANCIAL REPORT FOR PERIOD ENDING DECEMBER 31, 2016

**RESOLUTION NO. 3752-17
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF
LOT 6, BLOCK 4, HAWK RIDGE FIRST ADDITION TO
DAVID W. AND KELLY J. ARRAS
BY THE HOUSING AND REDEVELOPMENT AUTHORITY**

Commissioner Talarico moved that the foregoing Items B and C be approved as introduced. Commissioner Julsrud seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Cuneo, Johnson, Julsrud, Rolle, and Talarico

Nays: None

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

DISCUSSION ITEMS

MINUTES OF THE SCHEDULED REGULAR MEETING OF DECEMBER 27, 2016

The Executive Director explained that the minutes for the meeting of December 27, 2016 were moved to the Discussion Items because of an error on page six. The minutes should have read, "Resolution to be approved" rather than "Resolution to be tabled."

The Chair asked for a motion to ratify the minutes. Commissioner Julsrud made a motion to approve the minutes as modified. Commissioner Talarico seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Cuneo, Johnson, Julsrud, Rolle, and Talarico

Nays: None

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

RESOLUTION OF APPRECIATION TO TONY CUNEO

The Chair read the Resolution of appreciation to Tony Cuneo into the minutes. Commissioner Cuneo stated that serving on the HRA Board had been a great experience and a real pleasure. After the Chair thanked Commissioner Cuneo for his service and stated he had been a great resource, the following Resolution was introduced by Commissioner Talarico:

RESOLUTION NO. 3750-17 RESOLUTION OF APPRECIATION TO TONY CUNEO

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

Commissioner Johnson seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Cuneo, Johnson, Julsrud, Rolle, and Talarico

Nays: None

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

RESOLUTION AUTHORIZING CONVEYANCE OF PROPERTY FROM THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA (AUTHORITY) TO INDEPENDENT SCHOOL DISTRICT 709

The Executive Director explained that a Resolution conveying this property to ISD 709 had been approved by the Board in October but that Resolution did not contain the block number in the legal description. When the certified Resolution was brought to the County to file a quit claim deed, the County would not accept it without the block number. After she explained that this was the same Resolution but contained the block number, the following Resolution was introduced by Commissioner Julsrud:

**RESOLUTION NO. 3751-17
RESOLUTION AUTHORIZING CONVEYANCE OF PROPERTY
FROM THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH,
MINNESOTA (AUTHORITY) TO INDEPENDENT SCHOOL DISTRICT 709**

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

Roll was called with the following results:

Ayes: Commissioners Cuneo, Johnson, Julsrud, Rolle, and Talarico

Nays: None

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

RESOLUTION APPROVING BOUNDARY MODIFICATION TO THE BUILD UP DULUTH “SEEDING THE HILLSIDE” PROGRAM

The Executive Director indicated that this Resolution would approve changing the

boundaries of the Build Up Duluth “Seeding the Hillside” program. Originally a boundary of 13th Avenue East was used, but after receiving several inquiries it was decided that it made more sense to use the natural boundary of Chester Creek as the eastern boundary. The following Resolution was introduced by Commissioner Julsrud:

RESOLUTION NO. 3753-17
RESOLUTION APPROVING BOUNDARY MODIFICATION TO THE
BUILD UP DULUTH “SEEDING THE HILLSIDE” PROGRAM

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

Roll was called with the following results:

Ayes: Commissioners Cuneo, Johnson, Julsrud, Rolle, and Talarico

Nays: None

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

RESOLUTION AUTHORIZING AGREEMENT WITH AMERICAN
FEDERATION OF STATE, COUNTY & MUNICIPAL EMPLOYEES COUNCIL
5 LOCAL 66 BARGAINING UNIT

The Executive Director indicated that they had met and negotiated a new collective bargaining agreement with the AFSCME union. She explained the changes that had been made to the contract and indicated that there had been clean up of some of the contract language and some job titles had been updated. She indicated that this was a three year contract and wages had been updated to reflect a two percent increase for each year. The Chair asked if there had been a comparison of wages done with other businesses. She reported that the Authority did a wage equity report every three years. The Chair thought a more thorough comparison should be done. The following Resolution was introduced by Commissioner Cuneo:

