



# HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA

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Executive Director*

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# Developments

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2023-2025

- Fairmount Cottages
- Skyridge Flats
- Phase VI Townhomes

# OWNED HOUSING

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- Six High Rise Buildings (752 units)
- Scattered Site Family Housing (296 units)
- 44 Tax Credit Units

Why Build More? Don't you have enough to do? And How do you decide where to focus?

- Obvious housing shortage
- Increase in homeless population
- Local administration focus on workforce housing
- Board opinions on where to concentrate our efforts

# DECISION MAKING INVOLVING THE BOARD

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## COMMITTEE OF THE WHOLE

- Presentation of staff ideas
- Weigh the needs of the City and the desires of the administration – balance the desired outcomes
- Keep a longer range vision than the next election
- Board opinions and personal agendas



# WHERE TO START?

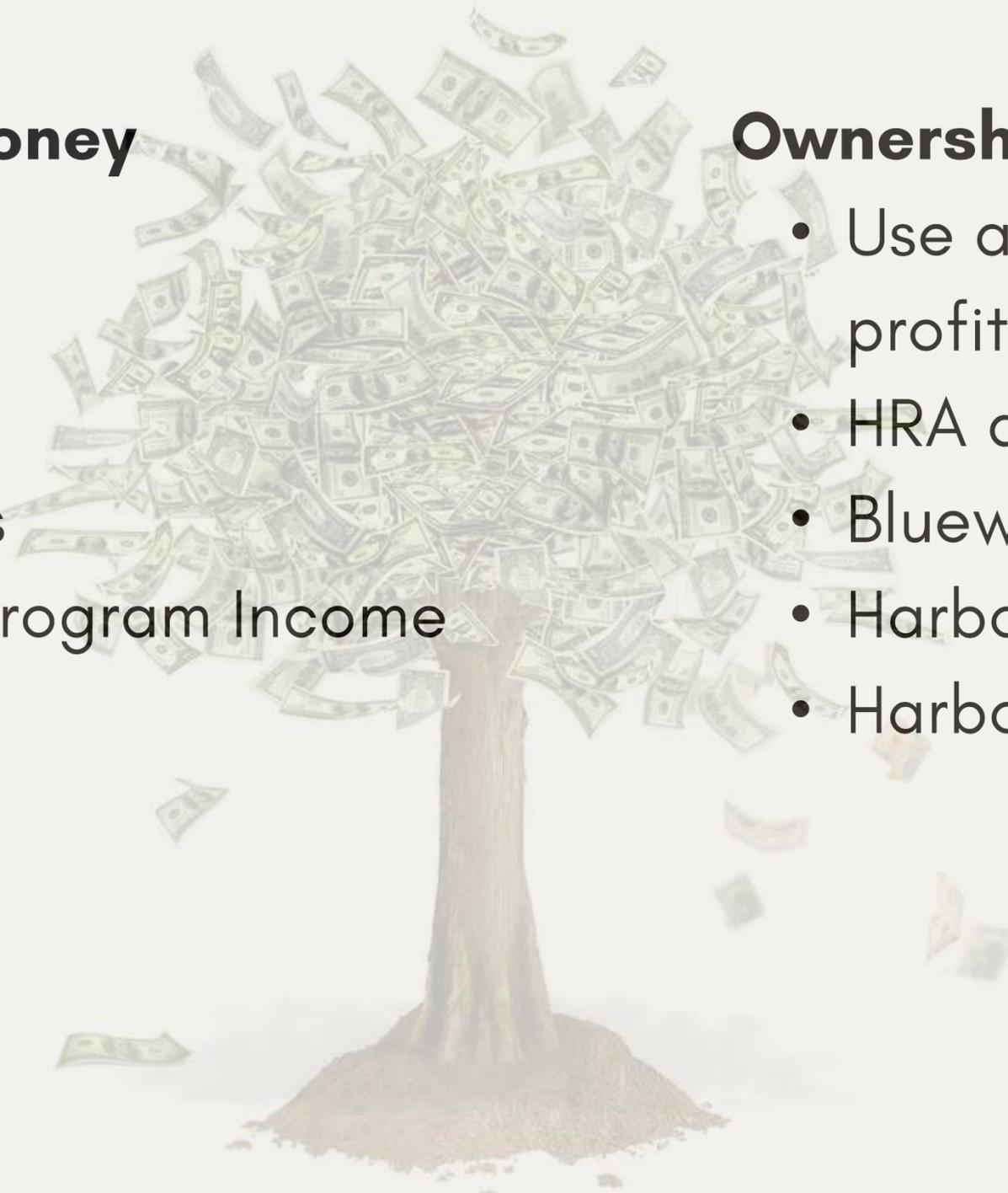
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## Follow the Money

