

**MINUTES OF THE
SCHEDULED REGULAR MEETING
OF THE COMMISSIONERS OF THE
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA
HELD ON THE 28th DAY OF JUNE, 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 28th day of June, 2016.

The Chair called the Meeting to order and on roll call the following members were found to be present: Commissioners Boshey, Cuneo, Glumac, Johnson, Julsrud, and Rolle. Commissioner Talarico was 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; Barbara Findley and Anne Abraham, King Manor residents; and Linda Sellner and Ryan Wuerh.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The following items were introduced by Commissioner Boshey:

**MINUTES OF THE SCHEDULED REGULAR MEETING OF
MAY 31, 2016**

FINANCIAL REPORT FOR PERIOD ENDING MAY 31, 2016

**RESOLUTION NO. 3685-16
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE
OF LOT 11, BLOCK 2, HAWK RIDGE ESTATES FIRST ADDITION
TO ANDREW T. AND JANE C. POOLE BY THE
HOUSING AND REDEVELOPMENT AUTHORITY**

RESOLUTION NO. 3686-16
APPROVING MODIFICATIONS TO THE
HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN

Commissioner Boshey moved that the foregoing Items A, B, C, and D be approved as introduced. Commissioner Julsrud seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Boshey, Cuneo, Glumac, Johnson, Julsrud, and Rolle

Nays: None

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

DISCUSSION ITEMS

RESOLUTION APPROVING AND AUTHORIZING THE SUBMISSION OF THE
2016 FISCAL YEAR ANNUAL AGENCY PLAN TO HUD

The Executive Director explained that every year the Authority submits an annual agency plan to HUD, and the agency plan covers what was expected to happen with the traditional programs of public housing and Section 8. Also included is a five year action plan for the capital fund spending. The annual plan and the five year plan have been out for public comment, a public hearing was held, and these plans have been approved by the resident advisory board, as required. After Commissioners' questions were answered, the following Resolution was introduced by Commissioner Glumac:

RESOLUTION NO. 3684-16
RESOLUTION APPROVING AND AUTHORIZING THE SUBMISSION OF THE
2016 FISCAL YEAR ANNUAL AGENCY PLAN TO HUD

Commissioner Glumac moved that the foregoing Resolution be approved as introduced. Commissioner Johnson seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Boshey, Cuneo, Glumac, Johnson, Julsrud, and Rolle

Nays: None

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

RESOLUTION APPROVING 2017 TAX LEVY

The Executive Director indicated that she was bringing the tax levy Resolution to the Board a month earlier than usual because she has been asked by the City to present the Authority's tax levy Resolution along with the budget presentation in August this year. If it was decided to make significant changes, she would bring the Resolution back to the Board in July. Her recommendation was to keep the percent the same as last year and continue to use the taxable market value as in the past. The Executive Director explained the side by side comparison included in the Board packet and she and Carla Schneider, Deputy Director, answered Commissioners' questions. After Commissioner Julsrud indicated she would like to see more detailed information regarding the Build Up Duluth program and the Chair indicated it would be appropriate to have such a session in the next few months, the following Resolution was introduced by Commissioner Julsrud:

RESOLUTION NO. 3687-16 RESOLUTION APPROVING 2017 TAX LEVY

Commissioner Julsrud moved that the foregoing Resolution be approved as introduced. Commissioner Boshey seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Boshey, Cuneo, Glumac, Johnson, Julsrud, and Rolle

Nays: None

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

RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF LOT 10, BLOCK 4, HAWK RIDGE ESTATES FIRST ADDITION TO DAVID W. AND HEIDI HALLBERG BY THE HOUSING AND REDEVELOPMENT AUTHORITY

The Executive Director explained that this Hawk Ridge Estates lot sale was a last minute Resolution. In 2014 a Resolution for the sale of this lot to David Hallberg and his father, Daniel Hallberg, had been passed by the Authority's Board. When the title company was ready to close on this lot, it was determined that the Resolution should have been for David Hallberg and Heidi Hallberg. The following Resolution was introduced by Commissioner Julsrud:

RESOLUTION NO. 3688-16

**RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF
LOT 10, BLOCK 4, HAWK RIDGE ESTATES FIRST ADDITION TO
DAVID W. AND HEIDI HALLBERG BY THE
HOUSING AND REDEVELOPMENT AUTHORITY**

Commissioner Julsrud moved that the foregoing Resolution be approved as introduced. Commissioner Boshey seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Boshey, Cuneo, Glumac, Johnson, Julsrud, and Rolle

Nays: None

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

COMMUNICATIONS/CORRESPONDENCE

The Executive Director mentioned that there were a couple of articles that may be of interest to the Commissioners in the blue pages of the Board packet. There was a Business North article regarding the impact student loan debt had on home ownership, and the reporter indicated she was interested in doing a series of articles regarding the HRA's redevelopment initiatives. Also included was an article regarding the Garfield Square project and the process to get City Council approval for the nine percent tax credit application.

Included in Commissioners' green folders are the Esmond Building report and the Esmond Building financial projections. Chair Rolle had requested that staff assemble a list of the Esmond Building liabilities, which was also included in the green folders. Commissioners discussed the Esmond budget information and questions regarding this were explained by Carla Schneider. Chair Rolle asked to see what the cost per unit was for this building in comparison to other 70 unit buildings in the Duluth area. Carla thought this comparison should also be made with the MHFA underwriting matrix regarding permanent supportive housing. The Executive Director added that the budget provided did not include the elevator repairs. She indicated that they would attempt to work with the Department of Labor and Industry to get extensions to make it safe and operable until they can determine a funding source.

