



Legislation Text

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RESOLUTION OF SUPPORT FOR THE HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA'S REQUEST FOR LOW INCOME HOUSING TAX CREDITS FOR THE CONSTRUCTION OF A 40 UNIT AFFORDABLE MULTIFAMILY HOUSING PROJECT.

CITY PROPOSAL:

RESOLVED, that the City of Duluth hereby expresses its support for the Housing and Redevelopment Authority of Duluth, Minnesota's (HRA) 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 40 units of affordable multifamily housing in the Central Hillside neighborhood of Duluth (the "Project").

STATEMENT OF PURPOSE: This resolution expresses the City Council's support of an application to be submitted to MHFA by HRA for low-income housing tax credits and other Super RFP funding that may be awarded by MHFA for construction of 40-units of affordable multi-family housing. 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.

The Project will be located in Tract F and a portion of Tract D in the existing Harbor Highlands development in the Central Hillside neighborhood of Duluth. The 40-unit mixed income project will include four 9-plex buildings and one 4-plex building and will provide rental units for households making 30 to 50% of area median income. The project will reserve seven (7) units as permanent supportive housing units for individuals experiencing or at risk of homelessness and six (6) units for people with disabilities.

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.