



Legislation Text

File #: 18-0386R, **Version:** 1

RESOLUTION OF INTENT TO SUPPORT THE REQUEST BY ONE ROOF COMMUNITY HOUSING TO THE STATE OF MINNESOTA FOR THE AWARD OF NINE PERCENT LOW-INCOME HOUSING TAX CREDITS FOR THE 53-UNIT BREWERY CREEK HOUSING DEVELOPMENT.

CITY PROPOSAL:

RESOLVED, that the Duluth city council hereby expresses its support for One Roof Community Housing's request for funding to the Minnesota Housing Finance Agency (MHFA) for 9% low-income housing tax credits to assist in financing and development of the Brewery Creek housing development.

STATEMENT OF PURPOSE: This resolution expresses the city council's support of an application to be submitted to the MHFA by One Roof Community Housing for low-income housing tax credits that may be awarded by MHFA for development of the 53 mixed used, mixed income building called Brewery Creek. The deadline for submission of One Roof's application to MHFA is June 14, 2018. The request is for an estimated \$10,967,230 in housing tax credit financing to support the \$17,652,911 housing development. The developers claim 96 points on the "Self-Scoring Worksheet 2019 Housing Tax Credit Program", which MHFA uses to select projects statewide to be awarded credits. MHFA intends to finalize their funding decisions on October 19, 2018.

The Brewery Creek development will be a three-story mixed income, mixed use structure that will be located at the intersection of 6th Avenue East and East 4th Street, across from the Whole Food's Co-op. The proposed development will include 11 one-bedroom market rate units and 42 income restricted units (10 one-bedroom units and 32 two-bedroom units). Half of the income restricted units will have rent limitations of 50% AMI, while the other half will have rent limitations of 60%. Four of the income restricted units will be reserved for permanent supportive housing units for homeless individuals with services provided by the Human Development Center and rental assistance in the form of Section 8 vouchers. In addition, One Roof is pursuing options to have four units dedicated to serving people with disabilities. The first floor is anticipated to have 7,300 square feet of commercial/office space.

MHFA requires tax credit applicants for housing developments in Duluth to receive the support of the city council. The support is required to assure that a given proposal is a priority for the city of Duluth, and that it meets a locally identified housing need. The 2014 Maxfield housing study for the city of Duluth identified the need for more rental units for households earning \$50,000/year or less. The demand for this type of housing has been further considered through other staff analysis conducted as part of the Imagine Duluth 2035 comprehensive plan update, and has been confirmed during development of the annual Housing Indicator Report.