

**MINUTES OF THE
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS
OF THE HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA
HELD ON THE 27th DAY OF JUNE, 2023**

The Commissioners of the Housing and Redevelopment Authority of Duluth, Minnesota, met in a Scheduled Regular Meeting at 3:30 P.M. on the 27th day of June 2023.

Chair Glumac called the meeting to order and on roll call, the following members were present: Commissioners Cich, Glumac, Meyer, and Talarico. Commissioners Hanek and Nephew arrived at 3:36 P.M. Commissioner Awal was absent. The Chair declared a quorum present.

Also present were Jill A. Keppers, Executive Director; staff members Anna Carlson, Rachel Downs, Brandon Engblom, Mike Marquardt, Sarah Saucedo, Jacob Morgan, Traci Nindorf, Lenelle Hrabik, and Maureen Zupancich; and Theresa Bajda, Senior Housing Developer.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The following items were introduced by Chair Glumac:

MINUTES OF THE SCHEDULED REGULAR MEETING OF MAY 30, 2023

FINANCIAL REPORT FOR PERIOD ENDING MAY 2023

RESOLUTION NO. 4423-23

**RESOLUTION AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF
DULUTH, MINNESOTA (“AUTHORITY”) TO MAKE AN APPLICATION TO ADMINISTER AND
OPERATE FISCAL YEAR 2024 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
REHABILITATION PROGRAM**

RESOLUTION NO. 4424-23

**RESOLUTION APPROVING RENT LIMITS FOR VARIOUS DEVELOPMENTS OWNED AND/OR
MANAGED BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA**

RESOLUTION NO. 4425-23

**RESOLUTION AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF
DULUTH, MINNESOTA (“AUTHORITY”) TO ENTER INTO AN AGREEMENT WITH THE CITY OF
DULUTH WHEREBY THE AUTHORITY WILL OPERATE THE FISCAL YEAR 2024 HOME SINGLE
FAMILY REHABILITATION PROGRAM AND ASSIST WITH HOME MONITORING**

RESOLUTION NO. 4426-23

**RESOLUTION AUTHORIZING THE ACCEPTANCE OF A GRANT FROM ST. LOUIS COUNTY FOR
THE PURPOSE OF FUNDING THE COORDINATED ENTRY COORDINATOR AND ASSOCIATED
PROGRAM COSTS**

RESOLUTION NO. 4427-23

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

RESOLUTION NO. 4428-23

RESOLUTION ESTABLISHING PRICING SCHEDULE FOR 319 N 84TH AVE W, DULUTH, MN 55807

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

Roll was called with the following results:

Ayes: Commissioners Cich, Glumac, Meyer, and Talarico

Nays: None

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

DISCUSSION ITEMS

**RESOLUTION APPROVING MODIFICATIONS TO THE PUBLIC HOUSING ADMISSIONS AND
CONTINUED OCCUPANCY POLICY (ACOP) RELATING TO PETS AND ANIMALS POLICY**

This resolution approves modifications to the Public Housing Admissions and Continued Occupancy Policy (ACOP)’s Animal Policy. Legal Counsel and the Director of Property Management have been working on revising this policy so that it is more clear for residents. Legal Counsel reached out to the Authority’s partners at Dakota County CDA and St. Paul PHA to see what differences other agencies may have. Commissioner Cich has reviewed the policy as well. Legal Counsel and the Director of Property Management have set this up to give tenants the broadest option to have a companion animal and also provide some clarity around service animals.

Commissioner Cich commented on the good work being done by Legal Counsel and the Director of Property Management on this policy.

After Executive Director Keppers answered Commissioners’ questions, the following resolution was introduced by Chair Glumac:

RESOLUTION NO. 4429-23

**APPROVING MODIFICATIONS TO THE PUBLIC HOUSING ADMISSIONS AND CONTINUED
OCCUPANCY POLICY (ACOP) RELATING TO PETS AND ANIMALS POLICY**

Commissioner Talarico moved that the foregoing item be approved as introduced.
Commissioner Cich seconded the motion.

Roll was called with the following results:

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

Nays: None

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

RESOLUTION AUTHORIZING THE SELECTION OF GARDNER BUILDERS AS THE GENERAL CONTRACTOR FOR HARBOR HIGHLANDS PHASE VI TOWNHOMES

This resolution approves the selection of Gardner Builders for Harbor Highlands Phase VI. Unfortunately, the bids were \$3.3 million over the projections by the architect and engineering firm. The Executive Director explained that this resolution allows the Authority to bring value engineering to the project, however, this project does not have very much “fat to trim” so to speak. It is likely that the Authority will have to ask MHFA for additional tax credit and the application for those would not happen until November. Thus, the project will be delayed at least one year. The Authority’s hope is that Gardner will hold their bid during this process.

