



Legislation Text

File #: 21-0489R, **Version:** 1

RESOLUTION OF SUPPORT FOR ACCESSIBLE SPACE INC. FOR TAX INCREMENT FINANCING ASSISTANCE FOR THE 55-UNIT MORGAN PARK APARTMENTS HOUSING DEVELOPMENT

CITY PROPOSAL:

WHEREAS, pursuant to Resolution 21-0325R, on May 10, 2021 the Duluth City Council expressed its support for the request from Accessible Space, Inc. for low-income housing tax credits and infrastructure bonds to assist in the financing and development of the Morgan Park Senior Apartments (the "Development"); and

WHEREAS, the City of Duluth has received a request to support tax increment financing (TIF) assistance for the Development through approval of the creation of a tax increment district;

NOW, THEREFORE, BE IT RESOLVED, that the Duluth City Council hereby supports creation of a tax increment financing district having a term of up to 26 years, in connection with the construction of the Development consisting of approximately 55-units of multifamily affordable senior rental housing.

STATEMENT OF PURPOSE: This resolution expresses the city council's support for providing tax increment financing (TIF) to assist Accessible Space Inc.'s (ASI) application to Minnesota Housing Finance Agency (MHFA) for low-income housing tax credits and infrastructure bonds, which Council supported in May of this year. The deadline for submission of the application to MHFA is July 15, 2021. MHFA intends to finalize their funding decisions by December 2021.

The proposed Morgan Park Senior Apartments would provide 55 units of accessible, affordable, and supportive apartments for seniors 62+. The three-story development will be located at 88th Avenue West and will include the physical spaces, programmatic, and social supports for senior residents to live in a safe and supportive environment. 100% of the units will be affordable at 60% AMI, with at least 20% of the units being Type A- fully accessible units for households with physical or cognitive disabilities. Additional assistance will be sought from HUD to provide rental assistance for approximately 18 of the units. Rental assistance will also be sought from the Housing and Redevelopment Authority of Duluth to assist with affordability for future residents.

MHFA requires tax credit applicants for housing developments in Duluth to receive the support of the city council for TIF assistance prior to their application submittal. The support is required to assure that a given proposal is a priority for the City of Duluth and that it meets locally identified housing needs. A 2019 Maxfield Research Inc. housing analysis reported that Duluth could absorb up to 3,509 additional units of affordable housing by 2024. The demand for this type of housing has been further substantiated through staff research and analysis during both the Image Duluth 2035 comprehensive plan update and annual Housing Indicator Reports.