RESOLUTION NO. 3754-17
AUTHORIZING AGREEMENT WITH AMERICAN FEDERATION OF STATE,
COUNTY & MUNICIPAL EMPLOYEES COUNCIL 5
LOCAL 66 BARGAINING UNIT

Commissioner Cuneo moved that the foregoing Resolution be approved as introduced. Commissioner Julsrud seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Cuneo, Johnson, Julsrud, Rolle, 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 there were no articles in the blue pages of the Board packet this month. She did mention that the Esmond report was included in Commissioners' green folders, and that there had been no police calls to the Esmond in November and six in December. She also reported that elevator inspector had talked to the elevator contractor, and the contractor was in the process of preparing a new bid. There was also an article reporting that three proposals for the Kozy rehab project had been received by DEDA.

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

None.

BUSINESS BY COMMISSIONERS

The Executive Director explained that she had met with senior staff to discuss and update the milestones for 2017. She and Chair Rolle have discussed having a half-day strategic planning session with the Board, and she has asked Pam Kramer from LISC to suggest a facilitator. The Chair indicated he would like this to happen during the first quarter of the year.

Commissioner Johnson asked for a follow up regarding reducing or eliminating the PILOT. The Executive Director indicated that this had not been revisited since the Authority dropped the RAD program. The Executive Director stated she would follow up with Keith Hamre at the City regarding where this issue stood.

The Executive Director explained to Commissioners that the Board packet contained the

dashboard with the new milestones for 2017, and that the goals and strategies remained the same. She asked Commissioners to contact her if they had any suggestions.

Goal 1: The Executive Director stated that to understand community housing needs, they would continue working with City staff reviewing the housing indicator report, participate on the vision committee, participate in the housing focus group for the comprehensive plan, and participate in the Chief Administrative Officer's strategic housing group.

In January the Executive Director and the Deputy Director met with David Montgomery, Keith Hamre, and Adam Fulton to go over successes and opportunities related to the 2014 Maxfield Study in order to develop a strategy for the housing needs in Duluth.

The Executive Director indicated she was working with the City Planning Director to acquire additional in-fill lots for "Seeding the Hillside."

The Executive Director indicated that they were looking at designating a portion of the tax levy to fund "Seeding the Hillside" and "The Orchards of Morgan Park." The Executive Director, the Deputy Director, and the Comptroller met with City financial staff to discuss the 2018 tax levy and budget presentation. The Executive Director, Development Director, and Special Projects Administrator met with MHFA staff regarding gap funding for newly constructed single family homes.

Commissioner Cuneo mentioned the possibility of seeing more in the way of middle income market rate multi-family housing.

Goal 2: The Executive Director explained that the City staff was forming a batch committee to identify tax forfeit houses eligible for rehabilitation, which was part of the Hillside renovation pilot project. She has suggested that they look at including an exterior renovation component to this project, and David Montgomery seemed receptive to the idea.

Goal 3: The Executive Director stated that she would like the Authority to work with CHUM to provide continued support services for the Esmond residents, and look for funding to provide these services. The Authority will also be working on an exit strategy for the Esmond.

The Executive Director reported that the security system goal has been met and they were finalizing the camera installation in the high rise facilities. They also planned on continuing the contract for neighborhood security services with the Duluth Police Department.

Goal 4: The Executive Director reported that regarding the goal to diversify revenue

streams to lessen dependence on federal funding, it has been planned to send out an RFP for Harbor Highlands Phase V, work on selling lots at Hawk Ridge Estates and Denim Street, and work with builders to provide the opportunity to build spec homes. The Chair indicated that it should be decided what percentage of the revenue stream needs to be diversified to achieve this goal.

Goal 5: The Executive Director indicated that she thought Goal 5 should be discussed with Commissioners at the strategy session as to whether it was the Board's intent to allocate more resources to energy conservation or whether they were more interested in using available funds and looking for energy saving opportunities and good return on investment on conservation initiatives.

