

**RESOLUTION APPROVING A PRE-COMMITMENT OF \$400,000
FY 2026 FUNDING ALLOCATION TO THE CITY OF DULUTH FROM
THE HOUSING & URBAN DEVELOPMENT (HUD) DEPARTMENT FOR THE
CONSTRUCTION OF DECKER II**

RESOLVED, that the CD Committee hereby approves a pre-commitment of Fiscal Year 2026 funds to be received by the City of Duluth as allocated by the federal Housing and Urban Development Department for the construction of Decker II. The award of the \$400,000 will be contingent upon the developer, One Roof Community Housing, successfully securing major funding support from the State of Minnesota's Housing Finance Agency and other funding sources to enable construction to begin next year. The development of Decker II will contribute to achieving the housing goals in the 2025-2029 City of Duluth Consolidated Plan and the Continuum of Care's 10 Year Plan to End Homeless.

Approved at the April 15, 2025 Meeting:



Chair of the Community Development Committee
City of Duluth

STATEMENT OF PURPOSE:

This resolution provides for a pre-commitment of the City's FY 2026 HUD allocation for the construction of Decker II. One Roof Community Housing is the developer and will be owner. The building will be located on Decker Road, adjacent to the Decker Dwellings building and Schneiderman's Furniture store near the Miller Hill Mall. The Decker II apartment development is estimated to have between 40-50 units which will target families and larger household sizes. The breakdown of unit size will be 50% 2BR, 25% 1BR, and 25% 3BR. All units will have rent and income restrictions below 60% AMI, with the majority of units being further restricted to households earning below 50% AMI and 30% AMI. Four units will be designated for high-priority-homeless (HPH) individuals and five units designated for households where at least one member of the household has a disability.

The total estimated cost of the project is \$20,000,000. In July 2025, One Roof Community Housing will be submitting an application to Minnesota Housing for the majority of the funds needed to construct the building. This pre-commitment of funds is evidence of the Community Development Committee's support for the project. The program source of the actual award of \$400,000 will be dependent on the FY 2026 HUD allocation.