

**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 AUGUST, 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 29<sup>th</sup> day of August, 2017.

The Chair called the Meeting to order and on roll call the following members were found to be present: Commissioners Johnson, Rolle, Scott, and Talarico. Commissioners Glumac 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, Pam Benson, Carol Schultz, and Lynne Snyder; Chris Virta, 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 Scott:

**MINUTES OF THE SCHEDULED REGULAR MEETING OF  
JULY 31, 2017**

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

**RESOLUTION NO. 3796-17  
AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY  
OF DULUTH, MINNESOTA TO ENTER INTO A JOINT POWERS  
AGREEMENT WITH THE MINNESOTA BUREAU OF CRIMINAL  
APPREHENSION FOR THE PURPOSE OF CONDUCTING**

## **REQUIRED BACKGROUND CHECKS**

**RESOLUTION NO. 3800-17  
AUTHORIZING ACCEPTANCE OF CITY OF DULUTH HOME FUNDING FOR  
TENANT BASED RENTAL ASSISTANCE**

**RESOLUTION NO. 3801-17  
RESOLUTION AUTHORIZING THE ST. LOUIS COUNTY HOUSING AND  
REDEVELOPMENT AUTHORITY TO INVEST CERTAIN FUNDS  
WITHIN THE CITY OF DULUTH**

**RESOLUTION NO. 3802-17  
APPROVING PROPOSALS FOR PROJECT BASED SECTION 8  
RENTAL ASSISTANCE AT GATEWAY TOWER**

**RESOLUTION NO. 3804-17  
RESOLUTION AWARDED CONTRACT FOR  
2016 DULUTH HRA MIDTOWNE MANOR I & II  
EMERGENCY GENERATOR REPLACEMENT PROJECT**

**RESOLUTION NO. 3805-17  
RESOLUTION APPROVING FLAT RENTS FOR PUBLIC HOUSING  
IN HOPE VI DEVELOPMENTS**

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

Roll was called with the following results:

Ayes: Commissioners Johnson, Rolle, Scott, and Talarico

Nays: None

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

## **DISCUSSION ITEMS**

**RESOLUTION ADOPTING UPDATED STRATEGIC GOALS AND  
STRATEGIES FOR THE HOUSING AND REDEVELOPMENT AUTHORITY  
OF DULUTH, MINNESOTA**

The Chair stated that this was the culmination of all the work the Executive Director and staff had done and the Commissioners' feedback. The Executive Director has updated

the strategic goals which would replace what the Board had been reviewing up to this point. The Board has had a chance to review the dashboard and it has been discussed at prior meetings. The Chair reported that, unlike the previous dashboards, this one has benchmarks and target dates for completion. After he thanked the Executive Director and staff for their work on this, the following Resolution was introduced by Commissioner Talarico:

**RESOLUTION NO. 3797-17**  
**RESOLUTION ADOPTING UPDATED STRATEGIC GOALS AND**  
**STRATEGIES FOR THE HOUSING AND REDEVELOPMENT AUTHORITY**  
**OF DULUTH, MINNESOTA**

Commissioner Talarico moved that the foregoing Resolution be approved as introduced. 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 motion carried and said Resolution approved as introduced and read.

**RESOLUTION OF APPRECIATION TO NANCY JACOBSON**

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

**RESOLUTION NO. 3798-17**  
**RESOLUTION OF APPRECIATION TO NANCY JACOBSON**

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

Roll was called with the following results:

Ayes: Commissioners Johnson, Rolle, Scott, and Talarico

Nays: None

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

**RESOLUTION AMENDING ITS HOUSING DEVELOPMENT AGREEMENT WITH SKORCO, INC. FOR THE SALE OF LOT 12, BLOCK 2, AND LOTS 13, 14 AND 15, BLOCK 4, HAWK RIDGE ESTATES FIRST ADDITION**

