

**MINUTES OF THE
SCHEDULED REGULAR MEETING
OF THE COMMISSIONERS OF THE
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA
HELD ON THE 30TH DAY OF AUGUST, 2016**

The Commissioners of the Housing and Redevelopment Authority of Duluth, Minnesota, met in a Scheduled Regular Meeting in the Community Room located at the Harbor Highlands Community Center, 28 East Village View Drive, Duluth, Minnesota at 3:30 P.M. on the 30th day of August, 2016.

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

Also present were Jill A. Knutson-Kaske, Executive Director; staff members David Peterson, Lynne Snyder, Carol Schultz, and Carla Schneider; Chris Virta, Legal Counsel; Rick Klun, Center City Housing Corporation; Callie Ronstrom, Mentor Duluth and Harbor Highlands Community Center Director for the YMCA; Barbara Findley, President of King Manor Residents Club, Anne Abraham, Vice President of King Manor Residents Club, James Buchanan, King Manor resident and King Manor Residents Club; Vivian Soukup, local resident; and Jennifer Hochran.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The following items were introduced by Commissioner Julsrud:

**MINUTES OF THE RESCHEDULED REGULAR MEETING OF
AUGUST 3, 2016**

FINANCIAL REPORT FOR PERIOD ENDING JULY 31, 2016

**RESOLUTION NO. 3709-16
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF
LOT 7, BLOCK 2, HAWK RIDGE ESTATES FIRST ADDITION**

**TO WILLIAM J. AND CHRISTINE S. BOWLIN
BY THE HOUSING AND REDEVELOPMENT AUTHORITY**

**RESOLUTION NO. 3710-16
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF
LOT 20, BLOCK 4, HAWK RIDGE ESTATES FIRST ADDITION
TO NICHOLAS D. AND JENNIFER R. PATTERSON
BY THE HOUSING AND REDEVELOPMENT AUTHORITY**

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

Roll was called with the following results:

Ayes: Commissioners Johnson, Julsrud, Rolle, and Talarico

Nays: None

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

DISCUSSION ITEMS

**RESOLUTION APPROVING ON A PRELIMINARY BASIS, THE ISSUANCE OF
MULTIFAMILY HOUSING REVENUE BONDS FOR A PROJECT BY TERREX-
HERITAGE AFFORDABLE; AUTHORIZING SUBMISSION OF AN
APPLICATION FOR ALLOCATION OF BONDING AUTHORITY TO THE
STATE OF MINNESOTA; AUTHORIZING PREPARATION OF A
MULTIFAMILY HOUSING DEVELOPMENT PROGRAM; AND
AUTHORIZING A PUBLIC HEARING**

The Executive Director asked that Commissioners consider the approval of this Resolution related to revenue bonds for a project by Terrex-Heritage Affordable. This project relates to the preservation and rehabilitation of the Heritage Apartments in Gary-New Duluth. Legal Counsel was available to answer their questions regarding the conduit bonding for this program or the process.

The Chair advised Commissioners that the Authority has done other conduit bonding, the most recent being for Marshall School. He asked Legal Counsel to explain what the Authority's role was, and why they were playing that role.

Legal Counsel explained that the developer was unable to issue bonds on their own, but they were able to do so through a conduit revenue bond through the Authority. The Authority is given \$10 million a year in bank qualified issuing authority, but this housing

project would require a separate allocation from the State of Minnesota. As part of this process, the Authority would charge a fee, as it has in the past. He explained that there would be no expense for the Authority related to making application, and as part of this process there would also be a public hearing.

The Chair asked when the Authority's bonding authority renews each year. The Executive Director indicated that she would report back at the next meeting.

After Commissioners' questions were answered, the following Resolution was introduced by Commissioner Julsrud:

RESOLUTION NO. 3712-16
RESOLUTION APPROVING ON A PRELIMINARY BASIS, THE ISSUANCE OF
MULTIFAMILY HOUSING REVENUE BONDS FOR A PROJECT BY
TERREX-HERITAGE AFFORDABLE; AUTHORIZING SUBMISSION OF AN
APPLICATION FOR ALLOCATION OF BONDING AUTHORITY TO THE
STATE OF MINNESOTA; AUTHORIZING PREPARATION OF A
MULTIFAMILY HOUSING DEVELOPMENT PROGRAM;
AND AUTHORIZING A PUBLIC HEARING

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

Commissioner Cuneo arrived at 3:40 P.M.

Roll was called with the following results:

Ayes: Commissioners Johnson, Julsrud, Rolle, and Talarico

Nays: None

Abstain: Commissioner Cuneo

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 items that may be of interest to the Commissioners in the blue pages of the Board packet. She reported that there was an article on the Morgan Park multi family development and BusinessNorth reported that Dan Maddy was named as one of 2016's Super Lawyers. Commissioners had a discussion regarding the delayed Morgan Park townhome project.

REPORTS OF COMMITTEES

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

Finance Committee: The Finance Committee had not met.

OPPORTUNITY FOR VISITORS TO BE HEARD

Vivian Soukup explained that the house next to hers at 108½ East 5th Street had been torn down and she was interested in purchasing the vacant lot to build a garage. She was wondering if the Housing Authority could assist her with this. She was directed to talk to Lynne Snyder, the Director of Rehabilitation and Real Estate, after the meeting for assistance.

BUSINESS BY COMMISSIONERS

The Executive Director indicated that she would report on the dashboard highlights.