- MHFA
- Bonding
- ARPA
- HRA Funds
- HOPE VI Program Income

## Ownership

- Use an existing LLC or Non-profit or create a new one?
- HRA direct ownership?
- Bluewater Housing, LLC
- Harborview Phase V, LLC
- Harborview Phase VI GP, LLC





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# FAIRMOUNT

COTTAGES

- First Development
  - 18 units
  - 9 – 1 BR and 9 – 2 BR
  - Rent restricted
    - 4 @ 50% AMI (Section 8 payment standard)
    - 4 @ 80% AMI
    - 5 @ 90% AMI
    - 5 @ 100% AMI
- Funding
  - \$2.517 MIL Housing Revenue Bond
  - \$1 MIL HRA Hope VI Funds
  - \$538,000 HRA General Funds
  - \$1.15 MIL City of Duluth ARPA Funds
- Total Development Costs: \$5,302,000
- Per Unit Cost: \$294,556



# FAIRMOUNT

## COTTAGES

- Special Features
  - 100% Electric
  - Solar Parking Lot and Trail Lighting
  - Cottage Home Park Ordinance allows for homes to face inward for greater community feel
- Year Two
  - Heat Pumps
  - Hybrid Water Heaters
  - Snow Guards (to protect heat pumps)
- Lessons Learned
  - Construction Management
  - Architect – value add
  - What “all electric” really means for utility costs

# FAIRMOUNT COTTAGES



# SKYRIDGE FLATS

AT HARBOR HIGHLANDS

- Second Development
  - Housing Infrastructure Bond Application to MHFA (two tries)
  - 70, 1-Bedroom units
  - 55+, 60% AMI or less
  - 35 units have PBVs
    - Seven of those have VASH vouchers with supportive services through the Twin Ports VA
  - 35 units \$800/month utilities included
- Funding
  - \$14,229,000 HIB
  - \$3 MIL HRA Hope VI funds
  - \$500,000 HRA First Mortgage
  - \$450,000 City and County ARPA
  - Rebates and Deferred Developer Fee: \$1,088,066
  - Total Development Costs: \$19,267,066
  - Per Unit Cost: \$275,244

# SKYRIDGE FLATS

AT HARBOR HIGHLANDS



## Special Features

- Solar Panels
- Wildlife Friendly Lighting
- Local Artist – Lake Superior Artwork



# Harbor Highlands Phase VI Townhomes

## Latest Development

- 40 Units of Affordable Family Housing
  - 10 - 1 BR
  - 14 - 2 BR
  - 12 - 3 BR
  - 4 - 4 BR
- All with project-based vouchers!
  - 7 units for LTH
  - 6 units for PWD
  - Supportive Services provided by ACCEND Services in Duluth

## Funding

- LIHTC - 9% tax credit proceeds: \$15,006,710
  - First Mortgage - Wells Fargo: \$2,948,000
  - \$1 MIL HRA Hope VI funds
  - Rebates and Deferred Developer Fee: \$740,606
  - Total Development Costs: \$19,695,316
  - Per Unit Costs: \$492,383
- Amazing what a one-year difference makes in the cost of a project!