The Executive Director explained to Commissioners that the Authority has a contract for development with Skorko, Inc. and this contract has been amended to include new lots each time the developer was ready to build another home. This Resolution has two components. The first is the sale of Lot 12, Block 2 on which the developer plans to build a model home. The second component is the sale of Lots 13, 14 and 15, Block 4. Skorko, Inc. has been retained to build to a home. Lots 13 and 14 have already been combined to create a more buildable lot, and the buyer would also like to purchase Lot 15. If this Resolution is approved, there would be no soft-second available for this lot as only one home is being built. In the past, buyers have not been allowed to purchase adjacent lots in order to have extra lot space, but it is now 2017 and there are still 18 lots remaining. She indicated that they could deny the purchase of Lot 15 under these circumstances, they could allow the purchase and insist that the home be situated in such a way that it spans all three lot lines, or they could allow the purchase and contact other homeowners in the subdivision who may be interested in purchasing an adjacent lot at full price with no soft-second, and allow future buyers to purchase two adjacent lots at full price with no soft-second. This could mean building fewer homes in the development, but considering the amount of time that has passed, the pressure the City is putting on the Authority to sell these lots, and the fact that budgets are tight and this could free up cash for further redevelopment initiatives in Duluth, it may be a good plan. After further discussion and after staff answered Commissioners' questions, the following Resolution was introduced by Commissioner Johnson:

**RESOLUTION NO. 3799-17**  
**RESOLUTION AMENDING APPROVAL ITS HOUSING DEVELOPMENT**  
**AGREEMENT WITH SKORCO, INC. FOR THE SALE OF LOT 12, BLOCK 2,**  
**AND LOTS 13, 14 AND 15, BLOCK 4, HAWK RIDGE ESTATES**  
**FIRST ADDITION**

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 Johnson, Rolle, Scott, and Talarico

Nays: None

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

read.

The Chair indicated that after the Executive Director had an opportunity to talk with the Hawk Ridge Estates Association they could create a policy.

**RESOLUTION AUTHORIZING AWARDING CONTRACT FOR REHABILITATION OF A SINGLE-FAMILY HOME LOCATED AT 5721 JUNIATA STREET**

The Executive Director indicated that a completed Resolution was attached to the agenda distributed at the meeting. She reminded Commissioners that at last month's meeting she had mentioned that they had put the rehabilitation of the home located at 5721 Juniata Street out for bid and had received zero responses, so this was the second attempt to get bids on the rehabilitation of this home. Thirteen bid packets were distributed, five contractors attended the pre-bid meeting, and only one bid was submitted. This bid was in line with the independent cost estimate, and approval of this Resolution would award a contract to Askelin Brothers Construction in the amount of \$108,180. After Pam Benson, Director of Housing Services, explained what was included in the rehabilitation, the following Resolution was introduced by Commissioner Talarico:

**RESOLUTION NO. 3803-17  
RESOLUTION AUTHORIZING AWARDING CONTRACT FOR  
REHABILITATION OF A SINGLE-FAMILY HOME  
LOCATED AT 5721 JUNIATA STREET**

Commissioner Talarico moved that the foregoing Resolution be approved as introduced. 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 motion carried and said Resolution approved as introduced and read.

**RESOLUTION AUTHORIZING HRA OFFICIALS TO ENTER INTO AN AGREEMENT WITH THE CITY OF DULUTH WHEREBY THE AUTHORITY WILL OPERATE THE YEAR 2018 SINGLE FAMILY REHABILITATION PROGRAM AND ASSIST WITH HOME MONITORING**

The Executive Director explained that the following two Resolutions had been received after the Board packet deadline. These were Resolutions to proceed with operating the

HOME and CDBG contracts for the City of Duluth. She explained that these would normally be consent items. The following Resolution was introduced by Commissioner Johnson:

**RESOLUTION NO. 3806-17**  
**RESOLUTION AUTHORIZING HRA OFFICIALS TO ENTER INTO AN**  
**AGREEMENT WITH THE CITY OF DULUTH WHEREBY THE AUTHORITY**  
**WILL OPERATE THE YEAR 2018 SINGLE FAMILY REHABILITATION**  
**PROGRAM AND ASSIST WITH HOME MONITORING**

Commissioner Johnson moved that the foregoing Resolution be approved as introduced. 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 motion carried and said Resolution approved as introduced and read.

