

**MINUTES OF THE
SCHEDULED REGULAR MEETING OF THE COMMISSIONERS
OF THE HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA
HELD ON THE 29th DAY OF MARCH, 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 29th day of March 2022.

Chair Glumac called the meeting to order and on roll call, the following members were present: Commissioners Glumac, Meyer, Nephew, Randorf, and Talarico. Commissioner Hanek joined the meeting at 3:50 P.M. and Commissioner Cich was absent. The Chair declared a quorum present.

Also present were Jill A. Keppers, Executive Director; staff members Anna Carlson, Maureen Zupancich, Traci Nindorf, Rachel Downs, Brandon Engblom, and Jacob Morgan; Jason Hale, Senior Housing Developer; Teresa Bajda, City of Duluth; and Dan Maddy, Fryberger Law Firm.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

Resolution 4258-22 – Resolution Authorizing the Housing and Redevelopment Authority of Duluth, Minnesota to Submit a Low Income Housing Tax Credit Application (LIHTC) to Minnesota Housing, and Utilize \$1,000,000 of Hope VI Program Income to Develop Affordable Housing on the Harbor Highlands Site

Commissioner Randorf motioned to remove Resolution No 4258-22 from the table. Commissioner Meyer seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Meyer, and Randorf

Nays: Nephew and Talarico

Chair Glumac declared the motion removed from the table.

The following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4258-22
AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY OF
DULUTH, MINNESOTA TO SUBMIT A LOW INCOME HOUSING TAX CREDIT
APPLICATION (LIHTC) TO MINNESOTA HOUSING, AND UTILIZE \$1,000,000 OF**

**HOPE VI PROGRAM INCOME TO DEVELOP AFFORDABLE HOUSING ON THE
HARBOR HIGHLANDS SITE**

After discussion by commissioners, Commissioner Randorf moved that the foregoing items be approved as introduced.

Commissioner Meyer seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Meyer, Randorf

Nays: Nephew and Talarico

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

CONSENT AGENDA:

The following items were introduced by Chair Glumac:

MINUTES OF THE SCHEDULED REGULAR MEETING OF FEBRUARY 22, 2022

FINANCIAL REPORT FOR PERIOD ENDING FEBRUARY 2022

RESOLUTION NO. 4262-22

RESOLUTION AUTHORIZING BAD DEBT WRITE-OFFS

RESOLUTION 4263-22

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

RESOLUTION 4264-22

**RESOLUTION AUTHORIZING HOUSING CHOICE VOUCHER PAYMENT
STANDARDS**

RESOLUTION 4265-22

**RESOLUTION APPOINTING DIRECTORS TO GREAT LAKES DEVELOPMENT
DULUTH, INC. BOARD**

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

DISCUSSION ITEMS

RESOLUTION APPROVING GENERAL RECORDS RETENTION SCHEDULE

The Executive Director explained that this resolution approves the HRAs records retention policy. General Counsel has recommended that the HRA adopt the MN General Records Retention Schedule for Cities that is regularly updated. He has also confirmed with HUD that this is applicable for public housing authorities.

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

RESOLUTION NO. 4266-22 APPROVING GENERAL RECORDS RETENTION SCHEDULE

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

RESOLUTION ADOPTING THE AMENDED AND RESTATED OPERATING AGREEMENT FOR HARBORVIEW PHASE V, LLC

This resolution adopts the Amended and Restated Operating Agreement for Harborview Phase V. Dan Maddy, outside Counsel, has reviewed the operating agreement and made changes based on historical requirements of the lenders for the project.

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

RESOLUTION NO. 4267-22 ADOPTING THE AMENDED AND RESTATED OPERATING AGREEMENT FOR HARBORVIEW PHASE V, LLC

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

**RESOLUTION AUTHORIZING A MINNESOTA DEPARTMENT OF
TRANSPORTATION EASEMENT AT MIDTOWNE MANORS I AND II AND
ACCEPTANCE OF \$140,000.00 AS THE VALUE FOR SAID EASEMENT**

The Executive Director explained that this resolution authorizes acceptance of an easement by MN-DOT related to the Twin Ports Interchange project. MN-DOT conducted an appraisal of the site and is offering \$140,000.00 as compensation for the easement. The Authority will use these funds to create new, temporary parking for residents and staff at Midtowne Manors I and II.

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

**RESOLUTION NO. 4268-22
AUTHORIZING A MINNESOTA DEPARTMENT OF TRANSPORTATION
EASEMENT AT MIDTOWNE MANORS I AND II AND ACCEPTANCE OF \$140,000.00
AS THE VALUE FOR SAID EASEMENT**

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Meyer, Nephew, Randorf, and Talarico

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 FOR VACANT
LAND (TRACT D) AT HARBOR HIGHLANDS FOR HOUSING DEVELOPMENT**

The Executive Director stated this resolution authorizes submission of a disposition application to HUD for Tract D at Harbor Highlands. This disposition is needed for the Skyridge Flats development.

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

RESOLUTION NO. 4269-22

AUTHORIZING SUBMISSION OF AN APPLICATION TO THE HUD SPECIAL APPLICATIONS CENTER FOR DISPOSITION APPROVAL FOR VACANT LAND (TRACT D) AT HARBOR HIGHLANDS FOR HOUSING DEVELOPMENT

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

RESOLUTION APPROVING THE AMENDED GROUND LEASE WITH HARBORVIEW PHASE V, LLC

The Executive Director explained that this resolution approves the amended ground lease for Harborview Phase V. Outside Counsel reviewed the ground lease and made modifications that he believes are necessary for HUD to approve the disposition of Tract D via a ground lease.

