



Legislation Details (With Text)

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Title:	RESOLUTION OF INTENT TO SUPPORT THE REQUEST BY THE DUBIN-GURU GROUP TO THE STATE OF MINNESOTA FOR THE AWARD OF FOUR PERCENT LOW INCOME HOUSING TAX CREDITS FOR THE REHABILITATION OF THE BOARD AND TRADE BUILDING FOR 54 HOUSING UNITS IN A MIXED USE BUILDING.		

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RESOLUTION OF INTENT TO SUPPORT THE REQUEST BY THE DUBIN-GURU GROUP TO THE STATE OF MINNESOTA FOR THE AWARD OF FOUR PERCENT LOW INCOME HOUSING TAX CREDITS FOR THE REHABILITATION OF THE BOARD AND TRADE BUILDING FOR 54 HOUSING UNITS IN A MIXED USE BUILDING.

CITY PROPOSAL:

RESOLVED, that the Duluth city council hereby expresses its support for Dubin-Guru Group's request for funding to the Minnesota Housing Finance Agency (MHFA) for 4% low-income housing tax credits to assist in financing and development of the rehabilitation of the Duluth Board and Trade Building resulting in 54 housing units in the mixed use building.

STATEMENT OF PURPOSE: This resolution expresses the city council's support of an application to be submitted to the MHFA by Dubin-Guru Group for 4% percent low-income housing tax credits that may be awarded by MHFA for rehabilitation of the existing Duluth Board and Trade Building. The request is for an estimated \$1,467,664 in housing tax credit financing to support the \$8,038,876 housing rehabilitation. The developers claim 44 points on the "Self-Scoring Worksheet 2019 Housing Tax Credit Program", which MHFA uses to select projects statewide to be awarded credits. Typically, 4% credit applications are used for building rehabilitation projects and have a lower subsidy amount; therefore, the state has some flexibility in the award process.

The proposed rehabilitation of the Duluth Board and Trade building would result in 54 housing units; 34 of these units would have rent and income restrictions at 60% AMI. The remaining 20 units would be market rate. The unit mix will include studios, one and two-bedroom units. The Duluth Board and Trade is centrally located in the downtown, and is part of the skywalk system. This rehabilitation project is anticipated to receive historic tax credits to maintain the historic characteristics of this structure. The first three floors will have commercial 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 as part of the Imagine Duluth 2035 comprehensive plan update, and has been confirmed during development of the annual Housing Indicator Report.