

**MINUTES OF THE  
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS  
OF THE HOUSING AND REDEVELOPMENT AUTHORITY  
OF DULUTH, MINNESOTA  
HELD ON THE 27<sup>th</sup> DAY OF FEBRUARY, 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 27<sup>th</sup> day of February 2024.

Executive Director Keppers introduced the staff in attendance.

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

Also present were Jill A. Keppers, Executive Director; staff members Anna Carlson, Jacob Morgan, Rachel Downs, Brandon Engblom, Maureen Zupancich, Lenelle Hrabik, Mike Marquardt, Sarah Pierce, Caleb Anderson, Rob Johnson, Traci Nindorf, Jill Erickson, and Ron Tomaino; Chris Virta, Fryberger Law; and Tom Church, City of Duluth/HRA Senior Housing Developer arrived at 3:45 P.M.

**SCHEDULED PUBLIC HEARINGS**

None.

**UNFINISHED BUSINESS**

None.

**CONSENT AGENDA:**

The following items were introduced by Chair Cich:

**MINUTES OF THE SCHEDULED ANNUAL MEETING OF JANUARY 30, 2024**

**MINUTES OF THE SCHEDULED REGULAR MEETING OF JANUARY 30, 2024**

**APPROVAL OF THE FINANCIAL REPORT FOR PERIOD ENDING JANUARY 2024**

**RESOLUTION NO. 4487-24**

**RESOLUTION APPROVING THE SECOND AMENDED AND RESTATED GROUND LEASE  
OF REAL PROPERTY WITH HARBORVIEW PHASE VI TOWNHOMES, LLLP**

**RESOLUTION NO. 4488-24**

**RESOLUTION APPROVING MODIFICATIONS TO THE HOUSING CHOICE VOUCHER  
ADMINISTRATIVE PLAN**

**RESOLUTION 4489-24**

**RESOLUTION APPROVING A CHANGE ORDER TO EXISTING ELEVATOR  
MAINTENANCE CONTRACT FOR THE REPLACEMENT OF ELEVATOR CONTROLLERS  
AT MIDTOWNE MANOR II**

**RESOLUTION 4490-24**

**RESOLUTION APPROVING A CONTRACT OFR MIDTOWNE MANORS I & II – ETHYLENE  
PROPYLENE DIENE TERPOLYMER (EPDM) ROOFING REPLACEMENT PROJECT**

**RESOLUTION 4491-24  
RESOLUTION RETRACTING APPROVAL FOR PROJECT BASED SECTION 8 RENTAL  
ASSISTANCE**

**RESOLUTION 4492-24  
RESOLUTION AUTHORIZING THE DIRECT SALE OF LOT 15, BLOCK 2, HAWK RIDGE  
ESTATES FIRST ADDITION TO JOSE R GONZALEZ AND CHARITY N GONZALEZ BY  
THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA**

**RESOLUTION 4493-24  
RESOLUTION APPROVING UPDATES TO THE HOUSING AND REDEVELOPMENT  
AUTHORITY OF DULUTH, MINNESOTA'S STANDARD MAINTENANCE CHARGES FOR  
HIGH-RISE BUILDINGS**

Commissioner Hanek had some notes on the minutes and they were pulled from the Consent Agenda.

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

Roll was called with the following results:

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

Nays: None

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

Commissioner Talarico made a motion to start discussion on the items pulled from consent.  
Commissioner Awal seconded the motion.

Discussion was had with Commissioner Hanek expressing that she would like the January Annual minutes to reflect her discomfort in the process of how the selection of officers to be elected at the annual meeting was brought forward by specifically the Executive Director. Commissioners discussed what Commissioner Hanek would like the minutes to say exactly.

Commissioner Awal made a motion for a friendly amendment to insert Commissioner Hanek's preferred language in the minutes.

Commissioner Hanek seconded the motion.

Roll was called with the following results:

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

Nays: None

Chair Cich declared the motion for the friendly amendment.

Commissioner Awal made a motion to approve the annual minutes with the friendly amendment.  
Commissioner Hanek seconded the motion.

Roll was called with the following results:

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

Nays: None

Chair Cich declared the motion carried and approved as amended.

The discussion surrounding the regular minutes from the January 30, 2024 meeting was only to change the start time to reflect the actual start time, which was 4:17 p.m.

Commissioner Awal made a motion to adjust the start time.  
Commissioner Nephew seconded the motion.

Roll was called with the following results:

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

Nays: None

Chair Cich declared the motion carried.

Commissioner Awal made a motion to approve the amended minutes.  
Commissioner Nephew seconded the motion.

