



## Legislation Text

**File #:** 19-0336R, **Version:** 1

RESOLUTION OF INTENT TO SUPPORT THE REQUEST BY THREE RIVERS COMMUNITY ACTION AND ONE ROOF COMMUNITY HOUSING TO THE STATE OF MINNESOTA FOR LOW-INCOME HOUSING TAX CREDITS FOR THE 35-UNIT BREWERY CREEK HOUSING DEVELOPMENT.

### CITY PROPOSAL:

RESOLVED, that the Duluth city council hereby expresses its support for Three Rivers Community Action and One Roof Community Housing's request for funding to the Minnesota housing finance agency for low-income housing tax credits to assist in financing and development of the Brewery Creek housing development.

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 Three Rivers Community Action and One Roof Community Housing for low-income housing tax credits that may be awarded by MHFA for development of the 35 unit mixed used, mixed income building called Brewery Creek. The deadline for submission of the application to MHFA is June 03, 2019. MHFA intends to finalize their funding decisions on October 18, 2019.

The Brewery Creek development will be a four-story mixed income, mixed use structure that will be located at the intersection of 6<sup>th</sup> Avenue E and East 4<sup>th</sup> Street, across from the Whole Food's Co-op. The proposed development will include 8 one-bedroom, income restricted, supportive units and 27 two-bedroom income restricted units. Eighteen of the two-bedroom units will be limited to rents affordable to 50% AMI. The remaining nine two-bedroom units will be limited to rents affordable to 70% AMI. All one-bedroom units will have subsidized rents and limited to tenants earning up to 30% AMI. Four of the one-bedroom units will be reserved for permanent supportive housing units for homeless individuals with services provided by the Human Development Center. The remaining four one-bedroom units will be reserved for persons with disabilities, with services coordinated by the Human Development Center.

Household Size	30% AMI	60% AMI	80% AMI
1	\$15,000	\$30,000	\$40,000
2	\$17,160	\$34,320	\$45,760
3	\$19,290	\$38,580	\$51,440
4	\$21,420	\$42,840	\$57,120

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 conducted as part of the Imagine Duluth 2035 comprehensive plan update, including planning in the Medical District, and has been confirmed during development of the annual Housing Indicator Report.