



Memo

To: Planning Commission

From: Jenn Moses, Manager of Planning and Community Development

Date: March 3rd, 2026

RE: Housing TIF District Conformance to Comprehensive Plan for Orchards of Morgan Park

In order to facilitate construction of 12 affordable single-family homes on 88th Avenue West in the Morgan Park neighborhood, the Housing and Redevelopment Authority of Duluth needs to create a new Tax Increment Financing (TIF) Housing District. The role of the Planning Commission is to make sure the proposed development and its uses are consistent with the Comprehensive Plan and Unified Development Chapter (UDC). Tax Increment Financing (TIF) is a financing tool that uses the increase in property taxes generated from site improvements to pay for a portion of those improvements.

The Project will involve the construction of 12 affordable single-family homes. Each home will be sold to an income-qualified household earning less than 115% of Area Median Income.

The future land-use designation of the development site is Traditional Neighborhood (TN). According to *Imagine Duluth 2035*, the city's Comprehensive Plan, Traditional Neighborhood areas are intended for a mix of housing types as well as limited commercial uses that serve a neighborhood market. The proposed single-family development meets the intent of the future land use in this area.

The property is split between R-1 (Residential-Traditional) and MU-N (Mixed Use-Neighborhood) zone districts, with the MU-N parcels having frontage along 88th Avenue and the R-1 parcels aligned behind them immediately to the west. MU-N districts are intended to "accommodate a mix of neighborhood-scale, neighborhood serving non-residential uses and a range of residential uses located in close proximity." R-1 districts are "established to accommodate traditional neighborhoods of single-family detached residences, duplexes and townhouses on moderately sized lots. This district is intended to be used primarily in established neighborhoods." The proposed single-family development is an eligible and appropriate use in this area.

This project implements the following Comprehensive Plan principles:

Principle #5 Promote reinvestment in neighborhoods. Duluth is strongly defined by its neighborhoods. This system should be supported through land use and transportation that foster neighborhood reinvestment. New development or redevelopment should maximize public investment that strengthens neighborhood commercial centers or diversifies residential opportunities that fit the neighborhood's character.

Principle #8 Encourage mix of activities, uses, and densities. Cities have evolved as a mix of land uses, building types, housing types, and activities. Accommodating choice while protecting investment is a balance to strike in land use regulation. Mixed uses provide opportunities for a diversity of activity that segregated, uniform uses do not provide.

City staff believe that the proposed development conforms to and implements the Comprehensive Plan principles. City staff ask that the Planning Commission review this item, and following discussion, make a finding that it conforms to the Imagine Duluth 2035 Comprehensive Plan.