Also included in the Commissioners' green folders are a Rainbow Center calendar and an informational income qualification spreadsheet to give Commissioners perspective regarding the public housing, the Section 8, and the tax credit affordability programs, as well as new construction within the parameters of the Authority's funding. Pam Benson,

Director of Housing Services, answered Commissioners' questions regarding the Section 8 program.

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 she would be presenting the tax levy and the budget to the City Council in August. She indicated the budget they presented to the City Council last December would be approximately the same budget that would be presented in August due to the fact that this was the same budget year for the Authority.

Goal 2: The Executive Director indicated that she has been trying to get the Property Brothers renovation pilot project approved by the City. The City staff was working on setting up the partnership, but the Executive Director has requested to move ahead with the Authority's portion of the project, but the City has asked her to delay contacting the County due to their current workload. She reported that the Housing Resource Connection, which formerly was a collaboration of multiple partners, was now made up of One Roof and the Housing and Redevelopment Authority, so they've become a partnership rather than a larger collaboration. They have been meeting every week to redefine the partnership. They have brought their proposal to Keith Hamre at the City and the City has approved their plan to continue working together. The next steps will be to form a contractual relationship with One Roof in regard to the HRC.

Goal 3: The Executive Director reported that 25 additional slots have been added to the Family Self Sufficiency program. Lennelle Hrabik, Family Self Sufficiency Coordinator, Mary Pelofske, Housing Services Supervisor, and Pam Benson, Director of Housing Services, will identify Section 8 participants for that program. She also mentioned that the agency's annual plan and the five year plan went out for public comment, there was a public hearing held, and they were presented to the resident advisory board.

Goal 4: The Executive Director reported that they were hoping to close on Gateway

Tower by August, and they have discussed making some of the units public housing rather than using preservation vouchers. The coordinated entry position was approved by the St. Louis County Governance Board, so the job description has been updated and an ad has been placed. They were hoping for a start date in August for the Coordinated Entry Coordinator, who will have an office at the HRA, and will spend one day a week in northern St. Louis County and four days a week in southern St. Louis County.

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

Goal 6: The Executive Director indicated there were no changes this month.

Goal 7: The Executive Director reported that she and David Peterson have been furthering their discussion on how to consolidate the Authority's websites and whether they have the capacity or can create the capacity to do it in-house. Budgets are in process for FY2017, so now would be the time to explore the best use of resources for that project.

REPORT OF EXECUTIVE DIRECTOR

The Executive Director indicated that Chair Rolle had asked her to provide updates on Harbor Highlands since the last Committee of the Whole meeting. Currently there is an appraiser doing a fair market appraisal of the land originally slated for condos, some of the home ownership, and the farmer's market. They anticipate the next steps will be a market study which would include absorption rates, what they could fill, and how that would impact Phases 1-4. They would then discuss changes to the planned neighborhood development, moving it from home ownership to rental in that section of the development. They would do a pro forma, and then they would decide if they wanted to put out an RFP for a developer or if the Authority would be the developer.

The Executive Director reported that she and David Peterson met with representatives from the Arrowhead Builders Association regarding Build Up Duluth and the Property Brothers projects.

The Executive Director informed Commissioners that they had Clean Up Day for the HRA, which was an annual event, and much had been accomplished throughout the Authority's properties. The rehab staff accompanied her to the Esmond where they cleaned the commercial spaces.

The Executive Director reported that Garfield Square had been approved. They have had discussions regarding this with the City Council, Center City Housing, and the homeless prevention partners, Loaves and Fish and CHUM, to make sure that everyone understood the next phase of the Esmond redevelopment, and how to make sure they included the residents and kept them informed.

The Executive Director explained that she has had calls regarding the Duluth Public School Academy bonding, and Mary Frances Skala, Legal Counsel, has been handling the bonding issues.

Carla Schneider and the Executive Director attended a complementary labor law seminar in Duluth.

The Mayor invited the Executive Director to attend the Western Port Area Neighborhood (WPAN) Stakeholder group which includes the neighborhoods of Irving and Fairmont. She stated that there were funds available from the EPA for brown field redevelopment in those neighborhoods.

The Executive Director reported that they had received a notice from the elevator inspector regarding the Esmond, and they will be receiving a quote for those repairs.

Pam Benson and Mary Pelofske will be speaking at the Indigenous People's Commission at the City regarding the Section 8 program and inspection standards.

Cliff Knettel, from One Roof, and the Executive Director made a presentation to the Community Development Committee regarding the production numbers of the HRC during the last funding round, and Pam Benson reported on Tenant Based Rental Assistance.

There have also been At Home in Duluth meetings and Affordable Housing Coalition meetings which the Executive Director has attended. An Affordable Housing Trust Fund was identified as an option for the Housing and Homeless Summit to pursue, and the Executive Director will be presenting to the Summit panel in July on Affordable Housing Trust Funds using the Red Wing HRA and their City partnership as an example.

The Executive Director, David Peterson, Commissioner Rolle, various school board members, staff from DEDA and the City, and County staff met to discuss the Central High School site. They have a lead on a post secondary education institution that was interested in looking at the site. If that doesn't work out, they will bring everyone back to the table to discuss the next steps for that site to help the school district.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel indicated that outside of some of the matters referenced by the Executive Director, legal activities were relatively light this month. Most of the activities were related to lot sales at Hawk Ridge Estates, as well as some eviction related matters.

OTHER BUSINESS

Pam Benson answered questions regarding the Section 8 program, the fair market rent, and the payment standard.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4:30 P.M.

Chair

ATTEST:

Secretary

Scheduled Regular Meeting – June 28, 2016