



Business Subsidy Pre-Approval Report
One Roof Community Housing
New Housing Model for Homeless (Plover Place)

Business Subsidy Recipient Information

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

Summary Agreement Information

1. Brief description of the proposed project:

The New Housing Model for Homeless is an innovative solution developed in 2020 by a working group of Duluth professionals in social services, low-income housing, architecture, and construction industries. The aim was to research, rethink, and redesign the homeless housing model, striving to find harmony in amount of service and support, number of occupants/density, low development costs and an operating cost model that cash flows responsibly while providing important services to ensure success for occupants and the community. One Roof Community Housing Organization (One Roof) led design of the New Housing Model and will be the developer. One Roof is working with the Housing and Redevelopment Authority of Duluth, MN to purchase county property on W Palm Street and S Robin Avenue in the Duluth Heights neighborhood.

The New Housing Model will consist of two phases, each phase being a two-story structure with twelve (12) single occupancy units with in-suite bathrooms, one of which will be a fully accessible unit for those facing homelessness. The micro space reduces overall footprint and costs while providing safe and private units for tenants. In addition to sleeping units, each building will provide a flexible quiet room, open gathering space with a common kitchen, open lounge with TV, outdoor patio, laundry room, storage room and private office for staff.

2. Total value of proposed project

Total Development Costs:	Approximately \$ 3,240,000
Total projected estimated market value:	\$1,750,000

3. Summary of type(s) of subsidy and total dollar value for each
 - a. Grantor of assistance
 - i. Revenue Loss City of Duluth General Fund Transfer
 1. Duluth Economic Development Authority
 2. Total value of assistance: \$1,600,000
 - ii. American Rescue Plan Act
 1. St. Louis County, Minnesota
 2. Total value: \$1,600,000
 - iii. Sales Tax Rebate
 1. State of Minnesota
 2. Total value of assistance: \$40,000
 - b. Total dollar value of assistance
 - i. \$1,600,000 or approximately 49% of the total project cost.
4. What other financing avenues were pursued?
 - a. ARPA allocation from St. Louis County (secured)

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. Yes.
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. Yes.
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. No.

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. High quality jobs.
 - i. This project does not create any permanent high-quality jobs but will provide temporary jobs during construction. After construction, the housing facility will be mnanaged by Salvation Army, who may hire additional support staff should it be necessary for operations and supportive services to tenants.

- b. Job retention
 - i. See (a) above.
 - c. Needed Services
 - i. The project will provide much needed supportive housing units to those facing or at risk of homelessness in our community.
 - d. Unmet housing needs
 - i. Development on this currently vacant property will provide quality supportive housing for those facing or at risk of homelessness in our community. New Model of Housing is part of the third phase of the Stepping On Up model to build 200 units of permanent affordable supportive housing by 2025 in response to rising homelessness in the Duluth community and surrounding area.
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. Locally owned businesses
 - i. The selected Developer is a locally operated nonprofit. The future operator, Salvation Army, is also local to the community.
 - ii. The construction of the project will be accompanied by hiring goals via a Community Benefit Agreement, including providing building trades- opportunities for women and those experiencing real barriers to employment.
 - b. Protected class business owners
 - i. See above.
 - c. Other community benefits
 - i. The availability of highly supportive housing units in our community is limited, with lengthy wait lists once accepted through St. Louis County's Continuum of Care. In 2021, St. Louis County completed 1,287 calls for housing assistance. Of these calls, 930 were scheduled for Vulnerability Index-Service Prioritization Decision Assistance Tool, and 357 to community homeless prevention assistance.
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 future land-use designation of the redevelopment site is Neighborhood Mixed Use (NMU). According to the Imagine Duluth 2035 Comprehensive Plan, the "NMU" provides for a transitional use between more intensive commercial uses and purely residential neighborhoods with site design that maintains a largely residential building character.
 - b. Additionally, the project adheres to the following principles identified in the Comprehensive Plan:
 - 1. Principle #5 – Promote investment in neighborhoods
 - 2. Principle #8 – Encourage mix of activities, uses and densities
 - 3. Principle #13 – Develop a healthy community
 - 4. Principle #14 – Integrate fairness into the fabric of the community
 - c. Are there any special zoning or permitting exemptions that need to be made for this project? If yes, provide a brief explanation.

- i. No zoning or permitting exemptions are required. An operational permit for supportive housing will be acquired through the City's Life Safety Division.

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 be the construction of two discrete housing structures, each with 12 single-occupancy units for a total of 24 units of transitional housing for those facing or at risk of homelessness.
 - 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 December 31, 2025, it shall have constructed the Project on the Property in accordance with the Development Agreement. The units will provide supportive housing to those facing or at risk of homelessness as referred through St. Louis County's Continuum of Care.
 - c. Target Attainment Dates
 - i. See above.