



Council Agenda Item 25-0639R

MEETING DATE: August 11, 2025

SUBJECT/TITLE: RESOLUTION APPROVING DEDA RESOLUTION 25D-31 AUTHORIZING DEDA TO ENTER INTO A DEVELOPMENT AGREEMENT WITH ONE ROOF COMMUNITY HOUSING AND BRAE VIEW LLLP FOR THE DEVELOPMENT OF THE BRAE VIEW PROJECT GRANTING AN AMOUNT UP TO \$3,132,143

SUBMITTED BY: *Ben VanTassel – Director, Planning and Economic Development*

RECOMMENDATION: Approve Resolution

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: N/A

PREVIOUS COUNCIL ACTION:

City Council previously approved up to \$3,857,143 in ARPA funding to support the Brae View project. ARPA funding was subsequently transferred to DEDA via City Council Resolution 24-0425R with the condition that the funding be used to support “affordable housing projects” and affirming the allocation of up to \$3,857,143 to support Brae View. City Council also made a separate allocation of funding in the amount of \$725,000 in 2021 HOME-ARP Funds to the Project by City Council Resolution 25-0094R.

BACKGROUND:

This resolution approves DEDA’s resolution 25D-31 authorizing a development agreement with One Roof and granting \$3,132,143 to support the Brae View project. Between this DEDA subsidy and the \$725,000 in 2021 HOME-ARP funds previously awarded to the project, One Roof will receive the originally-approved total subsidy of \$3,857,143 to support this project.

The Brae View Project will provide at least 72 new senior-dedicated affordable apartment units in Duluth’s downtown neighborhood. The project will also include a daycare facility on its ground floor with capacity for 100 infants and children. The project has been awarded \$28,303,000 in funding from the Minnesota Housing Finance Agency and will receive \$2,100,000 from a Housing TIF District administered by the Housing and Redevelopment Authority of Duluth.

BUDGET/FISCAL IMPACT:

This resolution approves DEDA’s action granting funds previously transferred from the City to support affordable housing. City Council had previously approved the Brae View project to receive this subsidy and directed DEDA to fund Brae View when transferring ARPA funds to DEDA in 2024. There will be no impact to the city’s general fund.



OPTIONS:

Approve or Deny the Resolution.

If the resolution is approved, the city will continue to show support for a community partner and honor an earlier commitment to provide funding in this amount for the Brae View project.

If the resolution is denied, One Roof will continue to seek other sources to fund this project but will struggle to close on financing for the Brae View project, which has also been awarded \$28,303,000 in funding from MHFA and will receive \$2,100,000 from a Housing TIF District administered by the HRA.

NECESSARY ACTION:

Approve the Resolution.

ATTACHMENTS: Development agreement between DEDA and One Roof, Business Subsidy Report