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

**RESOLUTION NO. 4270-22
APPROVING THE AMENDED GROUND LEASE WITH HARBORVIEW PHASE V,
LLC**

Commissioner Talarico moved that the foregoing resolution be approved as introduced.
Commissioner Randorf seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Glumac, Meyer, Nephew, Randorf, and Talarico

Nays: None

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

RESOLUTION AUTHORIZING PROPER HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA OFFICIALS TO ENTER INTO AN AGREEMENT FOR ARCHITECTURAL AND ENGINEERING (A/E) SERVICES FOR NEW CONSTRUCTION/DEVELOPMENT PROJECTS WITH LHB

The Executive Director explained that this resolution (4271-22) and the next resolution (4272-22) authorize a contract for architectural and engineering services with LHB for new

construction and new development activities and TKDA for operational improvements. Two firms submitted proposals to the A&E RFQ. The evaluation committee determined that LHB was the most qualified for large scale development projects and TKDA, the next resolution, was the highest scoring for operational projects (boilers, generators, roofs, capital improvements in general).

After answering Commissioners' questions, the following resolution was introduced by Chair Glumac:

**RESOLUTION NO. 4271-22
AUTHORIZING PROPER HOUSING AND REDEVELOPMENT AUTHORITY OF
DULUTH, MINNESOTA OFFICIALS TO ENTER INTO AN AGREEMENT FOR
ARCHITECTURAL AND ENGINEERING (A/E) SERVICES FOR NEW
CONSTRUCTION/DEVELOPMENT PROJECTS WITH LHB**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION AUTHORIZING PROPER HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MINNESOTA OFFICIALS TO ENTER INTO AN
AGREEMENT FOR ARCHITECTURAL AND ENGINEERING (A/E) SERVICES FOR
REHABILITATION AND OTHER MISCELLANEOUS PROJECTS, AS NEEDED,
WITH TOLZ, KING, DUVALL, ANDERSON AND ASSOCIATES, INC. D/B/A TKDA**

This resolution was discussed with the previous resolution.

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

**RESOLUTION NO. 4272-22
AUTHORIZING PROPER HOUSING AND REDEVELOPMENT AUTHORITY OF
DULUTH, MINNESOTA OFFICIALS TO ENTER INTO AN AGREEMENT FOR
ARCHITECTURAL AND ENGINEERING (A/E) SERVICES FOR REHABILITATION
AND OTHER MISCELLANEOUS PROJECTS, AS NEEDED, WITH TOLZ, KING,
DUVALL, ANDERSON AND ASSOCIATES, INC. D/B/A TKDA**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION AUTHORIZING PROPER HOUSING AND REDEVELOPMENT
AUTHORITY OF DULUTH, MINNESOTA OFFICIALS TO ENTER INTO AN
AGREEMENT FOR PUBLIC FINANCING SERVICES WITH NORTHLAND
SECURITIES, INC.**

The Executive Director explained that this resolution authorizes a contract with Northland Securities for public financing services. The HRA has been using Ehlers sporadically over the years, generally because the City uses Ehlers. However, with all of the TIF requests coming forward, as well as the potential bonding for Cottage Village, the Executive Director was not comfortable continuing to use Ehlers without a proper competitive process for these services.

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

**RESOLUTION NO. 4273-22
AUTHORIZING PROPER HOUSING AND REDEVELOPMENT AUTHORITY OF
DULUTH, MINNESOTA OFFICIALS TO ENTER INTO AN AGREEMENT FOR
PUBLIC FINANCING SERVICES WITH NORTHLAND SECURITIES, INC.**

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

Roll was called with the following results:

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

Nays: None

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

**RESOLUTION AUTHORIZING A LOAN FOR HARBORVIEW PHASE I, LLC BY THE
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA AND
BY RED ROCK, LLC**

The Executive Director explained that this resolution authorizes a partnership loan for Harborview Phase I. The HRA is the owner of this phase and over the past two years, the project has struggled with the eviction moratorium, people not paying their rent, and people abandoning their unit with thousands of dollars owed. At this point, operating reserves are being utilized to

cover the deficits, but this allows the Authority to have a loan in place should there be a need to infuse additional cash into the project.

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

**RESOLUTION NO. 4274-22
AUTHORIZING A LOAN FOR HARBORVIEW PHASE I, LLC BY THE HOUSING
AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA AND BY RED
ROCK, LLC**

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

Roll was called with the following results:

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

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

Jason Hale reported that he has submitted his resignation with the City of Duluth.

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 something she wanted to make the Board aware that Eco3 was awarded over \$800,000.00 in grant funding for the Lincoln Park

neighborhood. This includes a small footprint grocery store, upgrades to the Children's museum, and approximately \$400,000.00 in upgrades to the upper level of the Lincoln Park Center for windows, a computer lab, improvements to the dining pod for teaching, BIPOC business development, and overall – making the center a resilience hub for the neighborhood.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

The Board moved to a closed session from 4:16 p.m. – 4:24 p.m.

ADJOURNMENT

There being no further business to come before the Board, Chair Glumac declared the meeting adjourned at 4:26 P.M.



Chair

ATTEST:



Secretary

Next Scheduled Regular Meeting – April 26, 2022.