**THE MINUTES OF THE REGULAR AND WORKSHOP MEETING OF THE HIBBING ECONOMIC DEVELOPMENT AUTHORITY**

**March 3, 2026**

**Meeting Information:**

- Location: Hibbing City Hall Council Chambers
- Attendees: Present at roll call were Vice President Celia Cameron, Mayor Pete Hyduke, Member Shari Majkich Brock and via Zoom were Member Jennifer Hoffman Saccoman and Member Mike Egan. Also present were Attorney Andy Borland, Finance Director Sheena Mulner, and Community Development Director Betsy Olivanti. Those absent included President Steve Jurenes, and Member John Schweiberger.
- Roll call vote order was Majkich Brock, Egan, Hyduke, Hoffman Saccoman and Cameron.

**I. CALL TO ORDER:** Vice President Cameron called the meeting to order at 5:01 p.m.

**II. Approval of Agenda:**

Modify: VI.4 was moved to X.1, re-ordered agenda to move Local Housing Trust Fund and Loan Requests in front of the Department and Committee Reports, and re-ordered IX.1 to address engineering change order as first item.

Hyduke supported by Egan motioned to approve the agenda. Roll call vote was unanimous. Motion carried.

**III. APPROVAL OF MINUTES:**

Hyduke supported by Majkich Brock moved to approve the minutes of the Hibbing Economic Development Authority Meeting of Feb. 3, 2026. Roll call vote was unanimous. Motion carried.

**IV. CONSENT AGENDA:**

Majkich Brock supported by Egan moved to approve the consent agenda as read and published. Roll call vote was unanimous. Motion carried.

1. Affirm the Economic Development Loan Fund account balance as of February 28, 2026, in the amount of $1,824,591.25

2. Approve disbursements for the month of February in the amount of $55,951.74

1. Fund 250 (HEDA ED/Rev Ln Fd) - $42,210.01
2. Fund 255 (HEDA General Fd) - $10,783.73
3. Fund 392 (TIF#12 DS Fd) - $991.30
4. Fund 418 (Downtown Capital Prjt Fd) - $1,526.20
5. Fund 440 (Tax Abatement Prjt Fd) - $0
6. Fund 422 (Deferred Loan Fund) - $0
7. Fund 610 (HEDA – AMGS) - $440.50

3. Set the next regular HEDA meeting for Tuesday, April 14, 2026, at 5 p.m. in the Hibbing City Council Chambers.

## V. PRESENTATIONS:

### LOCAL HOUSING TRUST FUND BACKGROUND - STAFF REPORT

On February 7, 2024, the Hibbing City Council adopted Ordinance No. 440, 2nd Series, creating Chapter 18 of the Hibbing City Code and formally establishing the City of Hibbing Local Housing Trust Fund (LHTF) pursuant to Minnesota Statutes §462C.16.

The purpose of the Housing Trust Fund is to create a permanent and continually renewable source of funding to meet, in part, the housing needs of Moderate, Low, and Very Low-Income households within the City of Hibbing. The ordinance authorizes the Fund to provide loans and grants for the creation of new Affordable and Workforce Housing, preservation of existing Affordable and Workforce Housing, creation of new Mixed-Income Housing, and rehabilitation of existing housing stock.

The creation of the LHTF directly advances the City's 2023 Strategic Plan goals related to quality housing, affordability, and community stability.

**WHY THE LOCAL HOUSING TRUST FUND IS ADMINISTERED BY HEDA:** Chapter 18 establishes the Housing Trust Fund Account to be maintained and administered by the Hibbing Economic Development Authority (HEDA). No disbursements may be made without prior approval of the HEDA Board.

Following adoption of the ordinance, the HEDA Board formally agreed to administer all funds within the Housing Trust Fund pursuant to Chapter 18 of the Hibbing City Code.

Administration through HEDA ensures fiscal oversight, public accountability, Board approval of all funding decisions, integration with broader economic development and housing initiatives, annual priority-setting, and required reporting to the City Council.

