

**MINUTES OF THE  
SCHEDULED REGULAR MEETING  
OF THE COMMISSIONERS OF THE  
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA  
HELD ON THE 29<sup>TH</sup> DAY OF NOVEMBER, 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 29<sup>th</sup> day of November, 2016.

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

Also present were Jill A. Keppers, Executive Director; staff members David Peterson, Maureen Zupancich, Lynne Snyder, Carol Schultz, and Carla Schneider; Dan Maddy, Legal Counsel; Barbara Findley, President of King Manor Residents Club, and Anne Abraham, Vice President of King Manor Residents Club; and Linda Ross Sellner.

**SCHEDULED PUBLIC HEARINGS**

None.

**UNFINISHED BUSINESS**

**RESOLUTION AUTHORIZING ELEVATOR REPAIR AT THE ESMOND BUILDING**

The Executive Director explained that the Resolution authorizing the elevator repair at the Esmond Building had been tabled at the last meeting. After talking to the property managers at the Esmond, it was learned that there were three units in use on the main floor and there were two additional units on the main floor that have never been rehabbed because of the extent of the water damage to those apartments. The residents in those three apartments all have a variety of mobility issues so moving them to an upper floor wouldn't solve the problem. There were eight people on the second and third floors that need use of the elevator. She talked to MHFA about helping with the elevator repair and they indicated that they did not have any additional funds. After talking to Maureen Zupancich, the HRA's Comptroller, it was learned that there was still approximately \$20,000 of the MHFA \$1,000,000 loan remaining that could be accessed which would limit the amount funds needed from the general fund. She explained to Commissioners that it would probably cost more to relocate the eight residents than the \$58,580 needed to repair the elevator. She indicated that the other option would be to place the elevator

in “temporary dormancy” and the Department of Labor and Industry would tag and lock the elevator. The HRA would then have three years to make a permanent decision of whether to repair, replace, or take the elevator out of service which would include dropping the car and removing the cables. The Executive Director indicated that the third option was to contact the Department of Labor and Industry to see if the HRA could get another extension to keep the elevator in “staff only” operation, which is the current status. That would mean tabling the Resolution until the January meeting, and the Department of Labor and Industry might come and tag and lock the elevator in the meantime. The Chair indicated he doubted they would give the HRA a two year extension until Garfield Square was funded. Commissioner Glumac asked if the Department Labor and Industry might allow the HRA to just fix the safety related and most critical problems with the elevator at this time. After the Executive Director answered the Commissioners’ questions and comments, Commissioner Julsrud made a motion to take this Resolution off the table. Commissioner Cuneo seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Cuneo, Glumac, Julsrud, Rolle, and Talarico

Nays: None

The following Resolution was introduced by Commissioner Julsrud:

**RESOLUTION NO. 3726-16**  
**RESOLUTION AUTHORIZING ELEVATOR REPAIR**  
**AT THE ESMOND BUILDING**

Commissioner Julsrud moved that the foregoing Resolution be approved as introduced. Commissioner Cuneo seconded the motion with the caveat compromise.

Roll was called with the following results:

Ayes: Commissioners Cuneo, Glumac, Julsrud, Rolle, and Talarico

Nays: None

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

The Chair thanked the Executive Director and staff for checking into the options of the elevator repair.

**CONSENT AGENDA:**

Commissioner Talarico asked about Item E, the Resolution Determining Excess Land. The Executive Director explained that every year there was a Resolution listing the land that the Authority owned but had no current plans for that land. Lynne Snyder, Director of Rehab and Real Estate, explained that it was a requirement to make a list of the Authority's excess land every year, and that there were a couple of properties removed from last year's list to make up this list. There was construction planned for the lots that had been removed. Commissioner Talarico asked if in the future Commissioners could receive the previous year's list with the current year's excess land Resolution.

The following items were introduced by Commissioner Glumac:

**MINUTES OF THE SCHEDULED REGULAR MEETING OF  
OCTOBER 25, 2016**

**FINANCIAL REPORT FOR PERIOD ENDING OCTOBER 31, 2016**

**RESOLUTION NO. 3728-16  
RESOLUTION APPROVING AND AUTHORIZING EXECUTION AND  
RECORDATION OF DECLARATION OF TRUST  
(RE: 419 W. WINONA STREET)**

**RESOLUTION NO. 3729-16  
RESOLUTION APPROVING AND AUTHORIZING EXECUTION AND  
RECORDATION OF DECLARATION OF TRUST  
(RE: 207 E. WILLOW STREET)**

**RESOLUTION NO. 3730-16  
RESOLUTION DETERMINING EXCESS LAND**

**RESOLUTION NO. 3734-16  
RESOLUTION AUTHORIZING THE HOUSING AND REDEVELOPMENT  
AUTHORITY OF DULUTH, MINNESOTA TO ADMINISTER  
ADDITIONAL VOUCHER ASSISTANCE**

