

**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, 2016**

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 3:30 P.M. on the 31st day of May, 2016.

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

Also present were Jill A. Knutson-Kaske, Executive Director; staff members Carla Schneider, Maureen Zupancich, David Peterson, Pam Benson, and Carol Schultz; Chris Virta, Legal Counsel; and Barbara Findley and Anne Abraham, King Manor residents.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The following items were introduced by Commissioner Julsrud:

**MINUTES OF THE SCHEDULED REGULAR MEETING OF
APRIL 26, 2016**

FINANCIAL REPORT FOR PERIOD ENDING APRIL 30, 2016

**RESOLUTION NO. 3671-16
RESOLUTION APPOINTING DIRECTORS TO
GREAT LAKES DEVELOPMENT DULUTH, INC. BOARD**

**RESOLUTION NO. 3672-16
AUTHORIZING SUBMISSION OF AN APPLICATION FOR 5 NEW SECTION 8**

VETERANS AFFAIRS SUPPORTIVE HOUSING (VASH) VOUCHERS

**RESOLUTION NO. 3673-16
RESOLUTION APPROVING MODIFICATIONS TO THE
PUBLIC HOUSING ADMISSIONS LEASE**

**RESOLUTION NO. 3674-16
RESOLUTION APPROVING MODIFICATIONS TO THE
PUBLIC HOUSING ADMISSIONS AND CONTINUED
OCCUPANCY POLICY (ACOP)**

**RESOLUTION NO. 3675-16
AWARDING WORKER'S COMPENSATION INSURANCE**

**RESOLUTION NO. 3676-16
RESOLUTION AUTHORIZING CONVEYANCE OF PROPERTY
FROM THE HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA (HRA) TO CORINTHIAN A. RUTHERFORD**

**RESOLUTION NO. 3677-16
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF
LOT 6, BLOCK 2, HAWK RIDGE ESTATES FIRST ADDITION TO
JOHN P. GALO AND BARBARA A. WESTERBERG BY THE
HOUSING AND REDEVELOPMENT AUTHORITY**

**RESOLUTION NO. 3678-16
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF
LOT 20, BLOCK 4, HAWK RIDGE ESTATES FIRST ADDITION TO
BEMEN J. AND AYESHA S. CARLSON BY THE
HOUSING AND REDEVELOPMENT AUTHORITY**

**RESOLUTION NO. 3679-16
RESOLUTION AUTHORIZING APPLICATION TO THE
MINNESOTA HOUSING FINANCE AGENCY**

**RESOLUTION NO. 3682-16
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF
LOTS 32 AND 33, BLOCK 4, HAWK RIDGE ESTATES FIRST ADDITION
TO JOHN E. AND TIFFANY N. HEPPELMANN BY THE
HOUSING AND REDEVELOPMENT AUTHORITY**

**RESOLUTION NO. 3683-16
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF**

**LOT 18, BLOCK 4, HAWK RIDGE ESTATES FIRST ADDITION TO
DANIEL A. AND DEBBIE L. DEARMOND BY THE
HOUSING AND REDEVELOPMENT AUTHORITY**

Commissioner Julsrud moved that the foregoing Items A, B, C, D, E, F, G, H, I, J, K, L, and M be approved as introduced. Commissioner Talarico seconded the motion.

Commissioner Julsrud asked about the size of the lots on Consent Item L, Resolution No. 3682-16. David Peterson, Development Coordinator, explained that these lots had been discussed at the previous Board meeting, and these lots were approximately the same size as buyer's current lot. He indicated they had gotten the square footage of the lots from the engineers, and came up with a per square foot value for the lots.

Roll was called with the following results:

Ayes: Commissioners Cuneo, Johnson, Julsrud, and Talarico

Nays: None

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

DISCUSSION ITEMS

**RESOLUTION APPROVING A MEMORANDUM OF AGREEMENT FOR THE
RENTAL ASSISTANCE DEMONSTRATION (RAD) INITIATIVE AND
AUTHORIZING PREPARATION OF A MASTER DEVELOPMENT
AGREEMENT**

The Executive Director explained that earlier this year the Board had approved the development team of Brinshore and CommonBond as development partners for the Authority's RAD conversion. Even though RAD is currently on hold status as they work through issues, they still wanted to proceed with the Memorandum of Agreement so that when the time comes they would be ready to move on to the next step. After she explained that if for some reason RAD does not move forward, this MOA makes the Authority responsible for any third party expenses such as legal fees or architectural fees, the following Resolution was introduced by Commissioner Talarico:

**RESOLUTION NO. 3680-16
RESOLUTION APPROVING A MEMORANDUM OF AGREEMENT FOR
THE RENTAL ASSISTANCE DEMONSTRATION (RAD) INITIATIVE
AND AUTHORIZING PREPARATION OF A
MASTER DEVELOPMENT AGREEMENT**

Commissioner Talarico 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, and Talarico

Nays: None

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

**RESOLUTION APPROVING FORGIVABLE LOAN AGREEMENT WITH
DULUTH ECONOMIC DEVELOPMENT AUTHORITY AND APPROVING
CONTRACT FOR PRIVATE DEVELOPMENT RELATING TO THE
GARFIELD SQUARE PROJECT**

