



Legislation Text

File #: 18-0387R, **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 42-UNIT DECKER DWELLINGS 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 Decker Dwellings 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 42-unit Decker Dwellings apartment development. The deadline for submission of One Roof's application to MHFA is June 14, 2018. The request is for an estimated \$8,690,983 in housing tax credit financing to support the \$10,040,221 housing development. The developers claim 112 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 Decker Dwellings development is a 42-unit apartment building located off of Decker Road in Duluth, adjacent to the Schneiderman's Furniture store near the Miller Hill Mall. The proposed development will include 10 one-bedroom, 21-two-bedroom, and 11 three-bedroom apartments units. 13 units will be allocated to households making 60% AMI (\$30,000 for a 1-person household to \$42,840 for a 4-person household), 21 of those units will have a rent level at 50% AMI, and 8 units will be for 30% AMI. Of these units, four units will be reserved as 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 preparing to include four units to serve households with disabilities as services and rental assistance permit. This location is near employment areas (Matterhorn Mall, Miller Hill Mall, other retail operations and offices) and grocery stores. There is a bus stop within a quarter mile of the site.

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, including evaluation of the Mall Area Core Investment Area, through the analysis conducted as part of the Imagine Duluth 2035 comprehensive plan update, and has been confirmed during development of the annual Housing Indicator Report.