

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

10-0294R

RESOLUTION OF INTENT TO SUPPORT THE USE OF TAX INCREMENT FINANCING FOR THE HILLSIDE DEVELOPMENT HOUSING DEVELOPMENT INITIATIVE.

CITY PROPOSAL:

RESOLVED, that subject to approval of low income housing tax credit financing, verification of the need for gap financing that substantiates that the Hillside Development would not be able to proceed without the use of tax increment financing and the submittal of additional documentation which would support the statutory findings required to be made for approval of a tax increment financing plan, the Duluth City Council hereby expresses its non-binding intent to support the use of tax increment financing for the Hillside Development housing development initiative as described in Public Document No. _____ on file in the office of the city clerk, to the extent necessary to meet the financial requirements of the development in compliance with state statutes.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

STATEMENT OF PURPOSE: This resolution expresses the city council's intent to approve of the creation by the HRA of a housing tax increment finance district to provide gap financing for the development of 40 units of housing in the Central Hillside neighborhood between Third and Fourth Street and First and Second avenues East, including the conversion of the old Firehall building currently owned by ISD #709, as well as other properties. The HRA and developer have requested this resolution to show city support for the developer's application for low income housing tax credit financing. This resolution is non-binding, and final approval of the creation of a TIF district requires a public hearing, certain statutory findings being made, and city council approval. The developer is asking for TIF financing in the minimum amount necessary in order to complete the development.