# HARBOR HIGHLANDS PHASE VI TOWNHOMES

## Special Features

- Solar Panels
- Wildlife Friendly Lighting
- Tot Lot

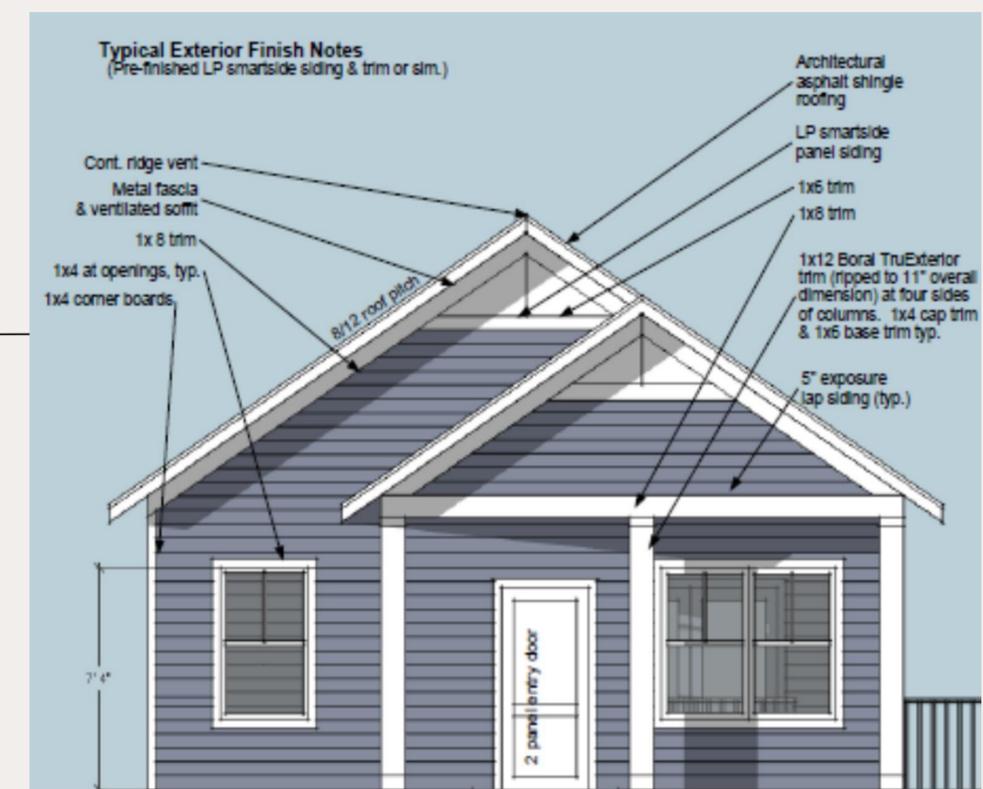


# Development

## WHAT'S NEXT? - Workforce Home Ownership

### Homes in Central Hillside - Fall 2025

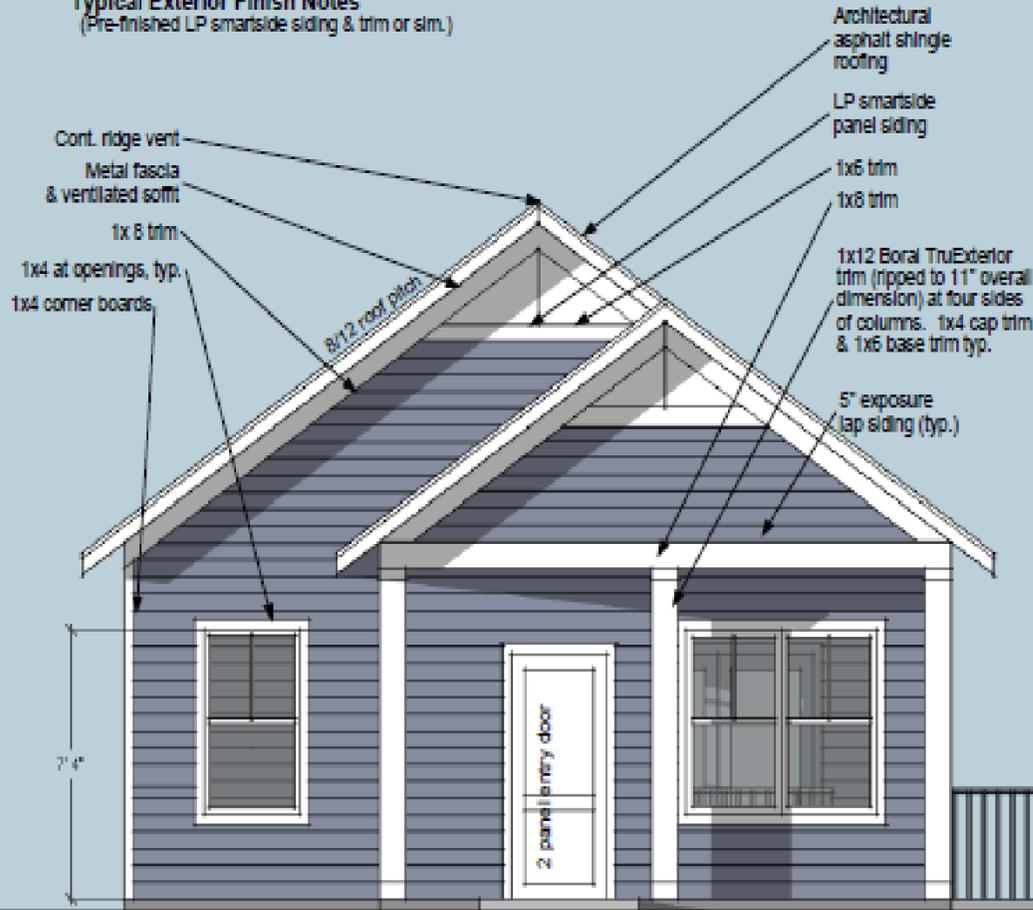
- 3 single family homes
- 2 bed, 1 bath, 1 level with unfinished basement
- Space for future garage
- Workforce Housing (buyers must be 115% AMI or less)



### Funding

- Total Project Cost: \$1.474 Million
- Sources
  - Home Sales: \$900,000
  - MHFA Impact Funds: \$272,000
  - Rebates: \$35,000
  - Deferred Developer Fee: \$60,000
  - HRA Contribution: \$207,000