Housing stability and workforce housing availability are directly tied to economic development, making HEDA the appropriate administering authority.

**FUNDING SOURCES AND LOCAL COMMITMENT:** The ordinance allows the Trust Fund to consist of multiple funding sources including budgeted payments from the HEDA levy, state and federal grants, private contributions, principal and interest from loan repayments, tax increment, and other appropriations.

The LHTF was initially seeded with $150,000 from the HEDA levy as local match. HEDA formally committed these funds to leverage the State of Minnesota's Local Housing Trust Fund Grant Program.

Additional actions taken include transfer of Statewide Affordable Housing Aid into the Local Housing Trust Fund, including future allocations, and authorization to apply for and accept funds from the Minnesota Housing Finance Agency.

This layered funding approach ensures the Trust Fund functions as a sustainable and renewable local housing resource leveraging outside investment.

**APPROVED HOUSING PARTNERS:** As outlined in the adopted Local Housing Trust Fund Process and Policy Guidelines, HEDA approved three vetted entities eligible to apply for LHTF resources:

1. Housing and Redevelopment Authority of Hibbing (HRA)
2. Arrowhead Economic Opportunity Agency (AEOA)
3. North St. Louis County Habitat for Humanity (NSLCHFH)

These organizations were written into the policy framework because they have established track records delivering housing programs in Hibbing, operate under compliance oversight, and serve distinct and complementary housing needs within the community.

HRA focuses on creation and preservation of affordable, workforce, and mixed-income housing. AEOA administers owner-occupied rehabilitation, emergency repairs, and sewer lateral programs. Habitat for Humanity constructs and rehabilitates affordable single-family homes.

The policy provides for annual review by HEDA to ensure continued alignment with program goals and accountability standards.

**CONCLUSION:** The Local Housing Trust Fund was established to create a permanent, renewable source of local funding dedicated to addressing housing needs in Hibbing.

The ordinance assigns administration to HEDA, and the Board formally accepted that responsibility. The Fund is supported by HEDA levy dollars, Statewide Affordable Housing Aid, and state matching funds. Implementation through three vetted housing partners ensures responsible stewardship and effective delivery of affordable housing initiatives.

The Local Housing Trust Fund positions Hibbing to proactively address housing supply, affordability, and rehabilitation needs in a structured, accountable, and strategic manner.

1. **Local Housing Trust Fund Application for Owner Occupied Rehab Project – Beth Davies, AEOA**

This application for funding creates an owner-occupied rehabilitation loan and grant program for residents of Hibbing. Helps to fill in the gaps within the existing funding available and serves those most in need. It will help to preserve our housing stock and stabilize our property tax base. It makes available deferred loans for home energy improvements and sewer lateral repairs. Loans are secured by a mortgage lien, there's no monthly payments, and the loan is forgiven if the borrower continues to own and occupy the home as a principal residence through the five-year term. Any repayment will revolve back into the loan program for reuse. Grants of up to $1,000 will be available for home emergency home repairs. AEOA administers all aspects of the loan and grant program -- from application to remitting payment directly to contractors upon completion of work -- in addition to servicing the loans by executing satisfactions and providing payoffs as needed upon approval. Program information will be posted on AEOA's website and applications will be available with funding provided on a first- come, first- served basis. This is modeled after programs available in Lake County as well as St Louis County things that aren't available here in our community.

2. **St. Louis County Habitat for Humanity Local Housing Trust Fund Application for New Construction Project - Nathan Thompson**

In Hibbing, 39 families have built and bought an affordable house here – that includes 31 new construction homes within the City of Hibbing, six recycled and two rehabbed properties. Habitat for Humanity works with families in need of housing that make no more than 60 % of the area median income and would have a hard time becoming a homeowner. We look at their ability to pay so that they would be successful in repaying a mortgage on the property so that we can recoup those funds to build more homes in the community. We also look at their credit to see if they're going to be responsible and be able to make their mortgage payments and that they have a stable income of at least $30,000 a year. Lastly, we also have a requirement for sweat equity and have them attend monthly homeownership classes. This year we're looking at adding two more homes in Hibbing. Being able to receive some funding from this effort here would definitely help us be able to continue to do that.

