

**MINUTES OF THE  
SCHEDULED REGULAR MEETING  
OF THE COMMISSIONERS OF THE  
HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA  
HELD ON THE 27<sup>TH</sup> DAY OF JUNE, 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 27<sup>th</sup> day of June, 2017.

The Chair called the Meeting to order and on roll call the following members were found to be present: Commissioners Boshey, Johnson, Rolle, and Talarico. Commissioners Glumac and Scott 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; Barbara Findley, President of King Manor Residents Club, and Anne Abraham, Vice President of King Manor Residents Club; and Roger Endres, President of Midtowne Manor II Residents Club.

**SCHEDULED PUBLIC HEARINGS**

None.

**UNFINISHED BUSINESS**

None.

**CONSENT AGENDA:**

The following items were introduced by Commissioner Talarico:

**MINUTES OF THE SCHEDULED REGULAR MEETING OF  
MAY 30, 2017**

**FINANCIAL REPORT FOR PERIOD ENDING MAY 31, 2017**

**RESOLUTION NO. 3782-17  
RESOLUTION AUTHORIZING THE DIRECT CONTINGENT SALE OF  
LOT 14, BLOCK 2, HAWK RIDGE ESTATES FIRST ADDITION  
TO BEMEN J. AND AYESHA S. CARLSON BY  
THE HOUSING AND REDEVELOPMENT AUTHORITY**

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

Roll was called with the following results:

Ayes: Commissioners Boshey, Johnson, Rolle, and Talarico

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 2017 FISCAL YEAR ANNUAL AGENCY PLAN TO HUD**

The Executive Director indicated that this Resolution was brought before the Board every year to approve and authorize the submission of the agency plan. This plan is specific to the public housing and Section 8 programs, and is different from the five year plan which focuses on the capital needs of the agency. Historically the five year plan is done after HUD issues a notice of capital funding for the next year, which they haven't done yet. The agency plan covers vouchers and any potential project basing not already in place, and any demolition or disposition of public housing. She mentioned that they did list the Authority's scattered sites that were over 75 years old, but this did not mean that they would dispose of all of them. They listed them all so there would not be a need to significantly amend the plan. After she indicated that Carol Schultz, Special Projects Administrator, could answer any questions, the following Resolution was introduced by Commissioner Johnson:

#### **RESOLUTION NO. 3781-17 RESOLUTION APPROVING AND AUTHORIZING THE SUBMISSION OF THE 2017 FISCAL YEAR ANNUAL AGENCY PLAN TO HUD**

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

Roll was called with the following results:

Ayes: Commissioners Boshey, Johnson, Rolle, 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 the blue pages of Commissioners' board packets was an article regarding San Marco's 10 year anniversary, an article about a house flipping program in Superior, and a local opinion about tax forfeit land held in conservation. She explained that in the past land was held in "conservation" as a term meant to set aside for future use, but now the term "conservation" was used in conjunction with green space and environmental issues. She indicated that this confusion continued to be a barrier for the Authority regarding development. Included in Commissioners' green folders were copies of the Esmond report, and the Rainbow Center and Lincoln Park Center schedules. Also, Commissioners should have bound copies of the audit and a binder containing the new Commissioner orientation. She invited Commissioners' comments regarding the orientation. The Chair asked for feedback from Commissioners to see if this orientation touched on topics that they thought were relevant when they were new Commissioners.

## **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 reported that in June the City Council approved the Housing Action Framework. She had gone to the City Council meeting and spoke in favor of this plan.

The Morgan Park soil test results showed that the soil was good for building single family homes, so they will move forward with the land purchase. David Peterson, Director of Development and Redevelopment, has spoken to the City and the County regarding any assessments on the land. She indicated that they will next be seeking surveyor services.

In May there had been a meeting with the City and One Roof regarding the Minnesota Housing Finance Agency's Super RFP. 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 applications which would make the applications even stronger.

The Executive Director indicated that the Authority's MHFA application was submitted to provide gap financing for the Build Up Duluth houses and for an exterior rehab program. She reported that the Authority had partnered with Eco3 on the Minnesota Housing application and included funding for construction financing for the House3 project utilizing panelized houses with lower total development costs on potential lots in Morgan Park, Harbor Highlands, Hawk Ridge, or for Build Up Duluth in the hillside.

The Executive Director reported that the Legislature had passed \$10,000,000 in General Obligation Bonds, and the Authority plans to apply for this funding when the application instructions are released, and this would be used for the Publicly Owned Housing Program.

The Executive Director mentioned that client surveys had been sent out regarding use of capital funds, and the results will be used in the decision making process for the Five Year Plan for capital improvement.

The Executive Director reported that job offers for the Maintenance Tech positions have been made and they are now waiting for the results from background checks and drug testing. They are now advertising to fill Housing Specialist positions. There has been internal interest in these positions, and subsequent movement within the organization. The IT person has also announced her retirement in September so that job has also been posted.

The Executive Director indicated that she and Carol Schultz met with Ted Schick, a local corporate trainer and speaker, and discussed team building and customer service training at HRA all staff meetings and also his speaking at the Minnesota NAHRO Fall Conference.

The Executive Director mentioned they were ready to send out a marketing RFP. Staff has started working on budgets, the Tax Levy Resolution would be brought to the Board in July, a Finance Committee meeting will be scheduled in August, and she will be presenting to the City Council in September.

## **REPORT OF EXECUTIVE DIRECTOR**

The Executive Director reported that the Housing for All Summit had taken place. Turnout was slightly less than in previous years due to the fact that Northern St. Louis County wanted to have their own summit. The Executive Director helped introduce and facilitate the Affordable Housing Trust Fund break out session. This remains a priority for the Housing for All Summit as well as the Affordable Housing Coalition. She

indicated she had a follow up call with Minnesota Housing Partnership. They had enabling legislation passed this session for the establishment of local housing trust funds. Next session they will likely see an allocation for matching funds for municipalities establishing new housing trust funds.

The final Esmond report to Greater Minnesota Housing Fund was submitted on June 1<sup>st</sup> and they have requested a final disbursement of that funding. There was an owner's meeting to discuss the attrition plan for the Esmond based on the two scenarios of whether or not Garfield Square is funded in October.

The Center for Changing Lives had their grand opening and the New San Marco had their 10 year anniversary. The HRA was recognized in their role as partner at both events.

After the annual audit was approved by the Board, it was emailed to all of the applicable parties.

The Executive Director explained that they continued to have Gateway discussions relating to the lead program. MHFA seems reluctant to put a loan into the deal as the Authority had originally been led to believe. The gap of approximately \$134,000 may ultimately fall to the developers in one form or another. GMHF said that MHFA and the developers need to decide how to cover the gap, so she stated they may be coming to the Board with a revised Resolution in July.

The Executive Director indicated that the annual Clean Up Day was June 7<sup>th</sup>, and employees were able to choose activities that were outside their normal work areas by working on projects throughout the Authorities' properties.

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

Legal Counsel reported that he has continued to work primarily on Gateway. The City Council and the County Board have approved their portions of funding and the Authority has developed a funding agreement which Legal Counsel has advised staff not to sign until the last component, which was the MHFA funding, had been addressed. If the MHFA funding is not provided, he explained that they will need to come back to the Board with a new Resolution or an amended Resolution, and revise the funding agreement.

## **OTHER BUSINESS**

None.

## **ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 3:50 P.M.

---

Chair

ATTEST:

---

Secretary

Scheduled Regular Meeting – June 27, 2017