Roll was called with the following results:

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

Nays: None

Chair Cich declared the motion carried and said items approved as amended.

## **DISCUSSION ITEMS**

### **RESOLUTION APPROVING MODIFICATIONS TO THE AUTHORITY'S PURCHASING AND PROCUREMENT POLICY**

This resolution authorizes an addition to the Purchasing and Procurement Policy. The Authority is seeing smaller companies wishing to do business with it but unfortunately, a 1 Million: 3 Million insurance requirement is cost prohibitive for some vendors. This change in policy allows the Executive Director to review on a case-by-case basis a vendor who may be unable to cost-effectively obtain the higher coverage limit and make a decision as to the risk/benefit of allowing a smaller insurance limit. This decision making process is laid out in the policy and will be documented in the contract file.

There being no questions, the following resolution was introduced by Chair Cich:

### **RESOLUTION NO. 4494-24 APPROVING MODIFICATIONS TO THE AUTHORITY'S PURCHASING AND PROCUREMENT POLICY**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION AUTHORIZING A CONTRACT FOR PRIVATE DEVELOPMENT WITH ONE ROOF COMMUNITY HOUSING FOR HARBOR HIGHLANDS TRACT B**

This resolution authorizes a contract for private development with One Roof Community Housing for the single-family development on Tract B at Harbor Highlands. One Roof was selected as the developer in 2021 and they have now received funding from MHFA for a portion of this project and hope to start this year.

After discussion regarding the roads, the following resolution was introduced by Chair Cich:

**RESOLUTION NO. 4495-24  
AUTHORIZING A CONTRACT FOR PRIVATE DEVELOPMENT WITH ONE ROOF  
COMMUNITY HOUSING FOR HARBOR HIGHLANDS TRACT B**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION ESTABLISHING WELCH PLACE TAX INCREMENT FINANCING DISTRICT,  
AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR**

This resolution is the first step in establishing a TIF district for Welch Place. Welch Place is a supportive housing project being developed by Center City Housing Corporation. The district will include both Wadena West and Welch Place – both supportive developments. This resolution allows City Council to proceed with the public hearing and subsequently vote on approval of the district. Because of the new 4D tax codes, affordable housing projects will generate less TIF, therefore, approximately \$1.2M of TIF will be available to the project over 26 years.

After a short discussion, the following resolution was introduced by Chair Cich:

**RESOLUTION NO. 4496-24**

**ESTABLISHING WELCH PLACE TAX INCREMENT FINANCING DISTRICT, AND  
ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION APPROVING A COMMERCIAL LEASE AGREEMENT FOR RAINBOW  
HEALTH AT THE NORTH POINTE RESOURCE CENTER**

This resolution approves a commercial lease for a portion of the North Pointe Resource Center. The Authority is excited to have Rainbow Health interested in providing in-person and telehealth services for mental health and substance use support to our residents and other community members. The lease is for \$1,000 per month inclusive of utilities.

After a small discussion regarding insurance coverage for those using this service, the Director of Property Management said she would look into that and report back and so the following resolution was introduced by Chair Cich:

**RESOLUTION NO. 4497-24  
APPROVING A COMMERCIAL LEASE AGREEMENT FOR RAINBOW HEALTH AT THE  
NORTH POINTE RESOURCE CENTER**

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, Cich, Hanek, Nephew, and Talarico

Nays: None

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

**RESOLUTION APPROVING THE ASSIGNMENT AND ASSUMPTION OF CONTRACT FOR  
PRIVATE DEVELOPMENT FROM MERGE, LLC TO URBANE 218 LLC**

This resolution approves the assignment and assumption of the development agreement from Merge, LLC to Urbane 218 LLC. The Esmond developers have secured new financing to continue the redevelopment of the Esmond site. This is one of two items required by the lender in order for them to close on their new loan.

After discussion surrounding the security of the new financing, the following resolution was introduced by Chair Cich:

**RESOLUTION NO. 4498-24  
APPROVING THE ASSIGNMENT AND ASSUMPTION OF CONTRACT FOR PRIVATE  
DEVELOPMENT FROM MERGE, LLC TO URBANE 218 LLC**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION APPROVING THE ESTOPPEL AND SUBORDINATION AGREEMENT FOR  
MERGE, LLC AND URBANE 218 LLC**

This resolution approves the Estoppel and Subordination Agreement for the Esmond redevelopment project. This is the second of two items required by the lender in order for them to close on their new loan.