A Habitat house built by a contractor would most likely be somewhere close to $300,000. Habitat homes right now are appraising for about $200,00. Would the funds from the local housing trust fund deduct from the home buyer's mortgage? The answer to that is no. We do not use CDBG funds, for the majority of our loans we at North St. Louis County Habitat for Humanity become the bank. We originate those first mortgage loans to the home buyers. They're typically at 0% for about 25 to 30 years would be the term.

### 3. HEDA Loan Request - Korey Dropkin of Granite Homes LLC

Purchased a four-plex, refinished and flipped into a six-plex. We serve young families, young individuals searching for independence and traveling workers. Moisture problems have been occurring due to a lack of ventilation in the attic space for years. Because of this, and through the climate, of course, all the insulation in the attic ended up becoming completely saturated and over years and now shows through the ceilings, causing water and mold to spread throughout a couple of the units. One unit is now uninhabitable and has been gutted. Two other units that are starting to show. We're trying to remediate this and mitigate the situation. We discovered previous renovations, during which cavities were created that also have moisture problems. We've done brace work to the roof line, and now we're looking for financial support. Cost is about $108,000 to complete a full renovation. Also working with Frandsen Bank. Goal is to fix the moisture problems, re- roof, new sheet rocking and flooring, and more. He confirmed that all bids were from contractors.

## VII. LOCAL HOUSING TRUST FUND REQUESTS:

1. Consider application from AEOA for owner occupied rehabilitation program. - $75,000

Hyduke supported by Egan motioned to approve the application for AEAO in the amount of $75,000. Funds shall be disbursed upon approval by the HEDA board, a signed grant agreement, and AOEA providing sufficient documentation that projects are ready to commence. Eligible expenditures shall include qualified rehabilitation activities within the City of Hibbing, including sewer lateral repairs. Final reporting and documentation must be submitted following the construction season and prior to required State reporting to verify proper use of funds. Roll call vote was unanimous. Motion carried.

2. Consider application from North St. Louis County Habitat for Humanity new construction project. - $60,000

Egan supported by Hoffman Saccoman motioned to approve the request of NSLCHFH for $60,000. Funds shall be disbursed following approval by the HEDA board, a completed grant agreement, and used exclusively for eligible new construction costs associated with the two identified homes. The applicant shall provide documentation of project expenditures and confirmation of income-qualified homebuyer selection at regular intervals, at least annually, in advance of required State reporting deadlines. Roll call vote was unanimous, Motion carried.

**VIII. LOAN REQUESTS:**

1. Consider the application from Granite Homes, LLC for a revolving loan.

Egan supported by Hoffman Saccoman motioned to approve the loan request for $36,231 for rehabilitation necessary to restore structural integrity and habitability of a six-unit residential unit property at 2316 Second Avenue West. In addition to the loan, the $108,694 funding structure includes a Frandsen Bank primary loan, a IRRRB BER grant and owner equity. Roll call vote was unanimous. Motion carried.

**IX. VII. DEPARTMENT AND COMMITTEE REPORTS:**

**1. Community Development Director Betsy Olivanti**

A. Approve 400 Block Demolition change order and establish contingency budget.

Hyduke supported by Majkich Brock motioned to approve a 5 % contingency at $35,000 and approval of change order No. 2 (removal of additional asbestos, floor tile and pipe insulation) in the amount of $16,240. Change order also adds 14 days to original contract completion (now at 194 days). Roll call was unanimous. Motion carried.

Members asked who performed the initial report (identified as NTS) and asked that their displeasure is voiced to the firm.

