



## Legislation Details (With Text)

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<b>On agenda:</b>	5/9/2022	<b>Final action:</b>	5/9/2022
<b>Title:</b>	RESOLUTION OF SUPPORT FOR LASALLE DEVELOPMENT GROUP'S REQUEST FOR LOW INCOME HOUSING TAX CREDITS AND INTENT TO APPROVE A TAX INCREMENT FINANCE PLAN BY THE DULUTH HRA TO PROVIDE UP TO \$1,500,000 FOR CONSTRUCTION OF THE 112 UNIT TAPESTRY SENIOR HOUSING DEVELOPMENT.		

**Sponsors:**

**Indexes:**

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**Attachments:** 1. Location Map\_Tapestry Sr

Date	Ver.	Action By	Action	Result
5/9/2022	1	City Council	adopted	

RESOLUTION OF SUPPORT FOR LASALLE DEVELOPMENT GROUP'S REQUEST FOR LOW INCOME HOUSING TAX CREDITS AND INTENT TO APPROVE A TAX INCREMENT FINANCE PLAN BY THE DULUTH HRA TO PROVIDE UP TO \$1,500,000 FOR CONSTRUCTION OF THE 112 UNIT TAPESTRY SENIOR HOUSING DEVELOPMENT.

**CITY PROPOSAL:**

RESOLVED, that the City of Duluth hereby expresses its support for LaSalle Development Group's request to the Minnesota Housing Finance Agency (MHFA) for the allocation of low-income housing tax credits and/or for other funding provided by MHFA, to construct a 112-unit affordable senior assisted living housing development in the Central Hillside neighborhood of Duluth (the "Project").

BE IT FURTHER RESOLVED that the Duluth City Council hereby states its intent to approve a tax increment financing ("TIF") plan creating a TIF district for the Development if and when brought forward by the Housing and Redevelopment Authority of Duluth, MN to support up to \$1,500,000 over a term of up to 26 years in connection with construction of the Project.

STATEMENT OF PURPOSE: This resolution expresses the city council's support of an application to be submitted to MHFA by LaSalle Development Group for low-income housing tax credits and tax-exempt bond financing that may be awarded by MHFA for the construction of a 112-unit affordable senior housing development. The deadline for submission of the application to MHFA is July 15, 2022. MHFA intends to finalize funding decisions at their December 15, 2022 board meeting. Additionally, this resolution also approves support of creation of a tax increment financing (TIF) district to support TIF funds of up to \$1,500,000 over a term of 26 years to support construction of the Project.

The Tapestry Senior Living project will be located at 701-731 East 4<sup>th</sup> Street in the central Hillside neighborhood. The Project includes construct of a 112-unit apartment building for seniors 62+ making 30% or less of the Area Median Income. Residents will qualify for Elderly Waiver from the State which will pay for health care services.

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 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.