

**MINUTES OF THE
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS
OF THE HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA
HELD ON THE 31st DAY OF MAY, 2022**

The Commissioners of the Housing and Redevelopment Authority of Duluth, Minnesota, met in a Scheduled Regular Meeting at 3:30 P.M. on the 31st day of May 2022.

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

Also present were Jill A. Keppers, Executive Director; staff members Anna Carlson, Maureen Zupancich, Traci Nindorf, Lenelle Hrabik, Brandon Engblom; and Chris Virta, Fryberger Law.

SCHEDULED PUBLIC HEARINGS

Notice of Public Hearing on the Disposition of Tracts E & F at Harbor Highlands.

Notice of Public Hearing on the Public Housing Agency Annual Plan and 5-Year Capital Fund Plans for 2018-2022 and 2023-2027.

Notice of Public Hearing on the Bonding for Cottage Village.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The following items were introduced by Chair Glumac:

MINUTES OF THE SCHEDULED REGULAR MEETING OF APRIL 26, 2022

FINANCIAL REPORT FOR PERIOD ENDING APRIL 2022

RESOLUTION NO. 4286-22

**RESOLUTION AUTHORIZING THE SUBMISSION AND ACCEPTANCE OF A
GRANT FROM THE CITY OF DULUTH FOR THE PURPOSE OF FUNDING THE
COORDINATED ENTRY COORDINATOR AND ASSOCIATED PROGRAM COSTS**

RESOLUTION 4287-22

**RESOLUTION AUTHORIZING THE HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MN TO ENTER INTO A CONTRACT AGREEMENT**

**WITH THE CITY OF DULUTH FOR ADMINISTRATION OF THE CITY OF
DULUTH'S EMERGENCY SOLUTIONS GRANT PROGRAM FLEX FUNDS**

RESOLUTION 4288-22

**RESOLUTION AUTHORIZING APPLICATION AND ADMISSION FOR HOME
FUNDING FOR TENANT BASED RENTAL ASSISTANCE**

RESOLUTION 4289-22

**RESOLUTION AUTHORIZING SUBMISSION OF AN APPLICATION FOR THE FSS
COORDINATOR GRANT**

RESOLUTION 4290-22

**RESOLUTION APPROVING TWO UNITS TO BE PLACED INTO HOLD FOR
MODERNIZATION AT SCATTERED SITES**

RESOLUTION 4291-22

**RESOLUTION AUTHORIZING THE DIRECT SALE OF LOT 14, BLOCK 2, HAWK
RIDGE ESTATES FIRST ADDITION TO SARAH GEORGE AND JOSEPH SCHMIT
BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH,
MINNESOTA**

RESOLUTION 4292-22

**RESOLUTION APPROVING THE FIRST AMENDMENT TO THE DEVELOPMENT
AGREEMENT WITH BREWERY CREEK LLLP**

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 Cich, Glumac, Hanek, and Nephew

Nays: None

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

DISCUSSION ITEMS

**RESOLUTION APPROVING AND AUTHORIZING THE SUBMISSION OF THE
FISCAL YEAR 2022 ANNUAL AGENCY PLAN TO THE DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT (HUD)**

The Executive Director explained that this resolution authorizes submission of the Annual Agency Plan. This is a HUD requirement for agencies with Public Housing or Section 8. It describes any possible activities the HRA may undertake in a fiscal year as well as status reports

on the 5-year plan goals and project based vouchers. This agency plan continues to focus on the build out of Harbor Highlands and the RAD/Section 18 conversions the Authority is undertaking.

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

**RESOLUTION NO. 4293-22
APPROVING AND AUTHORIZING THE SUBMISSION OF THE FISCAL YEAR 2022
ANNUAL AGENCY PLAN TO THE DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT (HUD)**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Hanek, and Nephew

Nays: None

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

**RESOLUTION APPROVING AMENDMENTS TO THE 2018-2022 CAPITAL FUND
ACTION PLAN**

This resolution approves the amended 2018-2022 capital fund plan. The HRA does these each year as projects are updated. The amendment focuses on the 2022 capital fund award. \$10 placeholders were added because once they are listed, the projects can be moved around and amounts can be changed. There was also a focus on Fairmont Homes and the six-plex as the other units will be converting out of public housing.

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

**RESOLUTION NO. 4294-22
APPROVING AMENDMENTS TO THE 2018-2022 CAPITAL FUND ACTION PLAN**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Hanek, and Nephew

Nays: None

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

RESOLUTION APPROVING AMENDMENTS TO THE 2023-2027 CAPITAL FUND ACTION PLAN

This resolution approves the 2023-2027 capital fund plan. The Authority is entering a new five year period; therefore, a new five year capital fund plan is required. In this plan, as with the 2022 amendment, there is a focus on Fairmont Homes and the six-plex as the other units will be converting out of public housing. The AMPs associated with the HOPE VI developments have also been added in this five-year plan.