The Executive Director explained that approval of these documents would allow the Authority to move forward with the next phase of the Esmond redevelopment. Although DEDA has changed their mind on how they wish to handle the financing of the land for Garfield Square, the HRA still has a significant interest in seeing this project move forward. Our attorneys have reviewed the forgivable loan document and have crafted the contract for private development, and they feel that the HRA is properly protected in this transaction. She indicated that DEDA had already approved this, and it would be on the next City Council meeting agenda. After answering Commissioners' questions, the following Resolution was introduced by Commissioner Cuneo:

**RESOLUTION NO. 3681-16
RESOLUTION APPROVING FORGIVABLE LOAN AGREEMENT WITH
DULUTH ECONOMIC DEVELOPMENT AUTHORITY AND
APPROVING CONTRACT FOR PRIVATE DEVELOPMENT
RELATING TO THE GARFIELD SQUARE PROJECT**

Commissioner Cuneo 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, and Talarico

Nays: None

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

COMMUNICATIONS/CORRESPONDENCE

The Executive Director mentioned that there were a few articles that may be of interest to the Commissioners in the blue pages of the Board packet. One of the articles was about the Lutheran Social Service's ground breaking for the Center for Changing Lives and a couple of the articles were regarding the Garfield Square project. The Executive Director indicated that in Commissioners' green folders was the Esmond report, the Rainbow Center calendar, the insurance renewal summary, which was just informational and no action was required on that, and an article regarding how affordable housing impacts the public health of families and communities. Carla Schneider, Deputy Director, answered Commissioner Talarico's questions about the occupancy at the Esmond.

REPORTS OF COMMITTEES

Rehab Advisory Committee: The Rehab Advisory Committee had not met.

Finance Committee: Commissioner Johnson indicated that there had not been a Finance Committee meeting.

OPPORTUNITY FOR VISITORS TO BE HEARD

None.

BUSINESS BY COMMISSIONERS

The Executive Director explained that she would briefly update the dashboard.

Goal 1: The Executive Director reported that they have met with One Roof, LISC and the City to determine what would be included in the request to Minnesota Housing for rehab dollars and gap financing. She explained that she has been collecting sample RFP's for public financing services, which she hoped to adjust and send out soon. Staff has also started discussing budgets and associated timetables.

Goal 2: The Executive Director indicated that she had sent a proposal for an ac-rehab program for tax forfeit properties with an ongoing fund for blight removal to the City for review. She was hopeful that with some minor adjustments they can begin moving forward with that. David and the Executive Director met with Minnesota Housing regarding potential value gap financing for Building Up Duluth, and they received guidance on how to proceed in 2017.

Goal 3: The Procurement and Capital Improvement Manager and the Deputy Director continue to move forward with the Capital Fund projects. Grandview lighting and King Manor windows are two of those projects. She mentioned that she hoped to have annual plan and five year plan resolutions for the June Board meeting.

Goal 4: David Peterson made a second presentation to the Morgan Park community club and he also had a display at the River Corridor Coalition Fair for single family development that was well received. Coordinated Entry was passed by the County Governance Board, so the job description will be finalized and the Coordinated Entry position will be filled to meet the needs of the County.

Goal 5: The Executive Director indicated there were no changes this month.

Goal 6: The Joint Powers Wellness Coordinator is going to be holding a back safety and back care program for HRA staff.

Goal 7: There are no additional updates for Goal 7 at this time.

REPORT OF EXECUTIVE DIRECTOR

The Executive Director reported that several of the staff attended the Minnesota NAHRO Conference at Madden's Resort in Brainerd.

The Executive Director indicated that at the United Way luncheon, the HRA was ranked Best in Show, meaning we had made the top 10 in donations among medium sized employers with a total contribution of \$8,238.40.

The Executive Director reported that the AFSCME lawsuit was dismissed with prejudice. Both parties came to an agreement, and neither party had to admit any fault or wrongdoing.

The Executive Director and Commissioner Julsrud attended the ground breaking at the Center for Changing Lives. Commissioner Julsrud has been active in this initiative.

The Executive Director attended a stakeholders meeting held by Senator Klobuchar who discussed her initiative relating to the heroin and prescription drug addiction problem.

The Executive Director stated that she has been working with our attorneys and One Roof regarding allowing One Roof to use a portion of their MHFA funds that were allocated to buy land for new housing construction at Hawk Ridge, and whether we have the authority to allow One Roof to purchase two lots and then grant back to them those funds for building costs. There are two lots at Hawk Ridge that have been approved by resolution in previous years for Land Trust homes that would not require the \$27,000 bond payment

for the sale of those lots.

The Executive Director explained that the Housing Resource Connection has been meeting weekly to determine how to best work together now that there are essentially only two partners in the group.

Commissioners asked questions regarding Central High School, and the Executive Director indicated that she and David Peterson would be meeting with the School Superintendent, DEDA, and the Mayor's office at the beginning of June. Commissioners requested an update on that meeting at the next Board meeting.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel indicated their activities this month have been related to the RAD initiative and the Garfield Square project. Next month, their goal was to have some updated policies for the Authority to consider when people ask for various types of assistance through the HRA.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 3:55 P.M.

Chair

ATTEST:

Secretary

Scheduled Regular Meeting – May 31, 2016