



Legislation Text

File #: 22-0520R, **Version:** 1

RESOLUTION AUTHORIZING TRANSFER OF UP TO \$1,600,000 TO THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY FOR ASSISTANCE TO HOUSING FOR PEOPLE EXPERIENCING HOMELESSNESS.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to transfer to the Duluth Economic Development Authority (“DEDA”) the sum of \$1,600,000, payable from Fund 110-700-1450-5447 (General, Transfers and Other Functions, Transfers and Accruals, Payment to Other Government Agencies), to support construction of housing for people experiencing homelessness in substantial conformance with the New Housing Model for Homelessness on file in the City’s Department of Planning and Economic Development.

STATEMENT OF PURPOSE: The purpose of this resolution is transfer up to \$1,600,000 to DEDA to support construction of housing for people experiencing homelessness. The modified revenue loss calculation included in the updated ARPA guidance expanded the City’s capacity and flexibility to fund projects out of the general fund. The ARPA guidance allows for the City to fund provisions for governmental services included in the annual budget, thereby freeing up budgeted resources to subsidize homeless housing units. St. Louis County has agreed to match the City’s contribution to further support this 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 achieves some profit 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 as shown in attached Exhibit A. A formal development agreement will be presented to DEDA for approval after the City and County have identified all terms and conditions and One Roof has closed on the property.

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. 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. The most current design renderings have been attached as Exhibit B.

Any DEDA project conforming to the New Housing Model would undoubtedly require City Council approval after DEDA had authorized it.