

**MINUTES OF THE
SCHEDULED REGULAR MEETING
OF THE COMMISSIONERS OF THE
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA
HELD ON THE 30TH DAY OF MAY, 2017**

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 30th day of May, 2017.

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

Also present were Jill A. Keppers, Executive Director; staff members Carla Schneider, Maureen Zupancich, David Peterson, Lynne Snyder, Pam Benson, and Carol Schultz; Dan Maddy, Legal Counsel; Cliff Knettel, One Roof; Barbara Findley, President of King Manor Residents Club, and Anne Abraham, Vice President of King Manor Residents Club; Roger Endres, President of Midtowne Manor II Residents Club; and Gloria Groff, President of Ramsey Manor Residents Club, and Liisa Varhalla, Secretary of Ramsey Manor Residents Club.

SCHEDULED PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

None.

CONSENT AGENDA:

The following items were introduced by Commissioner Glumac:

**MINUTES OF THE SCHEDULED REGULAR MEETING OF
APRIL 25, 2017**

FINANCIAL REPORT FOR PERIOD ENDING APRIL 30, 2017

**RESOLUTION NO. 3770-17
RESOLUTION AUTHORIZING THE ACCEPTANCE OF ANNUAL AUDIT
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2016**

RESOLUTION NO. 3771-17
RESOLUTION APPROVING CHANGES TO THE LOW RENT
PUBLIC HOUSING UTILITY ALLOWANCE SCHEDULE FOR
AMPS 6-7-8-9-10-12 – HOPE VI HOUSING PROGRAM

RESOLUTION NO. 3772-17
RESOLUTION APPROVING CHANGES TO HOUSING CHOICE VOUCHER
(HCV) UTILITY ALLOWANCE SCHEDULE

RESOLUTION NO. 3773-17
RESOLUTION APPROVING CHANGES TO PUBLIC HOUSING
UTILITY ALLOWANCE SCHEDULE

RESOLUTION NO. 3776-17
AUTHORIZING APPLICATION TO THE
MINNESOTA HOUSING FINANCE AGENCY

RESOLUTION NO. 3778-17
AWARDING WORKER’S COMPENSATION INSURANCE

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Rolle, Scott, and Talarico

Nays: None

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

DISCUSSION ITEMS

RESOLUTION APPROVING A TRANSFER OF FUNDS TO THE CITY OF
DULUTH TO PROVIDE FUNDING FOR THE GATEWAY TOWER
REDEVELOPMENT INITIATIVE

The Chair entertained a motion to approve the Resolution as presented. The following Resolution was introduced by Commissioner Glumac:

RESOLUTION NO. 3769-17
RESOLUTION APPROVING A TRANSFER OF FUNDS TO THE

CITY OF DULUTH TO PROVIDE FUNDING FOR THE GATEWAY TOWER REDEVELOPMENT INITIATIVE

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

The Chair indicated that he had been provided additional information, so he directed Legal Counsel to provide language that would amend the motion. Once that was heard he would look for a motion and a second to amend the motion.

Legal Counsel explained that he was following up on the Committee of the Whole Meeting, and he indicated that there were three changes to suggest for this amendment. The first change was to replace the amount \$280,462 with \$284,462. The second change was in the Resolution itself where it approved transferring \$284,462. This should say transferring “up to” \$284,462, and added to the end of the Resolution would be the following language: The transfer of funds to the City is subject to and shall not be made until the HRA receives firm commitments (i) by the City of Duluth in the amount of \$200,000 (including final City Council approval), (ii) by St. Louis County in the amount of \$100,000 (including final St. Louis County Board approval), and (iii) by the Minnesota Housing Finance Agency (“MHFA”) in the amount of not less than \$130,000 (subject to final approval by MHFA following its established approval process).

The Chair asked for a motion to amend the previous motion. Commissioner Talarico moved to amend that motion. Commissioner Scott seconded the motion.

Roll was called with the following results:

Ayes: Commissioners Johnson, Rolle, Scott, and Talarico

Nays: None

The Chair declared the amended motion carried.

Roll was called with the following results:

Ayes: Commissioners Johnson, Rolle, Scott, and Talarico

Nays: None

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

RESOLUTION OF APPRECIATION TO PATTI CHRISTIE

The Executive Director read into the minutes the Resolution of Appreciation to Patti Christie. The following Resolution was introduced by Commissioner Scott:

RESOLUTION NO. 3765-17
RESOLUTION OF APPRECIATION TO PATTI CHRISTIE

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Rolle, Scott, and Talarico

Nays: None

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

RESOLUTION AWARDING CONTRACT FOR DULUTH HRA THERMO-REMEDIAION PROJECT EQUIPMENT

The Executive Director indicated that she would like Commissioners to consider this Resolution awarding a contract for the Authority to purchase in-house bedbug extermination equipment from Temp-Air, Inc. in the amount of \$79,580. She indicated that they were ready to proceed with the in-house bedbug remediation, and they planned to fill this inspector position internally as soon as they received a memorandum of understanding from the union, rather than continuing to have this service provided by an outside firm. The Director of Housing Services explained that the current cost for this could be \$1,100 for a single high rise unit and as high as \$2,000 to \$5,000 for a single family home. The Comptroller indicated that this fiscal year \$121,000 had been budgeted for this, and to date, almost \$68,000 has been spent. The following Resolution was introduced by Commissioner Scott:

RESOLUTION NO. 3775-17
RESOLUTION AWARDING CONTRACT FOR DULUTH HRA
THERMO-REMEDIAION PROJECT EQUIPMENT

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Rolle, Scott, and Talarico

Nays: None

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

RESOLUTION AUTHORIZING PROPER HRA OFFICIALS TO ENTER INTO AN AGREEMENT FOR ARCHITECTURAL AND ENGINEERING SERVICES WITH LHB, INC.

The Executive Director explained that this Resolution was to authorize entering into an agreement for architectural and engineering services with LHB, Inc. She reminded Commissioners that the Authority had tried something different last fall in hopes of engaging smaller firms that were more specialized, but this did not work out as planned, so this Resolution was the result of the second round of issuing an RFP. The firm of LHB, Inc. received the highest score, there have been no challenges to the process, and negotiations have been completed. She informed the “not to exceed amount” was high due to the fact that the RFP was comprehensive, and the architectural and engineering services for capital fund work was estimated at \$300,000, \$300,000 for development in Morgan Park, \$300,000 for the Esmond Building, and \$400,000 for Harbor Highlands Phase V. She indicated that the Authority was looking at some significant redevelopment projects in the next three plus years, resulting in significant architectural and engineering services.

The Chair disclosed that he was on the Board of LHB and indicated he needed to recuse himself. The Vice President was absent so he asked the Secretary, Commissioner Talarico, to run this portion of the meeting. Legal Counsel stated that in many organizations once a quorum has been established, it continued, but he didn’t think it continued in a public body such as the Authority. Legal Counsel excused himself to get an answer to this question. The Chair stated that he had no role in the selection process for this Resolution, and he suggested they move on to the next Resolution until Legal Counsel had an answer to the question of whether it was considered that there was still a quorum after the Chair recused himself.

RESOLUTION APPROVING PROPOSALS FOR PROJECT BASED SECTION 8 RENTAL ASSISTANCE PROGRAM

The Chair explained that included in the Board packet was a place holder for the next two Resolutions. Attached to today’s agenda, Commissioners would find the completed Resolutions.

The Executive Director explained to Commissioners that the following two Resolutions

were to approve proposals for project based Section 8 vouchers. The Authority is allowed to project base a certain number of its vouchers. In order to do this, the Authority has to (1) get approval from HUD, (2) advertise that project based vouchers were available, (3) accept applications for these vouchers, (4) scored the applications, and (5) award project based vouchers accordingly. The reason there were place holders for these two Resolutions was because the application deadline closed today at noon. The first Resolution was to award five vouchers for project based use to the Brewery Creek Apartments. The following Resolution was introduced by Commissioner Talarico:

RESOLUTION NO. 3779-17
APPROVING PROPOSALS FOR PROJECT BASED SECTION 8
RENTAL ASSISTANCE PROGRAM

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 Glumac, Rolle, Scott, and Talarico

Nays: None

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

RESOLUTION APPROVING PROPOSALS FOR PROJECT BASED SECTION 8
RENTAL ASSISTANCE PROGRAM

The Executive Director explained that this Resolution would approve awarding four project based vouchers to the Decker Dwellings mixed income project. The following Resolution was introduced by Commissioner Scott:

RESOLUTION NO 3780-17
APPROVING PROPOSALS FOR PROJECT BASED SECTION 8
RENTAL ASSISTANCE PROGRAM

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

Roll was called with the following results:

Ayes: Commissioners Glumac, Rolle, Scott, and Talarico

Nays: None

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

COMMUNICATIONS/CORRESPONDENCE

The Executive Director mentioned that included in Commissioners' green folders was a report provided by the auditors. There will be bound copies of the audit provided to the Board. The Executive Director mentioned that in the blue pages of the Board packet there was an editorial regarding Garfield Square with a mention of the Authority's involvement with the Esmond Building, and an article regarding the opening of the Center for Changing Lives. The Esmond report was also included in the green folders.

REPORTS OF COMMITTEES

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

Finance Committee: The Finance Committee had not met.

Legal Counsel returned to the meeting and reported that Chris Virta was looking into the quorum issue, and would be reporting back to Legal Counsel. He indicated that he had looked at a copy of the Authority's Bylaws, and it didn't seem to give clear authority to continue the quorum, once established, if one of the members leaves or has to recuse themselves. Whether there was a quorum would depend on the information provided by Chris Virta. Legal Counsel reminded the Board that this was consistent with times where Commissioners have been asked to stay for a vote before leaving.