B. OFFER RESOLUTION 26-03-01 SUPPORTING WORKFORCE HOUSING PROJECT AND CREATION OF TAX INCREMENT FINANCING DISTRICT

The city of Hibbing and HEDA intend to create a tax increment financing district for the 400 block of Howard Street to be designated as a redevelopment district defined in Minnesota state statutes. Rebound is to put together the financials and apply for funding from the IRRR. As the city/EDA, we need to be the intermediary between the IRRR and Rebound. We will not have the full TIF district and TIF funds and all of that associated financing information together in time to fully pass the TIF district prior to a review by the IRRR board prior to their May meeting. So, the IRRR is asking for the EDA and council to be on board before they start to review the preliminary financials of this project.

Hyduke supported by Majkich Brock motioned to adopt the resolution. Roll call vote was unanimous. Motion carried.

C. Approve Revised HEDA Loan Application

Majkich Brock supported by Egan motioned to approve the revised HEDA Loan Application. Roll call vote was unanimous. Motion carried.

D. Approve revised HEDA Deferred Loan Program Guidelines

Hyduke supported by Egan motioned to approve the revised HEDA Deferred Loan Program Guidelines. Roll call vote was unanimous. Motion carried.

**2. Finance Director-Treasurer Sheena Mulner**

A. HEDA Loan Balances Updates:

Iron Range Management property – most of the engineering is completed and he's looking to start demolition and construction at about the same time in March. He's waiting for his building permit review to happen.

Yoder Building Supplies did an additional draw, bringing the total draws to date to $179,027.21

Bujalna Investments is waiting for the final source of financing because we approved that contingent upon him, securing all of his financing sources.

Our cash balance has increased because we paid back our interfund loan from the fund 610, where we did the AMGS building at the last meeting.

We do have the remaining commitments for the Iron Range Management properties, the rest of Yoder's loan, and then Bujalna Investments provided he gets his final financing secured, which would give us an available to lend balance of $1.4 million.

Fund 420 HEDA storefront rental fund about $218,988.97 available to lend.

Deferred loan program: $0

3. **City Attorney Andy Borland**

Moxie is set for a scheduling conference on that collection matter for March 9.

Judge recused herself on the Arrowhead Motorcycle matter, so that hearing got pushed back to April 30 for a default hearing to obtain judgment.

**X. DISCUSSION ITEMS:**

1. Jefferson Redevelopment Project - Northshore Development Co.

Jason Hale presented the findings, scenarios and recommendations for the property, including a project recap, city project outline, the site in context, site access, single-family home price limitations and why that won't work, and provided three alternative scenarios. Recommendations are:

- Rezone property to R-4.
- Clarify status of ROW easement/s
- Demolish the building
- Maintain flexibility around the types of housing products we require
- Solicit developer interest directly first

2. 400 Block Redevelopment Project Updates (Demo and Iron Exchange at 400) – Staff

Update to the timeframe: fence installation and demo mobilization will start that last week in March, first week in April. Dore Associates is working with the individual who wanted to secure the prism windows. Then the debris loadout starts and continues through the end of May. Then backfill is in there and topsoil. The 507 building is the item that has not been added to this schedule, but Dore & Associates will provide that schedule at the April meeting, including that change order and the 507 building added.

Also been working with Rebound on financials. Met with our municipal advisor from Baker Tilly and are working through the drafted pro forma, the narrative for the project and their sources and uses. We have requested some additional input from Rebound. They're doing some value engineering to get a project that suits the site and is financially feasible. They're doing a lot of work with Max Gray (construction manager at risk) and working to achieve a guaranteed maximum price or a GMP. Both the architect and developer will back here in April presenting to you with the narrative, what the look and feel like is, et cetera. They will also be presenting to Heritage Preservation Commission and Planning Commission on March 16 to determine what exactly what external elements of the building will be permissible in the historic downtown district.

## VII. ADJOURNMENT:

There being no further items on the agenda, a motion was made by Hyduke and supported by Majkich Brock to adjourn the meeting at 6:19 p.m. Roll call vote was unanimous 4-0. Hoffman Saccoman was no longer present. Motion carried.

President Steve Jurenes

Community Development Dir. Betsy Olivanti