

**Proposal to the Duluth City Council
Board of Trade Building
Dubin-Guru Group**

Narrative Description

The proposed development of the Duluth Board of Trade Building, located at 301 W. 1st St., will be a historic rehabilitation of Studio, one and two-bedroom apartments. These apartments will contain a mix of both market rate units as well as apartments affordable to persons making less than 60% area median income.

The Historic Property is a contributory structure in the Federal Duluth Commercial Historic listed on the National Register of Historic Places. It is located in the downtown financial district within walking distance of many jobs, retail, government services and entertainment experiences and enjoys the benefit of being connected to the Duluth Skywalk. The skywalk route connects to the Duluth Transit Center, the primary bus terminal for the Duluth Transit Authority, and the St. Louis County Government Center, which provides a vast array of social services to Duluth area residents. The affordable housing units meet a pressing demonstrated need within the community and caters directly to the demographics of the immediate neighborhood. With its direct skywalk connections to shopping and services, Board of Trade apartments would provide an otherwise rare level of connectivity for elderly and disabled residents who face mobility issues.

The primary goal of the development of the Board of Trade building, is to provide essential building upgrades, such as code compliance, mechanical, elevators, and modern interior finishes for the updated office and creation of the apartment spaces, while maintaining the historic character of the building, including the common areas. The first three floors of the building will be renovated into modern commercial space with a sensitivity to the historic fabric of the building. Floors 4-7 will be renovated into studio, one and two- bedroom apartments. About 34 of the apartments will have rents and income restrictions to 60% area median income providing desperately needed affordable workforce housing in the City of Duluth. The remaining 20 units will be available for anyone to rent at market rates. ALL work will comply with the Secretary of the Interior's Standards for Rehabilitation so that the project can take advantage of the Federal and State Historic Tax Credits, which will provide equity for the project. The commercial phase of the project is structured separately and will leverage New Market Tax Credits and the fact that the building has low income tenants will significantly help the community impact for both commercial and residential.

The developers of this project plan to apply to the Minnesota Office of Management and Budget for an allocation of tax-exempt activity bonds and the Minnesota Housing Finance Agency for the accompanying 4% housing tax credits (HTC). A Sources and Uses of Funds is attached to this Narrative Description as well as Site and proposed floor plans and the 2019 Self Scoring Worksheet from the Minnesota Housing Application.