

**RESOLUTION APPROVING A PRE-COMMITMENT OF \$300,000
FY 2023 FUNDING ALLOCATION TO THE CITY OF DULUTH FROM
THE HOUSING & URBAN DEVELOPMENT (HUD) DEPARTMENT FOR THE
CONSTRUCTION OF A 60-UNIT AFFORDABLE MULTIFAMILY APARTMENT
BUILDING IN MORGAN PARK**

RESOLVED, that the CD Committee hereby approves a pre-commitment of Fiscal Year 2023 funds to be received by the City of Duluth as allocated by the federal Housing and Urban Development Department for the construction of a 60-unit affordable multifamily apartment building in Morgan Park ("Morgan Park Project"). The award of the \$300,000 will be contingent upon the developer, American Indian Community Housing (AICHO) and BlueLine Development Inc., 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 the Morgan Park Project will contribute to achieving of housing goals in the 2020-2024 City of Duluth Consolidated Plan and the Continuum of Care's 10 Year Plan to End Homeless.

Approved at the April 13, 2022 Meeting:

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Pat Sterner

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Pat Sterner, Chair of the Community Development Committee
City of Duluth

STATEMENT OF PURPOSE:

This resolution provides for a pre-commitment of the City's FY 2023 HUD allocation for the construction of the Morgan Park Project. AICHO in partnership with BlueLine Development Inc. is the developer and will be owner. The Project will be located at 1205 93rd Avenue West in the Morgan Park neighborhood of Duluth. The 60-unit mixed income apartment building will provide rental units for households making 30 to 50% of area median income. The project will reserve eight (8) units as permanent supportive housing units for individuals experiencing or at risk of homelessness.

The total estimated cost of the project is \$15,209,802. In June 2022, AICHO in partnership with BlueLine Development Inc. 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. Depending on the type of housing requests received this summer for FY 2023 funds, the actual award of \$300,000 could be either Community Development Block Grant (CDBG) or HOME Program dollars.