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

**RESOLUTION NO. 4295-22
APPROVING AMENDMENTS TO THE 2023-2027 CAPITAL FUND ACTION PLAN**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Hanek, and Nephew

Nays: None

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

RESOLUTION AUTHORIZING THE ACQUISITION OF TAX FORFEIT PROPERTY IN THE CITY OF DULUTH FROM THE ST. LOUIS COUNTY LAND DEPARTMENT, AND SUBSEQUENTLY EXECUTE A CONTRACT FOR HOUSING DEVELOPMENT WITH, AND CONVEY PROPERTY TO, ONE ROOF COMMUNITY HOUSING

This resolution is for the acquisition and conveyance of tax forfeit property to One Roof Community Housing for their land trust program. It also approves a contract for housing development, which is required as part of this process.

After discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4296-22
AUTHORIZING THE ACQUISITION OF TAX FORFEIT PROPERTY IN THE CITY OF DULUTH FROM THE ST. LOUIS COUNTY LAND DEPARTMENT, AND SUBSEQUENTLY EXECUTE A CONTRACT FOR HOUSING DEVELOPMENT WITH, AND CONVEY PROPERTY TO, ONE ROOF COMMUNITY HOUSING**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Hanek, Meyer, and Nephew

Nays: None

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

**RESOLUTION RATIFYING APPLICATION AND AUTHORIZING ACCEPTANCE OF
CONGRESSIONALLY DIRECTED FUNDING FOR THE MORGAN PARK COTTAGE
VILLAGE CONCEPT PROJECT**

This resolution ratifies the HRA's submission for congressionally directed funding. Jacob Morgan, the HRA's Director of Rehab and Real Estate, has applied for approximately \$4.6M for Cottage Village 2.0 for home ownership at the Morgan Park site.

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

**RESOLUTION NO. 4297-22
RATIFYING APPLICATION AND AUTHORIZING ACCEPTANCE OF
CONGRESSIONALLY DIRECTED FUNDING FOR THE MORGAN PARK COTTAGE
VILLAGE CONCEPT PROJECT**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Hanek, Meyer, and Nephew

Nays: None

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

**RESOLUTION APPROVING THE HOUSING FINANCE PROGRAM AND GIVING
PRELIMINARY APPROVAL TO THE ISSUANCE OF HOUSING DEVELOPMENT
REVENUE BONDS, SERIES 2022A IN AN AMOUNT NOT TO EXCEED \$3,000,000**

This resolution approves bonding for the Cottage Village project. There was a similar resolution brought before the Board in January, but that resolution said "Ehlers" and not "Northland Securities." Additionally, this resolution approves the program that is required for the HRA to adopt in order to move this project forward.

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

RESOLUTION NO. 4298-22

**APPROVING THE HOUSING FINANCE PROGRAM AND GIVING PRELIMINARY
APPROVAL TO THE ISSUANCE OF HOUSING DEVELOPMENT REVENUE BONDS,
SERIES 2022A IN AN AMOUNT NOT TO EXCEED \$3,000,000**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Hanek, Meyer, and Nephew

Nays: None

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

**RESOLUTION AUTHORIZING ADDITIONAL FUNDING FOR THE FAIRMOUNT
COTTAGE VILLAGE DEVELOPMENT**

This resolution authorizes up to \$500,000.00 in HRA general fund dollars to pay for the closing costs for the bonds for Cottage Village. Originally, the HRA was going to use \$2M in HOPE VI, but was able to reduce that to \$1M due to ARPA. With interest rates jumping, it has created difficulty for the project to take on the extra debt of the closing costs. The HRA has unrestricted general funds to access for this purpose.

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

**RESOLUTION NO. 4299-22
AUTHORIZING ADDITIONAL FUNDING FOR THE FAIRMOUNT COTTAGE
VILLAGE DEVELOPMENT**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Hanek, Meyer, and Nephew

Nays: None

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

**RESOLUTION AUTHORIZING THE HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MN (“AUTHORITY”) TO MAKE AN APPLICATION TO
MINNESOTA HOUSING FOR THEIR COMMUNITY HOMEOWNERSHIP IMPACT
FUNDS**

This resolution authorizes an application to Minnesota Housing for Impact Funds. In the past, the HRA has applied for their exterior rehab program, whereas this year they would like to apply for funds to assist with lead lateral service line replacements. This should work well with City initiatives in this area.

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

**RESOLUTION NO. 4300-22
AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF
DULUTH, MN (“AUTHORITY”) TO MAKE AN APPLICATION TO MINNESOTA
HOUSING FOR THEIR COMMUNITY HOMEOWNERSHIP IMPACT FUNDS**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Hanek, Meyer, and Nephew

Nays: None

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

**RESOLUTION AUTHORIZING SUBMISSION OF AN APPLICATION TO THE HUD
SPECIAL APPLICATIONS CENTER FOR DISPOSITION APPROVAL OF VACANT
LAND (TRACTS E AND F) AT HARBOR HIGHLANDS FOR HOUSING
DEVELOPMENT**

This resolution authorizes the submission of a disposition application for Tracts E & F at Harbor Highlands. This corresponds with both the Skyridge Flats and Phase VI developments.

