



## Legislation Text

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**File #:** 23D-03, **Version:** 1

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RESOLUTION APPROVING A TEN-YEAR DEVELOPMENT AGREEMENT WITH PLOVER PLACE, LLC FOR CONSTRUCTION OF THE NEW MODEL OF HOUSING FOR HOMELESS AT A TOTAL COST NOT TO EXCEED \$1,600,000.

RESOLVED, that the proper DEDA officials are hereby authorized to execute a development agreement with Plover Place, LLC ("Developer"), substantially in the form of that attached as Exhibit A, for development of the New Model of Housing for Homeless and DEDA expenditure in a total amount not to exceed \$1,600,000.

STATEMENT OF PURPOSE: This resolution approves a development agreement with Plover Place, LLC, a Minnesota limited liability company which is wholly owned by One Roof Community Housing, a 501(c)(3) non-profit corporation for the construction of the New Model of Housing for Homeless located on W Palm Street and S Robin Avenue in Duluth, Minnesota. The modified revenue loss calculation included in the updated ARPA guidance expanded the City's capacity and flexibility to fund projects out of the general fund. The ARPA guidance allowed for the City to fund provisions for governmental services included in the annual budget, thereby freeing up budgeted resources to subsidize homeless housing units. The City authorized transfer of funds to DEDA on June 27, 2022, via resolution 22-0520R. St. Louis County has agreed to match the DEDA's contribution to further support this project.

The New Housing Model for Homeless is an innovative solution developed in 2020 by a working group of Duluth professionals in social services, low-income housing, architecture, and construction industries. The aim was to research, rethink, and redesign the homeless housing model, striving to find harmony in amount of service and support, number of occupants/densities, low development costs and an operating cost model that cash flows responsibly while providing important services to ensure success for occupants and the community.

The agreement provides for the development in two phases, each phase being a two-story structure with twelve (12) single occupancy units with in-suite bathrooms, one of which will be a fully accessible unit for those facing homelessness. The micro space reduces overall footprint and costs while providing safe and private units for tenants. In addition to sleeping units, each building will provide a flexible quiet room, open gathering space with a common kitchen, open lounge with TV, outdoor patio, laundry room, storage room and private office for staff. The agreement term runs until ten (10) years from after the date of the issuance of Certification of Completion. Construction is anticipated to begin by January 1, 2024 with completion by December 31, 2025.