

PERSONNEL COMMITTEE

13-0311R

RESOLUTION OF INTENT TO SUPPORT THE RC LIMITED LIABILITY CORPORATION'S REQUEST TO THE MINNESOTA HOUSING FINANCE AGENCY FOR FUNDING FOR THE PASTORET TERRACE PROJECT.

BY COUNCILORS GARDNER AND HARTMAN:

RESOLVED, that the city council hereby expresses its support for the RC Limited Liability Corporation's request for funding to the Minnesota housing finance agency for funding for the Pastoret Terrace project.

FURTHER RESOLVED, that the council continues to support the request for funding for the Lincoln Park School project, which was approved on May 13, 2013 (Resolution 13-0230), and that both projects shall be equally supported.

Approved as to form:


Attorney

CCREQ/ATTY GBJ:cjk 6/3/2013

STATEMENT OF PURPOSE: This resolution expresses the city council's support of a Minnesota Multi-family Rental Housing Application to be submitted to the Minnesota Housing Finance Agency (MHFA) by the RC LLC for the proposed Pastoret Terrace project.

The City Council, by Resolution 13-0230 adopted on May 13, 2013, provided its support for a request for funding for the Lincoln Park School project. The Council is supporting requests for funding for both projects equally.

RC LLC is the legal entity applying for the MHFA funding. The actual developer of the project will be Pastoret LLC, with Michael Conlan as the principle person leading the development team. The RC LLC will own the property, a limited liability corporation controlled by Eric Ringsred. The property manager has not been determined, but the intent is to contract with a professional management company.

Located at 127-129 East Second Street, the proposed Pastoret project entails the

adaptive reuse of an historic structure that was designed by the prominent architect, Oliver G. Traphagen, and built in 1887. The Pastoret building has been qualified by the Minnesota State Historic Preservation Office and the National Park Service as a "certified historic structure" for the purposes of state and federal historic tax credits. Before major fires damaged significant portions of the building, it provided 50 units of single-room occupancy housing for very low income residents. The proposed redevelopment project will provide 40 units of affordable housing, of which four will be set aside for persons experiencing 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 support for the Pastoret Terrace project, based on the goals of the Hillside 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 the creation of workforce housing, in particular, to provide housing for employees working in the downtown and medical districts. In addition, the Pastoret building is a priority for historic preservation as a major contributing structure within Duluth's designated Downtown Historic District.