FINANCE COMMITTEE

13-0452R

RESOLUTION PROPOSING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL TAXING DISTRICT, HOUSING AND REDEVELOPMENT AUTHORITY, FOR THE YEAR 2014.

CITY PROPOSAL:

RESOLVED, that pursuant to Minnesota Statutes, Section 469.033, subdivision 6, the city council adopts the following proposed property tax levy:

Section 1. The sum to be raised by taxation for the year 2014 for the housing and redevelopment authority taxing district's operation is hereby determined to be the sum of $936,947 which sum is levied against the taxable property of the city of Duluth and appropriated to the various accounts as set forth in the following sections, viz:

Section 2. That pursuant to Minnesota Statute 469.033, subdivision 6, there will be levied for the purpose of providing for the housing and redevelopment authority special taxing district the sum of $936,947.

Approved:

Department Director

Approved for presentation to council:

Chief Administrative Officer

Approved as to form:

Attorney

Approved:

Auditor

FIN CB:le 08/27/2013

STATEMENT OF PURPOSE: This resolution sets the proposed tax levy for the year 2014 for the Duluth housing and redevelopment authority - HRA. HRA is proposing a $158,147 increase in the levy to enable the implementation of the "Build in Duluth" housing program.

HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA

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P.O. BOX 16900 • DULUTH, MINNESOTA 55816-0900
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July 31, 2013

The Honorable Mayor Don Ness
and Members of the City Council of Duluth
Duluth City Hall
Duluth, Minnesota 55802

RE: Levy for Local Housing and Redevelopment Programs

Dear Mayor Ness and Members of the City Council:

Please find attached the budget projections of the Housing & Redevelopment Authority of Duluth which include the use of the 2014 levy for Housing and Redevelopment Activities, per Minnesota Statute 469.033 subdivision six.

Since 1948 the Housing and Redevelopment Authority has requested and received City Council approval to levy a Special Benefit tax to defray the cost of local housing and redevelopment activities. Tax Levy funds have been utilized to supplement the administration of activities that cannot be achieved through federal and state grant programs, to provide front-end money for planning costs of future projects; and to advance capital to projects until proceeds are received or financial arrangements are made. Due to federal budget constraints, a number of programs operated by this agency rely upon local revenues to provide programs and services to Duluth's low and moderate income families. Congressional actions have unfortunately resulted in the under-funding of several critical programs. Operating subsidy support for public housing is projected in FY2014 to be less than actual cost. The tax levy is extremely important in maintaining a well-managed supply of quality affordable housing in this environment.

The HRA proposes a 2014 levy at a rate of .0185% which would represent the first increase since 2007, and would enable the implementation of the "Build in Duluth" housing program to assist with the revitalization of core neighborhoods through the construction of infill housing and the rehabilitation and owner-occupancy of small multi-family properties. It is estimated at this time that the combined Special Levy would be approximately $936,947.

The HRA presently faces a number of challenges and opportunities that require additional resources to successfully implement. As we work to meet the housing needs of the community, we have undertaken several ambitious housing development programs. Such programs and projects require the funding support of the levy for successful implementation.

I would be pleased to discuss the housing services and programs supported by these important tax revenues further if you should have questions or desire additional information.

Sincerely,

RICHARD W. BALL
Executive Director

HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA

BUDGET
IN SUPPORT OF
COMBINED SPECIAL LEVY FOR HOUSING AND REDEVELOPMENT ACTIVITIES
DURING 2014

It is estimated at this time that approximately $936,947 will be raised by the combined special levy and the whole of this amount will be applied toward the cost of local housing and redevelopment activities, and relocation assistance and information activities to families within the City of Duluth displaced by activities of any state or public bodies, in accordance with the provisions of the Minnesota Housing and Redevelopment Act of 1947 as amended.

It is anticipated that revenues from said levy will be used to assist with housing activities for low and moderate income households in the City of Duluth, and for activities which stabilize and strengthen neighborhoods and prevent or eliminate conditions of blight.

On an annual basis, the budget to provide local housing and redevelopment activities, and to provide relocation assistance and information services during a one-year period is estimated as follows:

ACTIVITIES	AMOUNT
Build in Duluth Housing Program implementation	$163,947
Administration of Public Housing, Maintenance, Section 8, Rehabilitation & Real Estate Activities	$221,000
Public & Affordable Housing Development Activities	$122,000
Neighborhood Stabilization	$200,000
Relocation Activities & Information Services	$ 65,000
Survey & Planning Costs (Appraisals, Relocation Surveys, Land Use Planning, Etc.)	$ 80,000
Support for Affordable Housing, Low Income Homeownership and Support Services	$ 85,000
TOTAL	**$936,947**