

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

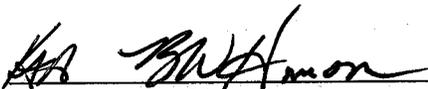
11-0219R

RESOLUTION OF INTENT TO SUPPORT FOR THE REQUEST BY THE HILLSIDE APARTMENTS DULUTH, LLLP, TO THE STATE OF MINNESOTA FOR THE AWARD OF LOW-INCOME HOUSING TAX CREDITS AND OTHER FUNDING FOR THE HILLSIDE APARTMENT PROJECT.

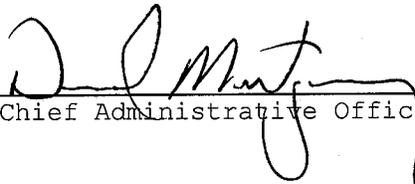
CITY PROPOSAL:

RESOLVED, that the Duluth City Council hereby expresses its support for the Northern Communities Land Trust's request for funding to the Minnesota Housing Finance Agency for low-income housing tax credits and other funding for the Hillside Apartment project.

Approved:

  
Department Director

Approved for presentation to council:

  
Chief Administrative Officer

Approved as to form:

  
Attorney

Approved:

  
Auditor

CD KAH:jle 4/27/2011

STATEMENT OF PURPOSE: This resolution expresses the city council's support of an application to be submitted to the Minnesota Housing Finance Agency (MHFA) by the Hillside Apartments Duluth LLLP for low-income housing tax credits and other funding that may be awarded by MHFA for the proposed Hillside Apartments project. The deadline for the submission of the application is June 14, 2011. The requests are estimated at \$1,015,000 in Housing Tax Credit financing and \$750,000 in other funding. MHFA intends to finalize their funding decisions on October 10, 2011.

Hillside Apartments Duluth LLLP is the legal entity applying for the MHFA funding. The actual developer of the project will be the Northern Communities Land Trust (NCLT), the owner and manager of the Hillside Apartments will be Center City Housing Corporation (CCHC), and Churches United in Ministry (CHUM) will provide supportive services onsite.

The proposed Hillside Apartments project will be located on the upper side of West Fourth Street between Second and Third avenues West, excluding the westerly most existing building. Redevelopment of the site will include the demolition of existing structures and the construction of a single new building. The building will consist of up to 46 permanent supportive housing units, 6 emergency shelter units for homeless families, office space for CCHC and CHUM, community room with kitchen, and children's educational space. There will be an outdoor recreation area for children. The building will be staffed 24 hours, 7 days a week, with to ensure that the building is secure for both residents and neighbors.

On March 14, 2011, the city council approved resolution 11-0118, authorizing the city to enter into a joint agreement with MHFA for the administration of the city's allocation of housing tax credits. MHFA requires developers that submit applications for housing projects in Duluth to receive the support of the city council. Staff is recommending that the first priority for MHFA funding be the Hillside Apartments project, based on the goals of the FY 2010 -2014 consolidated plan and the ten year plan to end homelessness. Both plans have shown the need for permanent supportive housing for homeless families with children, and have specific goals related to developing this type of housing in Duluth.

A neighborhood meeting was held on the evening of April 27, 2011, at the Central Hillside Community Center to inform the neighborhood about the proposed project and to hear comments from the residents.

Previously, the city council approved an award of community development block grant (CDBG) funding of \$200,000, and a pre-commitment of next year's HOME program funding of \$300,000 for the project. Also, the council has on its agenda Ordinance File No. 11-014, which would authorize the conveyance of a half lot located on the Hillside Apartment site at no cost to the developer.