

Exhibit A



HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA
222 EAST SECOND STREET
P.O. BOX 16900 • DULUTH, MINNESOTA 55816-0900
PHONE 218/529-6300 • FAX 218/529-6344 • TTY 218/529-6321



August 13, 2018

The Honorable Mayor Emily Larson
And Members of the City Council of Duluth
Duluth City Hall
Duluth, Minnesota 55802

RE: Levy for Local Housing and Redevelopment Programs

Dear Mayor Larson and members of the City Council:

Please find attached the budget projections of the Housing & Redevelopment Authority of Duluth which include the use of the 2019 levy for Housing and Redevelopment Activities, per Minnesota Statute 469.033 subdivision six.

Since 1948 the Housing and Redevelopment has requested and received City Council approval to levy a Special Benefit tax to defray the cost of local housing and redevelopment activities. Tax levy funds have been utilized to supplement the administration of activities that cannot be achieved through federal and state grant programs; to provide front-end money for planning costs of future projects; to advance capital to projects until proceeds are received or financial arrangements are made; and to step in at the request of the City to assist with special projects or preservation of affordable housing. Due to federal budget constraints, a number of programs operated by this agency rely upon local revenues to provide programs and services to Duluth's low and moderate income families. The tax levy is extremely important in maintaining a well-managed supply of quality affordable housing and housing assistance in this environment.

The HRA proposes a 2019 levy at a rate of .0179% which would hold the levy at the same percentage as the 2015 to 2018 funding levels. I look forward to presenting the levy budget in more detail to you in September. Additionally, I would be pleased to discuss the housing services and programs supported by these important tax revenues further if you should have questions or desire additional information.

Sincerely,

A handwritten signature in blue ink that reads 'Jill A. Keppers'.

Jill A. Keppers, MPH
Executive Director

Enclosure

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BUDGET IN SUPPORT OF COMBINED SPECIAL LEVY FOR HOUSING AND REDEVELOPMENT ACTIVITIES DURING 2019

It is estimated at this time that approximately \$1,115,956 will be raised by the combined special levy, and the whole of this amount will be applied toward the cost of local housing and redevelopment activities. This includes providing a sufficient supply of adequate, safe, and sanitary dwellings; clearing blighted areas; performing duties according to a comprehensive plan; providing a remedy for the shortage of housing for low and moderate income residents; and redeveloping blighted areas in situations in which private enterprise would not act without government participation.

The budget to provide these local housing and redevelopment activities in the City of Duluth during a one-year period is estimated as follows:

<u>ACTIVITIES</u>	<u>AMOUNT</u>
Section 8 and Public Housing	\$343,000
Lincoln Park Initiatives – Esmond Operating Support	\$267,000
Furthering Housing Action Plan & Neighborhood Stabilization	\$269,784
Community Housing Support Services (i.e., two police officers Rainbow Center Operations, and Lincoln Park Center Operations)	\$236,172
TOTAL	\$1,115,956