**Typical Exterior Finish Notes**  
(Pre-finished LP smartside siding & trim or sim.)



**North Elevation**  
1/4"=1'0

**Special Features:**

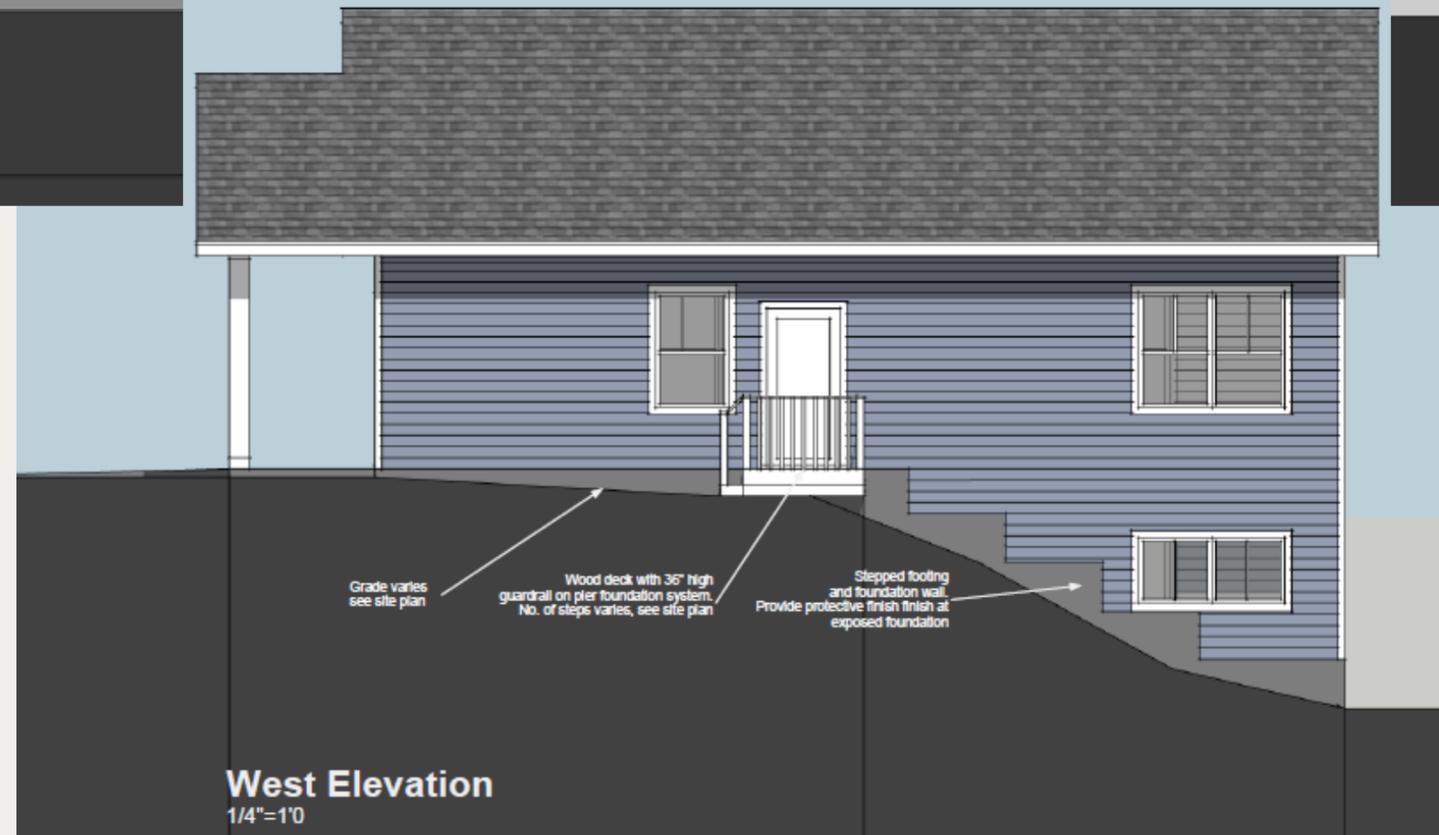
- Cold-climate air-source heat pumps
- Hybrid heat pump water heater
- Views of Lake Superior

See A2 for typical trim/exterior notes



**South Elevation**  
1/4"=1'0

m/exterior notes



**West Elevation**  
1/4"=1'0

# Development



## WHAT'S NEXT? - Multi-family

- Mission Heights Housing and Engagement Center
  - Partner with Union Gospel Mission
  - 40 units PSH with Housing Supports from St. Louis County
  - Funding
    - Bonding? 4% Credits?
    - SAHA/HOME ARP/CDBG \$700,000
    - Essentia Health \$500,000
    - HRA Funds \$250,000
    - GO Bonds for Engagement Center



Anticipated TDC for the Housing Component: \$19,241,349

Per Unit Cost: \$481,034

Anticipated TDC for the Engagement Center: \$10,054,678

# QUESTIONS?

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*Thank you!*

*Jill Keppers and Jake Morgan*