**RESOLUTION NO. 3735-16  
RESOLUTION APPROVING FLAT RENTS FOR PUBLIC HOUSING**

**RESOLUTION NO. 3736-16  
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF  
LOT 17, BLOCK 4, HAWK RIDGE ESTATES FIRST ADDITION TO  
WALTER W. CARLSON AND JODI M. WUTSCHKE  
BY THE HOUSING AND REDEVELOPMENT AUTHORITY**

**RESOLUTION NO. 3738-16**  
**RESOLUTION APPROVING FLAT RENTS FOR**  
**PUBLIC HOUSING IN HOPE VI DEVELOPMENTS**

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

Roll was called with the following results:

Ayes: Commissioners Cuneo, Glumac, Julsrud, Rolle, and Talarico

Nays: None

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

**DISCUSSION ITEMS**

**RESOLUTION AUTHORIZING CONTRACTS FOR ARCHITECT-ENGINEER SERVICES**

The Executive Director explained that approval of this Resolution would authorize contracts for architectural and engineering services, and the score sheet was included in their green folders. She indicated that they had nine firms respond to the RFP. She explained that they had encouraged specialists in various architectural and engineering disciplines to apply, and a selection committee had evaluated the proposals and determined the top three ranking firms in each discipline. The chosen firms included LHB, Finn Daniels, Architectural Resources, TKDA, and Architectural Advantage. She explained the Authority would negotiate costs for each of the services, and the contracts would be for three years with an option to extend for an additional two year period.

The Chair announced that he was on the Board of LHB so there was a conflict of interest, and he needed to recuse himself. Since the Vice-Chairperson was absent from today's Board meeting, he asked Commissioner Cuneo, the Secretary, to chair the Board meeting for this particular Resolution. Legal Counsel disclosed, even though he doesn't participate in voting, that LHB was a client.

The following Resolution was introduced by Commissioner Julsrud:

**RESOLUTION NO. 3731-16**  
**AUTHORIZING CONTRACT FOR ARCHITECT-ENGINEER SERVICES**

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

Roll was called with the following results:

Ayes: Commissioners Cuneo, Glumac, Julsrud, and Talarico

Nays: None

Abstain: Commissioner Rolle

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

Chair Rolle returned to chairing the meeting.

**RESOLUTION APPROVING THE WITHDRAWAL OF COMMITMENTS TO ENTER INTO HOUSING ASSISTANCE PAYMENT CONTRACTS (CHAPS) FOR THE RENTAL ASSISTANCE DEMONSTRATION (RAD)**

The Executive Director explained that approval of this Resolution would allow the Authority to return the Commitments for Housing Assistance Payments (CHAPS) to HUD. She has been reporting the Authority's roadblocks to RAD through 2016 and without an answer to PILOT, legislative change to the POHP funded projects, and without the correct application which would have allowed an exchange of POHP units for other units, the Authority's RAD conversion will not work in its current configuration. She believes that it would be prudent to return the CHAPS to HUD, and make a determination after the new administration comes to Washington or possibly reapply for CHAPS with different units. The following Resolution was introduced by Commissioner Cuneo:

**RESOLUTION NO. 3733-16  
RESOLUTION APPROVING THE WITHDRAWAL OF COMMITMENTS TO ENTER INTO HOUSING ASSISTANCE PAYMENT CONTRACTS (CHAPS) FOR THE RENTAL ASSISTANCE DEMONSTRATION (RAD)**

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

Roll was called with the following results:

Ayes: Commissioners Cuneo, Glumac, Julsrud, Rolle, and Talarico

Nays: None

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

## **RESOLUTION APPROVING RELEASE OF REQUEST FOR PROPOSALS FOR DEVELOPMENT AT HARBOR HIGHLANDS**

The Executive Director explained that it had been reported at past Board meetings that Harbor Highlands had land that has not been developed. It had been hoped that there would be a home ownership phase when the HOPE VI plan had originally been written. At the previous Board meeting she had talked about releasing a request for proposals with open ended parameters so that the private sector could come to the Authority and propose what they thought might work for that undeveloped property, so they could come back to the Board with the generated ideas. After the Executive Director answered Commissioners' questions, the following Resolution was introduced by Commissioner Talarico:

### **RESOLUTION NO. 3737-16 RESOLUTION APPROVING RELEASE OF REQUEST FOR PROPOSALS FOR DEVELOPMENT AT HARBOR HIGHLANDS**

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

Roll was called with the following results:

Ayes: Commissioners Cuneo, Glumac, Julsrud, Rolle, and Talarico

Nays: None

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

The Chair indicated that they were in the annual review stage for the Executive Director, and he hoped to meet with the Executive Director by the end of the year. He requested that Commissioners send him any comments to be incorporated in that review process.