After a brief discussion, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4301-22
AUTHORIZING SUBMISSION OF AN APPLICATION TO THE HUD SPECIAL
APPLICATIONS CENTER FOR DISPOSITION APPROVAL OF VACANT LAND
(TRACTS E AND F) AT HARBOR HIGHLANDS FOR HOUSING DEVELOPMENT**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Hanek, Meyer, and Nephew

Nays: None

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

**RESOLUTION AUTHORIZING A CONTRACT FOR HOUSING DEVELOPMENT
WITH HARBORVIEW PHASE VI, LLC, FOR THE CONSTRUCTION OF
AFFORDABLE HOUSING AT HARBOR HIGHLANDS**

This resolution approves the contract for housing development with Harborview Phase VI for the Phase VI tax credit application.

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

**RESOLUTION NO. 4302-22
AUTHORIZING A CONTRACT FOR HOUSING DEVELOPMENT WITH
HARBORVIEW PHASE VI, LLC, FOR THE CONSTRUCTION OF AFFORDABLE
HOUSING AT HARBOR HIGHLANDS**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Hanek, Meyer, and Nephew

Nays: None

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

**RESOLUTION FOR KING MANOR REPLACEMENT/RETROFIT OF FEDERAL
PACIFIC ELECTRICAL EQUIPMENT**

This resolution authorizes a contract for the King Manor Federal Pacific Electrical Equipment Retrofit and Replacement. This project is required as part of the HRA's RAD conversion. These components have been identified as having safety issues associated with them and this came to light as part of the physical needs assessment for RAD.

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

**RESOLUTION NO. 4303-22
RESOLUTION FOR KING MANOR REPLACEMENT/RETROFIT OF FEDERAL
PACIFIC ELECTRICAL EQUIPMENT**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Hanek, Meyer, and Nephew

Nays: None

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

**RESOLUTION AUTHORIZING ACQUISITION OF NEW PROPERTY FOR
REHABILITATION UNDER THE CONSTRUCTION TRAINING PROGRAM**

This resolution authorizes the purchase of property for the construction training program. Jacob Morgan, the HRA's Director of Rehab and Real Estate, had submitted a letter to Commissioners explaining that the two homes the HRA had hoped to purchase this past winter were pulled by the bank, as they received a better offer. The next home that was purchased had fire damage in the roof structure and second floor that was hidden and not discovered until demo started on the home. The plan for this home is to work with the City to find a buyer and hopefully use in the housing trust fund activities. The rehab of this home would put the total development costs upwards of \$300,000.00, which would result in too great of a loss to the Authority. The hope is for this house to be an excellent candidate for the HRA's construction training program and there is an idea for another house that is part of our MURL portfolio, but that may be a month or two out before the HRA can commit to that piece of real estate.

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

**RESOLUTION NO. 4304-22
AUTHORIZING ACQUISITION OF NEW PROPERTY FOR REHABILITATION
UNDER THE CONSTRUCTION TRAINING PROGRAM**

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Hanek, Meyer, and Nephew

Nays: None

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

COMMUNICATIONS/CORRESPONDENCE

The Executive Director stated that in this section Board members would find the department reports. Housing articles were sent separately.

OTHER BUSINESS

None.

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

The Executive Director submitted a written report but also added that she and Jacob presented at the NCRC/NAHRO conference this past week on the construction training program. She is hoping to present more on this program as more opportunities become available. She hopes this is something the HRA can continue and is looking forward to working with CAD's new Executive Director after she starts next week.

She also informed Commissioners that the Section 18 Tenant Protection Voucher application had been submitted.

Additionally, she wants Commissioners to start to think about what an increase to the tax levy might look like. She will be putting together the general fund budget in the coming weeks, and believes this may be the right opportunity to work our way towards our max levy. The HRA has many good projects happening, and the tax levy hasn't been raised since 2015 (it has actually decreased since COVID). This is something to start looking at as this resource can assist to further affordable housing in our jurisdiction.

She also reported that Jacob Morgan and Warren Turman are working with Brett Crecelius at the City of Duluth. They are looking at 3-plex with retail on main floor which could be converted to two additional units. This building is located in Lincoln Park and is a potential site for the construction training program to purchase and turn into condos with homeownership or keep as rentals with the HRA.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel reported on a correction to his original report. He also reported that he has been proactively reaching out to domestic violence supports in Duluth to make sure they are completing the correct steps to help them meet the requirements when getting housing. He has seen a marked improvement, but reiterated it is something the HRA needs to stay on top of in order to make sure everyone is safe, as that is the number one goal.

Entered Closed Session at 4:31 p.m.
End Closed Session at 4:40 p.m.

ADJOURNMENT

There being no further business to come before the Board, Chair Glumac declared the meeting adjourned at 4:41 P.M.

A handwritten signature in black ink, appearing to read "Anna M. Glumac", written over a horizontal line.

Chair

ATTEST:

A handwritten signature in purple ink, appearing to read "Roberto Cich", written over a horizontal line.

Secretary

Next Scheduled Regular Meeting – June 28, 2022.