

## **Gateway Tower Redevelopment Overview**

**April 24, 2015**

One Roof Community and Center City Housing are requesting support in the form of Low Income Housing Tax Credits from Minnesota Housing for the redevelopment of Gateway Tower.

Project partners will utilize equity from the sale of Low Income Housing Tax Credits to complete significant renovations to the entirety of Gateway Tower to ensure the building continues to be operated for at least the next 15 years without need for significant updates or repairs. Gateway historically houses nearly 150 low-income, elderly and/or disabled people, but without significant renovation, the building will soon be unable to serve anyone. This strategy would also employ 30 site-based Section 8 vouchers already in place from Duluth HRA, public housing assistance for 50 units, donation of the building by Duluth HRA, Duluth CDBG funding of \$200,000, Greater Minnesota Housing Funding of \$500,000, other Minnesota Housing resources as available (such as State of MN HOME CHDO preservation funds), and any other funds able to be secured to continue to operate the building at rents as close as possible to current rents.

We believe it is feasible to maintain about ½ of the units to service people with incomes under \$13,000 per year. The remaining units would serve the working poor with incomes between \$13,000 and \$27,000. It is very important to note that recent housing studies conducted by the City of Duluth and by Minnesota Housing Partnership note that Duluth does not have an adequate supply of affordable housing. This is demonstrated by high occupancy in public housing and in buildings with project based Section 8 subsidy as well as by the long waiting list for Section 8 vouchers. It is imperative that we act to keep this housing as affordable as it can be because, while it is expensive to preserve the housing, it will be at least two to three times as expensive to replace. Further, if Gateway closes, not only is an important affordable housing resource lost for future residents, but existing elderly and disabled residents will need to be relocated into a market that is commanding significantly higher rents, with very little vacancy.

Gateway Tower is centrally located in downtown Duluth and provides an opportunity to live in a walkable environment using public sidewalks to easily access many services. The building is located next to the main branch of the Duluth Public Library, one block from the Ordean Building which houses multiple human service organizations. The main downtown district offering shopping, pharmacy, medical services, banking and entertainment begins two blocks from Gateway and extends another six blocks. City, County and Federal offices are located within 3 blocks of the building in the Duluth Civic Center and the Government Services Center is 4 blocks away. The Damiano Center is also within walking distance. Residents who have mobility challenges or need/want to access services at a further distance—including grocery, hospitals, clinics, pharmacies and major shopping centers including discount outlets and area senior centers—have easy access to public transportation with a Duluth Transit Authority bus stop 1 block from the main entrance. The future planned transit hub will only be 2 blocks away. Additionally there is immediate access to Interstate 35 connecting to the western part of

the City. Gateway overlooks Duluth's waterfront and events at the Duluth's Bayfront Festival Park, DECC Arena and Auditorium and the new Amsoil facility are readily accessible as well.