

Exhibit A



HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA

222 EAST SECOND STREET
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July 6, 2016

The Honorable Mayor Emily Larson
And Members of the City Council of Duluth
Duluth City Hall
Duluth, Minnesota 55802

RE: Levy for Local Housing and Redevelopment Programs

Dear Mayor Larson and members of the City Council:

Please find attached the budget projections of the Housing & Redevelopment Authority of Duluth which include the use of the 2017 levy for Housing and Redevelopment Activities, per Minnesota Statute 469.033 subdivision six.

Since 1948 the Housing and Redevelopment has requested and received City Council approval to levy a Special Benefit tax to defray the cost of local housing and redevelopment activities. Tax Levy funds have been utilized to supplement the administration of activities that cannot be achieved through federal and state grant programs, to provide front-end money for planning costs of future projects; and to advance capital to projects until proceeds are received or financial arrangements are made. Due to federal budget constraints, a number of programs operated by this agency rely upon local revenues to provide programs and services to Duluth's low and moderate income families. Congressional actions have unfortunately resulted in the under-funding of several critical programs. Operating subsidy support for public housing is projected FY2017 to be less than actual cost. The tax levy is extremely important in maintaining a well-managed supply of quality affordable housing in this environment.

The HRA proposes a 2017 levy at a rate of .0179% which would hold the levy at the same percentage as the 2016 funding level. As we work alongside the City and other partners to meet the housing needs of the community, we have undertaken several ambitious housing development programs. Such programs and projects require the funding support of the levy for successful implementation.

I would be pleased to discuss the housing services and programs supported by these important tax revenues further if you should have questions or desire additional information.

Sincerely,

A handwritten signature in cursive script that reads "Jill Knutson-Kaske".

JILL A. KNUTSON-KASKE
Executive Director

JAK:cc

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BUDGET IN SUPPORT OF COMBINED SPECIAL LEVY FOR HOUSING AND REDEVELOPMENT ACTIVITIES DURING 2017

It is estimated at this time that approximately \$1,008,855 will be raised by the combined special levy and the whole of this amount will be applied toward the cost of local housing and redevelopment activities, and relocation assistance and information activities to families within the City of Duluth displaced by activities of any state or public bodies, in accordance with the provisions of the Minnesota Housing and Redevelopment Act of 1947 as amended.

It is anticipated that revenues from said levy will be used to assist with housing activities for low and moderate income households in the City of Duluth, and for activities which stabilize and strengthen neighborhoods and prevent or eliminate conditions of blight.

On an annual basis, the budget to provide local housing and redevelopment activities, and to provide relocation assistance and information services during a one-year period is estimated as follows:

<u>ACTIVITIES</u>	<u>AMOUNT</u>
Section 8, Public Housing, and RAD	\$268,182
Lincoln Park Initiatives	\$ 40,000
Furthering Housing Action Plan & Neighborhood Stabilization	\$510,000
Community Housing Support Services (i.e., police officer, Rainbow Center, Lincoln Park Center, TLC, and LISC)	\$190,673
TOTAL	\$1,008,855

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**HOUSING & REDEVELOPMENT AUTHORITY OF DULUTH
CERTIFIED LEVY CALCULATION
TAXES PAYABLE 2017**

**(Market Value Based Levy of .0179% of City of Duluth Taxable Market Value of
\$5,636,060,400)**

<u>Levy Purpose</u>	<u>Levy Calculation</u>
Housing & Redevelopment	\$1,008,855