



Legislation Text

File #: 19-0316R, **Version:** 1

RESOLUTION OF INTENT TO SUPPORT THE REQUEST BY BLUE LIMIT LLC TO THE STATE OF MINNESOTA FOR THE AWARD OF FOUR PERCENT LOW-INCOME HOUSING TAX CREDITS FOR THE REDEVELOPMENT OF THE HISTORIC SAINT LOUIS COUNTY JAIL INTO 31 HOUSING UNITS KNOWN AS THE BURNHAM.

CITY PROPOSAL:

RESOLVED, that the Duluth city council hereby expresses its support for Blue Limit LLC's request for funding to the Minnesota housing finance agency for 4% low-income housing tax credits to assist in financing and redevelopment of the historic St. Louis County Jail into a 31 unit housing development known as The Burnham.

STATEMENT OF PURPOSE: This resolution expresses the city council's support of an application to be submitted to the Minnesota Housing Finance Agency (MHFA) by Blue Limit LLC for low-income housing tax credits that may be awarded by MHFA for the redevelopment of the historic Saint Louis County Jail into 31 housing units; the new development will be called The Burnham. 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 Burham would include 10 studio apartments, 20 one-bedroom units and 1 two-bedroom unit. The rents for all 31 units would be targeted to households making 60% AMI; the rents would range from \$676 to \$857 per month. In Duluth, the 60% AMI for one-person household is \$30,000; for two people it is \$34,320; and for three people it is \$38,580.

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.