## **COMMUNICATIONS/CORRESPONDENCE**

The Executive Director mentioned that included in the blue pages of the Board packet was an article regarding the Pastoret building, the candidate's forum, and an article regarding a home at Hawk Ridge Estates. She also included in Commissioners' green folders an article about homelessness in St. Louis County, the Esmond building report, information on the waiting list for Coordinated Entry for St. Louis County, and the

Morgan Park design for Phase I single family home ownership.

## **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**

None.

## **BUSINESS BY COMMISSIONERS**

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

Goal 1: David Peterson was working on presentation boards for Morgan Park and the Executive Director was in the process of contacting City Planning regarding the Authority' intentions for single family home ownership. She also continues to work with the Housing for All Summit Committee members on the establishment of an Affordable Housing Trust Fund.

Goal 2: The Executive Director and staff met with One Roof and City Planning regarding the Housing Resource Connection and the pipeline for projects. They also met with One Roof regarding the next draft of the partnership agreement for the HRC, and that agreement was nearing completion.

Goal 3: The Service Coordinator held a class on "How Your Community Can be Designed to Support Healthy Choices" which was attended by residents.

Goal 4: The RFP for Harbor Highlands Phase V was coming together. Gateway Tower closed this month and the pre-development loan and most of the legal fees were recovered.

Goal 5: The Executive Director reported that the King Manor window project was nearing completion.

Goal 6: AFSCME negotiations took place in November and only took two days to complete. Pending approval by the union members, changes were made to update job titles. Management tried to negotiate a system where employees could gain experience as part of an employee development program, but the union did not accept that proposal. Open enrollment and the health fair both took place in November.

Goal 7: The Executive Director indicated that she had strategized with senior staff regarding the need to make this goal a priority for 2017.

The Executive Director indicated she would like to revise the dashboard for 2017. She thought the current format worked well, but in 2017 she would like to rearrange it. She will work with senior staff to prioritize the goals and look at what can be accomplished with the Authority's resources versus ideas that don't seem feasible. Since there are new Board members, some of the priorities may have changed since this strategic plan was developed, and she would like to make the dashboard feasible and meaningful to the Board. Even though this strategic plan was scheduled through 2019, she would like feedback from Commissioners if they think the focus has changed and a new strategic plan was needed.

## **REPORT OF EXECUTIVE DIRECTOR**

The Executive Director is attending Affordable Housing Trust Fund Committee meetings every other week.

The Executive Director has contacted MHFA regarding operating subsidy and elevator repair funds and she heard they did not have funds available this year, but they would look into the possibility of funds for next year. She and Carla Schneider have met with Rick Klun and Lori Reilly from Center City Housing regarding the Esmond transition plan and the elevator.

The Executive Director reported that she had participated on the scoring committee for the architectural and engineering RFQ. They had nine respondents.

The Executive Director followed up with the LaSalle group regarding their potential development in Spirit Valley. The City was interested in their project and she believed they may be looking at bonding for the project, and she would know more after the first quarter of 2017.

The Executive Director and the Deputy Director met with AFSCME for contract negotiations which were completed in only two days of negotiations. They were pleased with how both sides worked together, compromised, and proposed solutions.

The Executive Director indicated that the Morgan Park project was moving towards getting proposal boards together to use at MHFA for gap financing on new construction.

Gateway Tower closed on November 21<sup>st</sup>.

The Executive Director mentioned that other items this month included the JPE Wellness Coordinator presenting on "well-being" strategy for the Joint Powers Pool for the health



insurance. She attended a NERDA meeting, which stands for Northeast Regional Directors Association, in Two Harbors. Also, the HRC met on the partnership agreement.

The Executive Director reported that the Section 8 Management Assessment Program (SEMAP) report was submitted to HUD this month, and Harbor Highlands had its risk analysis with zero findings and zero deficiencies. She congratulated staff.

The Executive Director asked that Commissioners mark their calendars for January 31, 2017, which is the date for the Annual Board meeting and the Annual Board dinner. She explained that the Annual meeting would take place prior to the regular Board meeting in January and then recess and reconvene at the Pickwick for dinner. The speaker at this year's dinner will be Heather Rand, Executive Director of DEDA.

The Executive Director indicated she would send out an email in the middle of December to confirm whether or not there would be a Board meeting in December.

## **REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES**

Legal Counsel indicated that he and staff had primarily been working on Gateway this month and that the deal had closed. He reported that the Authority's staff had made good decisions and kept the deal on track, and that the Authority had received a reimbursement of quite a bit of its legal fees.

## **OTHER BUSINESS**

None.

## **ADJOURNMENT**

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

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Chair

ATTEST:

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Secretary

Scheduled Regular Meeting – November 29, 2016