

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

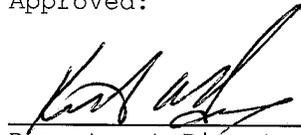
13-0214R

RESOLUTION EMPOWERING THE ST. LOUIS COUNTY HOUSING AND REDEVELOPMENT AUTHORITY TO PROVIDE FUNDING TO A PROJECT WITHIN THE BOUNDARIES OF THE CITY OF DULUTH

CITY PROPOSAL:

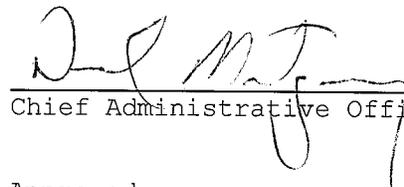
RESOLVED, that the city of Duluth empowers the St. Louis County housing and redevelopment authority (HRA) to provide \$250,000 in funding to Center City Housing Corporation, which is needed for an emergency shelter housing project for homeless families located at 4th Street and 1st Avenue West.

Approved:



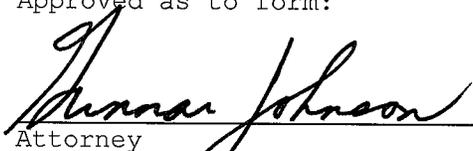
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

CD KO:ba1 04/25/2013

STATEMENT OF PURPOSE: This resolution empowers the St. Louis County housing and redevelopment authority (HRA) to provide funding for a housing project within the boundaries of the city of Duluth.

Center City Housing Corporation, in collaboration with One Roof Community Housing, Churches United in Ministry (CHUM), and the Duluth Housing & Redevelopment Authority, will be constructing a new housing project located on 4th Street and 1st Avenue West. Called Hillside Apartments, the building will include six units of emergency shelter for homeless families, as well as 44 units of permanent, supportive housing. The project is a priority of the "Heading Home St. Louis County: A Ten Year Plan to End Homelessness" that has been adopted by the city council as part of the city's consolidated plan for housing and community development.

Previously, the council has taken a number of actions in furtherance of this project. Council resolution 11-0219 expressed support for an application to Minnesota housing for tax credit financing, which was awarded by the state in October 2012. Council ordinance no. 10085 authorized the free conveyance of a city owned lot as part of the site assembly. Council resolution 10-0627 approved community development block grant (CDBG) funds for the acquisition and demolition of blighted properties on the site; resolution 12-0625 provided HOME program funding for the construction of permanent supportive housing; and resolution 12-0626 provided CDBG funding for the emergency shelter units. Community development funds awarded to the project total \$675,000. The overall cost of the project is \$11.2 million.

As part of the financing of the Hillside Apartments, the development team approached St. Louis County requesting support. On April 2, 2013, the county approved \$250,000 in funding from the St. Louis County HRA, which has the authority to fund projects that provide decent, safe and affordable housing for persons of low and moderate income. State of Minnesota Statute, Section 469.005 Area of Operation, Subdivision 1., states that "*a county authority... shall not undertake any project within the boundaries of any city which has not empowered the authority to function therein as provided in Section 4609.005 unless a resolution has been adopted by the governing body of the city...*" This resolution allows the St. Louis County HRA to exercise its powers within the city's boundaries.