Goal 6: The Executive Director reported that succession planning for staff and Commissioners was still a priority. She indicated they had recruited a new Board member to fill Commissioner Cuneo's position, and that John Scott has agreed to serve on the Board of Commissioners pending City Council approval. Mayor Larson has endorsed his appointment.

The Executive Director indicated she has plans to create a Board orientation packet for new Board members.

Goal 7: The Executive Director explained that this year one of the main priorities will be marketing. A RFP for marketing consultant services was being developed. She has not moved forward with hiring a communication manager because the current budget does not support it. She plans to update the HRA website with links to Build Up Duluth, Hawk Ridge Estates, HRC, and the rehab programs.

REPORT OF EXECUTIVE DIRECTOR

The Executive Director reported that she has been having weekly calls with the Minnesota NAHRO legislative committee, and she has been asked to serve on an advisory panel with them to help develop a two year facilities management program to encourage people to think about maintenance as a career path, including customer service, procurement, leadership, and supervision.

The Executive Director and Lynne Snyder, Director of Rehabilitation and Real Estate, attended a low income service provider roundtable and a housing and energy efficiency session convening with many of the Authority's partners.

The Affordable Housing Trust Fund was still moving forward.

The Affordable Housing Coalition had its annual meeting. Joel Kilgour is the new Chair of the coalition, and he will be categorizing ideas to establish priorities for the coalition.

The Executive Director indicated that she, David Peterson, and Carol Schultz met with MHFA's single family staff, and while there, she signed the Publicly Owned Housing Program loan and \$456,000 has been received and reallocated.

The Executive Director and the Deputy Director met with City staff for a housing strategy meeting. They reviewed the Maxfield study to identify gaps that still need to be filled.

The Executive Director, the Deputy Director, and the Comptroller met with City budget staff to look at what changes should be made to the Authority's budget presentation. She indicated that this year she would like to have a Finance Committee meeting related to the budget in August and they would then be able to go to the City Council with a preliminary budget that gave an overview of the agency, but focused on the general fund and the tax levy.

This month the Executive Director has been working with the union on various issues, the Sunshine Club met to plan their events for the calendar year, she attended Chamber events on leadership and inclusionary communication, and there was an all-staff ergonomics training.

The Executive Director indicated that there were two difficulties she needed to report to the Board. First, there had been an Architect and Engineering RFQ with firms being chosen and a Resolution approved. She indicated they had tried something new and it created some confusion for the bidders because of the complexity. They had received a formal protest, so they will be reissuing the Architect and Engineering RFQ. The Deputy Director reported that, in terms of the capital fund, she did not believe, with the RFQ process, there would not be a negative repercussion to the progress on their goals.

The second item the Executive Director had to report was that the Housing Resource Connection, which is the partnership with One Roof Housing for rehab, which includes the Community Development Block Grant and the State IMPACT funds, was not going well, but she has continued to try to keep the partnership together. She has been working with City staff to get direction, and she has been communicating with One Roof to try to keep them adhering to the Authority's CDBG contract and agreements. She indicated that she believes in the upcoming months the HRC partnership might be somewhat different.

The Executive Director reported that they were still working with DEDA to try and amend the agreement with more reasonable terms regarding the Garfield Square project.

The Executive Director indicated that regarding the Esmond elevator, the inspector met with the contractor, and she was expecting a revised bid for the repairs.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel indicated that he had been waiting for the response from the City Attorney's office regarding the meeting on the Garfield Square project. Legal Counsel indicated that this was the last day for his partner, Melissa Maloney, who has been doing much of the work for the HRA regarding Hawk Ridge and the Build Up Duluth program.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, the meeting was recessed at 4:50 P.M., and would reconvene at 6:00 P.M. at the Pickwick Restaurant.

The Board reconvened at the Pickwick, and prior to the dinner there was a presentation by Heather Rand, the Executive Director of DEDA, regarding potential development opportunities in Duluth. The meeting was adjourned at 8:15 P.M.

Chair

ATTEST:

Secretary

Scheduled Regular Meeting – January 31, 2017