Goal 1: David Peterson, Director of Development and Redevelopment, has drafted a program for the Morgan Park project for review. She indicated that the request for tax levy was presented to the City Council Finance Committee meeting. She thanked Maureen Zupancich, Comptroller, Carla Schneider, Deputy Director, and HRA Board Chair Rolle for attending the meeting and fielding questions. She also indicated that she continues to lead the Affordable Housing Trust Fund discussion with the Housing for All Summit Committee.

Goal 2: The Executive Director reported that she was still waiting for a response from the City regarding the proposal she had sent to them in May regarding the tax forfeit and condemned for human habitation homes. She mentioned that the public housing staff was preparing for the REAC inspection of the public housing properties at the end of September and the beginning of October.

Goal 3: The Executive Director mentioned that the Service Coordinator's July class was "Self Defense for Seniors" presented by Lt. Robert Shene from the Duluth Police Department. There were 81 participants.

Goal 4: The Executive Director reported that they have received a significant number of documents to review regarding Gateway Tower, and they anticipate closing at the end September. Also the Coordinated Entry Coordinator, Kate Bradley, started on August 15th.

Goal 5: The Executive Director indicated that they had a meeting scheduled with Jodi

Slick from Eco3 regarding opportunities for resilient housing. The Executive Director and Carla will meet with her to find out more about the funding behind this opportunity and how it may fit into the Authority's long term development vision.

Goal 6: There were not updates for Goal 6 at this time.

Goal 7: The Executive Director stated that as budgets were being developed, she was exploring the possibility of adding a contract position with a title of Communications Manager. This position would encapsulate most of Goal 7, and what they want to accomplish in other areas as well.

The Chair indicated that he would like to have a Finance Committee meeting or a Committee of the Whole meeting to discuss the Esmond building. He explained it had been the goal of the Authority, because the subsidy from MHFA would end in three years, to be moving the residents out of the Esmond building at that time, and then do substantial rehab to the Esmond building. He explained that a critical part of the Esmond strategy included Garfield Square. The Chair introduced Rick Klun, the Executive Director of Center City Housing Corporation, was here to report on the Garfield Square.

Rick Klun explained that he wanted to share with Commissioners and others where they were with the Garfield Square project, and how it would fit in with the rehabbing and repurposing of the Esmond building. He believed that these types of conversations were important. He distributed handouts, he provided background information about the Seaway/Esmond building, he talked about the funding sources, and he gave an overview of the Garfield Square project. He stated that their first priority for tenants moving into the building were tenants presently at the Esmond building, and they have made a commitment to serve 25 long-term homeless people. He explained there was one exception to that, and the exception was that there were some level three sex offenders living in the Esmond building, and those tenants would not be able to move into the new building. This is in part due to the City ordinance and zoning restrictions about where level three sex offenders can live in the City. He indicated that they were committed to finding those people other housing. He explained that in terms of the building, they were planning on 50 one bedroom units, and the building would be staffed 24/7 just as at the Esmond building. He and Carla Schneider answered Commissioners' questions.

REPORT OF EXECUTIVE DIRECTOR

The Executive Director mentioned that all departments were working on their budgets. She reminded Commissioners that the Finance Committee was meeting on Tuesday, September 13th from 11:30 A.M. to 1:30 P.M. for the Authority's budget overview. The annual budget resolution would be presented to the Board at the September 27th Board meeting. She highly encouraged Commissioners to attend.

The Executive Director reported that she had attended a North East Regional Directors Association (NERDA) meeting in Grand Rapids and was able to tour Beacon Hill, their new housing project.

The Executive Director informed Commissioners that she has met with City Planning and One Roof regarding HRC planning and she also met with City Planning regarding the PILOT for RAD.

The Executive Director mentioned that the Sunshine Club held a \$5 float day to raise money for a holiday party, and she met with Congressman Nolan when he had been at the Rainbow Center this month.

The Executive Director explained that she continues to be involved with the Housing for All Committee regarding both the inclusionary zoning and the establishment of the Affordable Housing Trust Fund. These are in very preliminary stages, and that group is trying to decide on what direction to take as a result of their housing trust summit held earlier this year.

The Executive Director reported that last night had been the Authority's budget and tax levy presentation to the City Council. In past years the Authority went to the City Council in July or August to present the tax levy request and then they would go back in December and present the budget. This year the City Council wanted both presented at the same time. She explained that the Authority was still working with the 2016's fiscal year budget so this had been presented along with the 2017 request for the tax levy. She mentioned that she thought in the future the City's financial staff would like the Authority to have their budget completed prior to next year's presentation, which would be quite a shift for the property management staff since the budget would have to be started in April, and more months' data would then be estimated. This means that there might be more variance in the budget, and it might also mean there would have to be a six month budget review.

Carla suggested that we could possibly commit to doing the operating budget on the housing the Authority owned at the earlier date, and then save the Authority's project budget for later because it was often not known what the next year's projects would be by April, May, or June.

The Executive Director introduced Callie Ronstrom, Mentor Duluth and Harbor Highlands Director for the YMCA. She gave Commissioners an overview of all the current programs and events taking place at the community center, and she mentioned programs they hoped to provide in the future. She and Carla Schneider answered Commissioners' questions.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel indicated that he had nothing to report at this time.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4:50 P.M.

Chair

ATTEST:

Secretary

Scheduled Regular Meeting – August 30, 2016