



Council Agenda Item 25-029-O

MEETING DATE: October 27, 2025

SUBJECT/TITLE: AN ORDINANCE AMENDING CHAPTER 2, ARTICLE IV, SECTION 2-26 OF THE DULUTH CITY CODE TO EXEMPT CERTAIN CITY SINGLE-FAMILY HOUSING PROJECTS FROM CITY PREVAILING WAGE REQUIREMENTS.

SUBMITTED BY: Ben Van Tassel, Planning and Economic Development Director

RECOMMENDATION: Approve

BACKGROUND:

Chapter 2 of the City's Legislative Code establishes prevailing wage requirements for certain covered construction projects. These requirements also include a threshold for projects receiving funding—broadly defined to include most direct and indirect state, federal, and local financial assistance, grants, loans, tax credits, and public financing programs—of \$2,000 or more from the City. The City, from time to time, allocates federal and state grant assistance to affordable single-family home projects. The requirements associated with these federal and state funding programs establish significantly higher prevailing wage thresholds than the Duluth City Code, which has created additional barriers to affordable single family home development in Duluth. The proposed amendment aligns with state prevailing wage requirements governing single-family affordable home construction and rehabilitation projects, by exempting such projects that involve city financial assistance covering up to 10 housing units.

The existing requirement requiring Project Labor Agreements and Community Benefits for projects receiving \$150,00 or more remains unchanged by this Ordinance

BUDGET/FISCAL IMPACT: There are no direct budget impacts to the City's budget related to this action.

OPTIONS: Approving the Ordinance will amend the Legislative Code and provide a higher threshold for prevailing wage requirements for affordable single family projects.

ATTACHMENTS: None.