If MHFA happens to have other suggestions or other soft money such as subordinate loans to the project, that is something the Authority can consider. It is very disheartening that construction costs for this project are around \$400,000 per unit. It may be that the project will have to be re-bid next year. The Authority has not given up on the project, but this is a lot more challenging than filling the gap for Skyridge Flats.

After discussion surrounding options for this project moving forward, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4430-23
AUTHORIZING THE SELECTION OF GARDNER BUILDERS AS THE GENERAL CONTRACTOR
FOR HARBOR HIGHLANDS PHASE VI TOWNHOMES**

Commissioner Cich moved that the foregoing item be approved amending the resolution to remove any references to signing a contract.

Commissioner Hanek seconded the motion.

Roll was called with the following results:

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

Nays: None

Chair Glumac declared the motion carried and said item approved as amended below:

**RESOLUTION NO. 4430-23
AUTHORIZING THE SELECTION OF GARDNER BUILDERS AS THE GENERAL CONTRACTOR
FOR HARBOR HIGHLANDS PHASE VI TOWNHOMES**

WHEREAS, the Housing and Redevelopment Authority of Duluth, Minnesota (the “Authority”), received two bids on June 22, 2023, for the Harbor Highlands Phase VI Townhomes housing development; and

WHEREAS, the bid was publicly advertised and numerous contractors/entities (Duluth Builder’s Exchange, Minneapolis Builder’s exchange, Weis Builders, Gardner Builders, Kraus-Anderson, Greiner Construction, Watson-Forsberg, Frerichs Construction, Johnson Wilson Constructors, etc.) were notified of the bid opportunity; and

WHEREAS, one pre-bid conference was held and two contractors responded; and

WHEREAS, Gardner Builders submitted a bid for \$15,966,637; and

WHEREAS, this bid was approximately \$3,300,000 over the cost estimate established by the architects at LHB; and

WHEREAS, the Authority will need to find gap financing for any gap between the current sources of funds and the construction in order to proceed with the project.

NOW, THEREFORE, BE IT RESOLVED, by the Authority Board of Commissioners that the Executive Director is authorized to negotiate and value engineer with Gardner Builders to be the general contractor for the Harbor Highlands Phase VI Townhomes housing development subject to securing gap financing and MHFA approval of any value engineering.

STATEMENT OF PURPOSE:

The purpose of this resolution is to authorize the Executive Director to negotiate and value engineer with Gardner Builders for the Harbor Highlands Townhomes Phase VI development subject to securing gap financing and MHFA approval of any value engineering. Current sources of funding for this project include HOPE VI funds, Low Income Housing Tax Credits, Sales Tax Rebates, Energy Rebates, Deferred Developer Fees, General Partner Cash, and a Wells Fargo First Mortgage.

COMMUNICATIONS/CORRESPONDENCE

Board members received monthly reports and correspondence prior to the meeting. No additional discussion was had.

REPORTS OF COMMITTEES

Finance Committee: The Finance Committee met on June 21, 2023 and reviewed the HRA and the North Pointe Apartments, LLC audits. The resolution for the HRA audit will come to the Board at the next meeting in July. The next Finance Committee meeting is set for July 20, 2023.

OPPORTUNITY FOR VISITORS TO BE HEARD

None.

BUSINESS BY COMMISSIONERS

Last month, Commissioner Hanek requested the Action Plan be added to the agenda. Commissioners discussed the action plan as well as a process to look at the projects that are needed by property compared to what is proposed in the budgets and then what is completed. The Director of Property Management suggested sharing the 20-year capital needs assessment and using that as a metric for Commissioners to be able to track and follow. The Executive Director agreed and offered to have those ready during budget discussions.

Legal Counsel gave a brief presentation on Fair Housing as requested by Commissioner Nephew.

REPORT OF THE EXECUTIVE DIRECTOR

The Executive Director submitted a written report. Commissioner did not have any questions. She also added that training for the electronic work order system for IT and Management is scheduled for the week of July 10, continuing to move implementation of this product forward.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel submitted a written report and added that he continues to work on processing legislative changes from the last session and that he is working on a court of appeals matter for Midtowne Manor.

No Closed Session was needed.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, Chair Glumac declared the meeting adjourned at 5:05 P.M.



Chair

ATTEST:



Secretary

Next Scheduled Regular Meeting – July 25, 2023.