There being no questions, the following resolution was introduced by Chair Cich:

**RESOLUTION NO. 4499-24  
APPROVING THE ESTOPPEL AND SUBORDINATION AGREEMENT FOR MERGE, LLC  
AND URBANE 218 LLC**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION OF APPRECIATION TO JEFF GRAVES**

The Executive Director read the Resolution of Appreciation to Jeff Graves into the record as follows:

**RESOLUTION NO. 4500-24  
RESOLUTION OF APPRECIATION TO  
JEFF GRAVES**

**WHEREAS**, the effectiveness of carrying out the various programs of the Housing and Redevelopment Authority of Duluth, Minnesota is dependent upon qualified and dedicated individuals; and

**WHEREAS**, Jeff Graves has, since August 24, 2015, been an outstanding employee of the Housing and Redevelopment Authority of Duluth, Minnesota, and plans to retire effective March 8, 2024; and

**WHEREAS**, he has executed his responsibilities as a Janitor, Maintenance Technician, Maintenance Mechanic, and Maintenance Supervisor with dedication, sincerity, and excellence during his eight and a half (8 1/2) years of service to the Authority.

**NOW, THEREFORE, BE IT RESOLVED**, that as evidence of their sincere appreciation, the Commissioners and Staff of the Housing and Redevelopment Authority of Duluth, Minnesota, herewith extend their deep gratitude and best wishes for the future to Jeff.

**BE IT FURTHER RESOLVED**, that the Executive Director shall cause to be prepared a copy of this Resolution with the seal of the Housing and Redevelopment Authority impressed thereon, to be presented to Jeff Graves as a visible reminder of the appreciation herein expressed, and this Resolution be adopted and spread upon the Minutes of this Meeting.

The following resolution was introduced by Chair Cich:

**RESOLUTION NO. 4500-24  
RESOLUTION OF APPRECIATION TO JEFF GRAVES**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION OF APPRECIATION TO PAUL OSTAZESKI**

The Executive Director read the Resolution of Appreciation to Paul Ostazeski into the record as follows:

**RESOLUTION NO. 4501-24  
RESOLUTION OF APPRECIATION TO  
PAUL OSTAZESKI**

**WHEREAS**, the effectiveness of carrying out the various programs of the Housing and Redevelopment Authority of Duluth, Minnesota is dependent upon qualified and dedicated individuals; and

**WHEREAS**, Paul Ostazeski has, since July 30, 1990, been an outstanding employee of the Housing and Redevelopment Authority of Duluth, Minnesota, and plans to retire effective March 1, 2024; and

**WHEREAS**, he has executed his responsibilities as a Resident Caretaker, Maintenance Mechanic, Lead Mechanic, and Working Foreman with dedication, sincerity, and excellence during his thirty-four (34) years of service to the Authority.

**NOW, THEREFORE, BE IT RESOLVED**, that as evidence of their sincere appreciation, the Commissioners and Staff of the Housing and Redevelopment Authority of Duluth, Minnesota, herewith extend their deep gratitude and best wishes for the future to Paul.

**BE IT FURTHER RESOLVED**, that the Executive Director shall cause to be prepared a copy of this Resolution with the seal of the Housing and Redevelopment Authority impressed thereon, to be presented to Paul Ostazeski as a visible reminder of the appreciation herein expressed, and this Resolution be adopted and spread upon the Minutes of this Meeting.

The following resolution was introduced by Chair Cich:

**RESOLUTION NO. 4501-24  
RESOLUTION OF APPRECIATION TO PAUL OSTAZESKI**

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

Roll was called with the following results:

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

Nays: None

Chair Cich 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.

Commissioner Hanek wanted to discuss the monthly Rent Subsidy Chart. She thinks it would be helpful to include the number of people leased up each month and not just a percentage. The Rent Subsidy Director is going add that to her report moving forward.

**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**

In addition to her written report, the Executive Director suggested the Board schedule a Committee of the Whole meeting to discuss development priorities for the Authority and gauge where the Board is at and what initiatives would be best for the Authority. Commissioners agreed that this would be a great idea. The Executive Director will work on getting this set up.

**REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES**

Legal Counsel submitted a written report and added that the backlog from Referee Frelich's departure is starting to get caught up. He also informed the Board that he continues to track the potential monumental landlord-tenant law changes.

No Closed Session was needed.

**OTHER BUSINESS**

None.

**ADJOURNMENT**

There being no further business to come before the Board, Chair Cich declared the meeting adjourned at 4:18 P.M.

  
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Chair

ATTEST:

  
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Secretary

Next Scheduled Regular Meeting – March 26, 2024.