



Legislation Text

File #: 18-0292R, **Version:** 1

RESOLUTION APPROVING A PRE-COMMITMENT OF \$275,000 FISCAL YEAR 2019 FUNDING ALLOCATION TO THE CITY OF DULUTH FROM THE HOUSING AND URBAN DEVELOPMENT (HUD) DEPARTMENT FOR CONSTRUCTION OF THE DECKER DWELLINGS APARTMENTS.

CITY PROPOSAL:

RESOLVED, that the city council hereby approves a pre-commitment of Fiscal Year (FY) 2019 funds to be received by the city of Duluth as allocated by the federal Housing and Urban Development Department for the construction of the Decker Dwellings apartments. The award of the \$275,000 will be contingent upon the developer, One Roof Community Housing, successfully securing major funding support from the State of Minnesota's Housing Finance Agency and other funding sources to enable construction to begin next year. The award is also contingent upon the city's receipt of an expected FY 2019 HUD grant award. The development of Decker Dwellings will contribute to achieving housing goals in the 2015-2019 City of Duluth Consolidated Plan and the Continuum of Care's 10 Year Plan to End Homelessness.

STATEMENT OF PURPOSE: This resolution provides for a pre-commitment of a portion of the city's FY 2019 HUD allocation for the construction of the Decker Dwellings apartments. One Roof Community Housing is the developer and will be the owner. The building will be located off Decker Road, adjacent to the Schneiderman's Furniture store near the Miller Hill Mall. This project will be composed of 39 units, with the majority of the units being two-bedroom units (933 square feet). The remaining units will be comprised of one-bedroom units (642 square feet) and three-bedroom units (1,167 square feet). The units will be rented to households making 30 to 60% of area median incomes. Four units will be reserved for permanent supportive housing for individuals experiencing homelessness.

The total estimated cost of the project is \$9,739,871. In June 2018, One Roof Community Housing will be submitting an application to Minnesota Housing for the majority of the funds needed to construct the building. This pre-commitment of city funds is evidence of the city council's support for the project. Depending on the type of housing-related applications received for FY 2019 funds, the actual award of \$275,000 could be either a Community Development Block Grant (CDBG) or a HOME Investment Partnership grant award.

The community development committee considered the request by One Roof Community Housing for pre-commitment of funds at its March 27, 2018 meeting. The committee voted to recommend city council approval of the proposed resolution.