

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

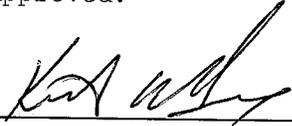
13-0230R

RESOLUTION OF INTENT TO SUPPORT THE REQUEST BY THE LINCOLN SCHOOL LIMITED PARTNERSHIP TO THE STATE OF MINNESOTA FOR THE AWARD OF LOW-INCOME HOUSING TAX CREDITS FOR THE LINCOLN PARK SCHOOL PROJECT

CITY PROPOSAL:

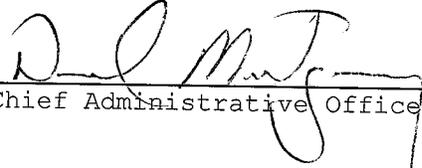
RESOLVED, that the Duluth city council hereby expresses its support for the Sherman Associates, Inc., request for funding to the Minnesota housing finance agency for low-income housing tax credits for the lincoln park school project.

Approved:



Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

CD KO:bel 04/30/2013

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 Lincoln School Limited Partnership for low-income housing tax credits that may be awarded by MHFA for the proposed Lincoln Park School project. The deadline for the submission of the application is June 18, 2013. The request is for an estimated \$7,485,500 in housing tax credit financing. Total cost for the entire project is estimated at \$9,047,500. MHFA intends to finalize their funding decisions on November 7, 2013.

Lincoln School Limited Partnership is the legal entity applying for the MHFA funding. The actual developer of the project will be Sherman Associates, who will also be the management agent for the property once it is completed.

Located at 2424 West 5th Street, the proposed Lincoln Park School project is a re-use of an elementary school that was sold by District 709 to Sherman Associates for \$1 in return for providing approximately 45,000 square feet of space for community programs. Current tenants are the Boys & Girls Club and Community Action Duluth. Additional local service agencies will be renting offices in the near future. Plans call for 49 units of housing, with a mix of one-, two- and three-bedroom apartments. Seven of the units will be set-aside for families that have experienced homelessness.

On March 25, 2013, the city council approved resolution 13-0132, 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. The administration is recommending that the priority for MHFA funding be the Lincoln Park School project, based on the goals of the Lincoln Park Neighborhood Revitalization Plan, released on November 19, 2012. Prepared by the At Home in Duluth Collaborative, with the city's Community Development Office as a contributing partner, a priority for 2012-2014 is to "Facilitate reuse of Lincoln Park School...for mixed-use redevelopment; housing and continued use of space by Boys & Girls Club and other community use."

A neighborhood meeting was held on the evening of May 30th, 2012, to introduce the project to the neighbors and to hear comments from local residents.