



Council Agenda Item 25-0855R

MEETING DATE: November 10, 2025

SUBJECT/TITLE: RESOLUTION UPDATING PROGRAMS FOR THE CITY OF DULUTH AFFORDABLE HOUSING TRUST FUND.

SUBMITTED BY: *Tricia Hobbs – Manager, Planning and Economic Development*

RECOMMENDATION: Approve Resolution

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: The Housing Trust Fund Review Committee does not have jurisdiction over program changes, but did vote unanimously to support the establishment of a dedicated affordable housing fund at their annual meeting in May, 2025.

PREVIOUS COUNCIL ACTION:

The City established the HTF by Ordinance 21-049-O in 2021 for the purpose of (1) increasing housing stock in Duluth, particularly affordable units; (2) investing in Duluth neighborhoods, making affordable units available citywide; (3) removing blight, improving safety, and encouraging pride in our neighborhoods; (4) leveraging existing municipal infrastructure; and (5) promoting density wherever possible.

BACKGROUND:

The City's HTF Ordinance requires that program changes be approved by a City Council resolution. This resolution approves updates to the HTF program that establish a new fund exclusively dedicated to affordable housing and that clarify guidelines for other eligible projects. Establishing a dedicated affordable housing fund is a requirement for accepting \$225,000 in Local Housing Trust Fund Grant funds awarded to the City by the Minnesota Housing Finance Agency.

BUDGET/FISCAL IMPACT:

This resolution will not impact the City's budget. Establishing a dedicated affordable housing fund within the existing Housing Trust Fund will allow the City to accept \$225,000 in grant funds awarded by MHFA.

OPTIONS:

Approve or Deny the Resolution.

If the resolution is approved, the city will be able to proceed with accepting grant funds awarded by the state to support the HTF. The city will also have greater control over the long-term use of projects supported by HTF loans.



If the resolution is denied, the city will decline \$225,000 in grant funds awarded by MHFA and will continue to operate the HTF program as it has for the past four years.

NECESSARY ACTION:

Approve the Resolution.

ATTACHMENTS: Proposed updates to Program Guidelines