



Business Subsidy Agreement Pre-Approval Report
One Roof Community Housing – Community Land Trust Program

Business Subsidy Recipient Information

1. Name of Business or Organization: One Roof Community Housing
2. Address: 12 East 4th Street, Duluth, MN 55805
3. Does the recipient have a parent corporation?
4. Did the recipient relocate as a result of signing this agreement?
No.

Summary Agreement Information

1. Brief description of the proposed project

One Roof Community Housing will continue to carry out their mission to provide affordable housing by helping 22 households secure affordable homeownership.

2. Total value of proposed project

Total Development Costs: Approximately \$9,000,000
Total projected estimated market value: Approximately \$9,000,000

3. Summary of type(s) of subsidy and total dollar value for each

a. Grantor of assistance

i. CDBG

1. Department of Housing and Urban Development/City of Duluth
2. Total value of assistance: \$315,000

ii. HOME

1. Department of Housing and Urban Development/City of Duluth
2. Total value of assistance: \$369,000

iii. Duluth Economic Development Authority

1. Total value of assistance: \$725,000

b. Total dollar value of assistance

- i. \$1,409,000 or approximately 16% of project cost

4. What other financing avenues were pursued?
 - a. N/A

Applicability of Current Duluth and State Laws

1. Is this project covered under Duluth's Prevailing Wage law as defined in Article 2, Section 2-25? I
 - a. No.
2. Is this project covered under Duluth's Project Labor Agreement law as defined in Article 2, Section 2-29? If not, state the specific applicable exclusion.
 - a. No.
3. Is this project is covered by Duluth's Living Wage law as defined in Article 26, Chapter 2 of the Duluth City Code?
 - a. Yes.
4. Is this project covered by the business subsidy statute as defined in Minnesota Statutes 116J.993-.995 and subject to reporting?
 - a. Yes.

Public Purpose and Public Benefit Criteria

1. Public Purpose Criteria. State which two (minimally) of the five public purposes this project meets with a brief explanation of why it the proposed project meets these criteria.
 - a. Quality of Life
 - i. One Roof Community Housing will help 22 households secure affordable homeownership with these funds. These households will be moving into homes that have either been rehabbed or newly constructed on infill sites throughout the city, and thereby improving neighborhood conditions for all residents.
 - b. Tax Base
 - i. Twenty-two households will be moving into homes that have either been rehabbed or newly constructed on infill sites, meaning they will pay more in property taxes than the city is currently collecting.
2. Preferential Public Benefit Criteria. Which other preferential public benefit criteria does this project meet, if any? Provide a brief explanation of how it meets the criteria.
 - a. Construction of Affordable Housing
 - i. This project will help 22 households secure affordable homeownership in Duluth. A 2025 housing study shows that Duluth currently needs almost 700 homeownership units to meet existing demand.
3. Duluth Comprehensive Plan and other City Plans

- a. What current City plans, if any, cover this project? How does the project relate to the applicable plans?
 - i. The project adheres to the following principles identified in the Comprehensive Plan:
 1. Principle #1 – Reuse previously developed lands
 2. Principle #5 – Promote reinvestment in neighborhoods
 3. Principle #8 – Encourage mix of activities, uses, and densities
- b. Are there any special zoning or permitting exemptions that need to be made for this project? If yes, provide a brief explanation.
 - i. No

Specific project goals

1. For each public purpose state the specific, measurable and tangible goals that were set for the project:
 - a. Public Purpose - Type of goal
 - i. The public purposes stated will all be achieved once 22 households secure affordable homeownership. This includes improving Duluth's quality of life and expanding the city's tax base.
 - b. Specific Goals established
 - i. Achievement of the Business Subsidy Goal in accordance with City Council Resolution 18-0515 shall be measured as follows: Developer agrees that on or before 12/31/2026, it shall have helped 22 households secure affordable homeownership in accordance with the Development Agreement.
 - c. Target Attainment Dates
 - i. See above.
2. Progress toward these goals will be reported by the recipient of a business subsidy on an annual basis by February 1st for the preceding year (see Section 8 (d) - Business Subsidy Criteria), and provided to the Council by March 15th.