



Legislation Text

File #: 22-0370R, **Version:** 1

RESOLUTION OF SUPPORT FOR AMERICAN INDIAN COMMUNITY HOUSING ORGANIZATION AND BLUELINE DEVELOPMENT, INC'S REQUEST FOR LOW INCOME HOUSING TAX CREDITS AND A CONDITIONAL PRE-COMMITMENT OF \$300,000 FISCAL YEAR 2023 COMMUNITY DEVELOPMENT FUNDING FOR THE CONSTRUCTION OF A 60 UNIT AFFORDABLE MULTIFAMILY APARTMENT BUILDING.

CITY PROPOSAL:

RESOLVED, that the City of Duluth hereby expresses its support for American Indian Community Housing Organization (AICHO) and BlueLine Development Inc.'s request to the Minnesota Housing Finance Agency (MHFA) for the allocation of low-income housing tax credits and/or other funding provided by MHFA, to construct a 60-unit affordable multifamily apartment building in the Morgan Park neighborhood of Duluth (the "Project")

BE IT FURTHER RESOLVED, that the proper City officials hereby approve a pre-commitment of Fiscal Year (FY) 2023 funds to be received by the City of Duluth as allocated by the federal Housing and Urban Development Department (HUD) for construction of the Project. The award of \$300,000 subject to the receipt thereof from HUD, the Developer, AICHO and BlueLine Development Inc., securing the necessary funding from MHFA or other funding sources to ensure project construction by 2024 and to the approval of a development agreement between the City and the Developer therefore.

STATEMENT OF PURPOSE: This resolution expresses the City Council's support of an application to be submitted to MHFA by AICHO and BlueLine Development Inc. for low-income housing tax credits and other Super RFP funding that may be awarded by MHFA for construction of an affordable 60-unit multi-family apartment building. 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 provides for a pre-commitment of a portion of the City's FY 2023 HUD allocation for construction of affordable multi-family apartments. The Community Development Committee considered the request by AICHO and BlueLine Development Inc. for pre-commitment of funds at their March 22, 2022 and April 13, 2022 meeting. The Committee voted to recommend City Council approval of the proposed resolution.

The Project will be located at 1205 93rd Avenue West in the Morgan Park neighborhood of Duluth. The 60-unit mixed income apartment building will provide rental units for households making 30 to 50% of area median income. The project will reserve eight (8) units as permanent supportive housing units for individuals experiencing or at risk of homelessness.

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.