**RESOLUTION AUTHORIZING HRA OF DULUTH TO MAKE AN**  
**APPLICATION TO ADMINISTER AND OPERATE FISCAL YEAR 2018**  
**COMMUNITY DEVELOPMENT BLOCK GRANT REHABILITATION**  
**PROGRAM (CDBG)**

The Chair asked for a motion to approve this Resolution. The following Resolution was introduced by Commissioner Talarico:

**RESOLUTION NO. 3807-17**  
**RESOLUTION AUTHORIZING HRA OF DULUTH TO MAKE AN**  
**APPLICATION TO ADMINISTER AND OPERATE FISCAL YEAR 2018**  
**COMMUNITY DEVELOPMENT BLOCK GRANT REHABILITATION**  
**PROGRAM (CDBG)**

Commissioner Talarico moved that the foregoing Resolution be approved as introduced. 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 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 of interest regarding potential affordable housing for veterans. Included in Commissioners' green folders were copies of the Esmond report, the Rainbow Center and Lincoln Park Center schedules, and a reminder about the Minnesota NAHRO Conference in September. She also mentioned that Commissioners may be receiving a ballot in the mail to vote for the new NAHRO Board. She explained that she was nominated by the nominating committee to serve on the Board, and if Commissioners think this would be appropriate for her, she would appreciate their vote.

## **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 Chair suggested that since the Board had just approved the Resolution adopting the updated strategic goals and strategies, they should forego reviewing the dashboard until the September meeting.

## **REPORT OF EXECUTIVE DIRECTOR**

The Executive Director reported that she and staff have been working on budgets to meet the City's deadline prior to their September 11<sup>th</sup> presentation. There would be a budget review to discuss the preliminary numbers at the end of today's meeting. She indicated they would have the final budget ready for Board review and approval at the September Board meeting.

The Executive Director mentioned she had attended the NAHRO Leadership Conference in St. Cloud, and she met with Matt Traynor from the Minnesota Coalition for the Homeless. She is hoping to be involved in the Homes For All campaign on their policy

committee to help select projects and priorities for their legislative session this year.

The Executive Director reported that she has been working on the housing trust fund structure for the Affordable Housing Trust Fund committee. However, with the City's budget cuts and new tax increases going for a referendum, it seems the establishment of an actual trust fund was becoming more remote.

The Executive Director indicated that she, Lynne Snyder, and Mary Pelofske attended the CDBG application technical assistance session put on by the City. The 2018 applications are due by the end of the week, even though the Authority has not received the 2017 contract yet.

The Executive Director continues to be a part of the Keeping Families Together initiative working with CHUM, St. Louis County, Center City Housing, and D.W. Jones to bring this collaboration to the Steve O'Neil apartments. This initiative works with families in the child protection system to attempt to provide reunification and stable housing.

The Executive Director attended a question and answer session with Senator Al Franken.

The Executive Director has been involved with the Joint Powers Enterprise, which is the self-funded health insurance pool, and is made up of the City, the HRA, the Airport Authority, and the DECC. They have been conducting first and second interviews with potential consultants.

The Executive Director, Lynne Snyder, and Carla Schneider met with David Montgomery, Keith Hamre, and Pam Kramer regarding the housing action framework, potential funding, HRA redevelopment priorities, and CDBG administration.

The Executive Director informed the Board that the Sunshine Club had begun planning the second annual crock-pot cook off for staff.

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

Legal Counsel reported that the Terrex affordable housing project was moving forward, and they had received the full bonding allocation that they had requested. They have 120 days to close on the bonding. The bonding will be approximately \$5.8 million, along with low income housing tax credits that are part of the project. He explained that the Board had previously adopted the Resolutions last October for this project.

The Executive Director reported that Dan Maddy has been working on the lead program and submission of the lead documents for Gateway Tower.

## **OTHER BUSINESS**



None.

The Chair indicated that he was calling a short recess and then he would reconvene the meeting and they would begin the budget review.

## **ADJOURNMENT**

There being no further business to come before the Board, the meeting was recessed at 4:05 P.M., and reconvened at 4:25 P.M.

The Executive Director and staff reviewed the budget, which would be presented to the City Council, with Commissioners and answered their questions. The meeting was adjourned at 5:25 P.M.

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Chair

ATTEST:

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Secretary

Scheduled Regular Meeting – August 29, 2017