OPPORTUNITY FOR VISITORS TO BE HEARD

Gloria Groff, President of the Ramsey Manor Residents Club, indicated that she had spoken at the Board meeting two months ago regarding the drugs at Ramsey Manor. Since then, one person had been arrested and another had moved, but since security has left, the drug dealing continues, and the back door has been broken again. The Vice President of the Residents Club has resigned because the officers of the club were being hassled by the drug dealers. She stated they still needed security. People didn't want to call the police because they got hassled.

The Chair thanked her for her comments, and indicated they have had lengthy discussions regarding this, and steps have been taken. He indicated that staff was continuing to be diligent regarding this situation and continued to work on these problems.

Ms. Groff indicated that Officer Ring had been given the names and apartment numbers

of the drug dealers, and nothing had been done. The Executive Director indicated she would follow up with staff regarding this.

Commissioner Scott commented that this issue has been discussed at the last three Board meetings, so he wondered if they could meet as a committee about what was being done to address this situation. He would like to come to some resolution about what was going to be done about this.

BUSINESS BY COMMISSIONERS

The Executive Director explained that they were still operating under the old dashboard at this point, and she would comment on a few highlights.

Morgan Park Phase 1 has been completed, and the soil testing would be started this week. They were also working with the existing landscape architect to do the required tree survey.

In May there had been a meeting regarding the Minnesota Housing Finance Agency's Super RFP with the City and One Roof. The City was developing a framework that they will bring to the City Council so that the applicants will have a plan to refer to in their application which would make the applications even stronger.

The Executive Director contacted Jodi Slick at Eco3 regarding her resilient homes and potential lots. She wants to partner with the Authority on our application to MHFA for construction financing for panelized houses, with lower total development costs. They are also working with her to identify potential lots in Morgan Park, Harbor Highlands, Hawk Ridge, or Build Up Duluth in the hillside.

The Executive Director contacted One Roof's staff regarding the possibility of their acquiring one of the Authority's public housing duplexes, but they determined that it was beyond repair, even for them.

The Executive Director met with Rick Klun and Lee Stuart regarding continuing services at the Esmond and Garfield Square, due to funding will be the Authority's responsibility as of July.

The Authority will be looking at its housing development, and as they go through the strategic planning process, they will decide whether to move forward as a developer or a co-developer, and if they were going to use tax credits, they would need a development partner. They will start looking at the Esmond property and the Harbor Highlands Phase V as they finalize the strategic planning process.

The Executive Director reported that her New Commissioner Orientation packet was

complete and ready for implementation. She will distribute them to all the Commissioners to get their feedback.

The Executive Director reported that they have advertised the Maintenance Technician positions externally, and they have posted Housing Specialist positions in house due to Patti's retirement and two other resignations.

The Chair asked if Business By Commissioners section of the minutes had included the Executive Director's report.

The Executive Director added that the City Council had passed changes to the CDBG contract. They have also been given priority from the City to spend the HOME funds and the Revolving Loan Fund before accessing the CDBG "sticks and bricks" funding. They will also be working with the City regarding adjusting the parameters for the Revolving Loan Fund and the HOME funds in order to get these funds out on the street to qualified applicants. She indicated that the City had more restrictive covenants than HUD did for these.

The Executive indicated that the MHFA application was in process and would be submitted in the middle of June.

REPORT OF LEGAL COUNSEL: MONTHLY ACTIVITIES

Legal Counsel reported that most of his work this month involved Gateway Tower.

The Chair asked if Legal Counsel had an answer regarding the question of a quorum. He indicated that he had received information from Chris Virta that the State Auditor uses the language abstention from voting due to a conflict, so the State Auditor would look at the Chair's recusal as an abstention because of a conflict, so this indicated that there would be a quorum for the following Resolution. The following Resolution was introduced by Commissioner Glumac:

RESOLUTION NO. 3777-17 AUTHORIZING PROPER HRA OFFICIALS TO ENTER INTO AN AGREEMENT FOR ARCHITECTURAL AND ENGINEERING SERVICES WITH LHB, INC.

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

Commissioner Scott commented that the selection process had been very thorough. He was impressed by the Authority's selection team which included a staff member from St. Louis County. He indicated that LHB's proposal had been the most complete, and it had

been recommended unanimously by the selection committee.

Roll was called with the following results:

Ayes: Commissioners Glumac, Scott, and Talarico

Nays: None

Abstain: Commissioner Rolle abstained due to a conflict.

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

Commissioner Glumac asked if there was a reason why street addresses were not listed in the Resolutions. She thought it would be helpful to have the street address in the Resolution or the Statement of Purpose when it referred to a particular piece of property.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4:10 P.M.

Chair

ATTEST:

Secretary

Scheduled Regular Meeting – May 30, 2017