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City of Duluth - Communications Office

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SUBJECT: New single family homes to be added to Duluth housing market

BY: Pakou Ly, Communications Office

New single family homes to be added to Duluth housing market

[Duluth, MN] - Since 2014, the City of Duluth has been studying and working to fill a housing gap in the city made more urgent with a growing workforce, older housing stock, and a low vacancy rate of 3.3%. Duluth employers in the professional services, aviation manufacturing, health care and retail industries expressed concern to the City about the lack of quality and diverse housing options for their growing workforce.

A housing study completed by Maxfield Research in 2014 (Workforce Housing Needs in Duluth) identified several categories of housing that could meet the needs of Duluth's population. Specifically, the report indicated that 150 units of single family home construction could be supported each year until year 2020. Through multiple marketing strategies and attempts to reach out to developers across the Midwest, Duluth is making gradual progress in addressing the housing gap.

"It's important we continue to work on housing projects that meet our diverse and changing demographic. Duluth is becoming more than just a drive by destination and we want to make sure that when people move to Duluth, they find quality living arrangements that meet their needs, their budgets and lifestyle," said Keith Hamre, Director of Planning and Construction Services.

The Jay Street development (located at Jay Street and 40th Ave East) is one recent project that will add 9 new market rate and income based single family homes to the Duluth housing market. The catalyst for this development was a \$214,064 clean up grant by the Minnesota Department of Employment and Economic Development. The cleanup grant was a critical step in ensuring any lead contaminants in the soil was removed before construction. The site had been used by the City Public Works and Utilities department. The cleanup work has been completed and construction will commence later this month with heavy equipment mobilized on site. Councilor Gary Anderson has been proactively working with neighborhood residents since this project started.

First district City Councilor Gary Anderson says he is aware that this project has been in the works for a long time and neighbors are anxious to see progress. "Absent progress - good communication with the Lakeside community is essential," said Councilor Anderson.

The City is working with One Roof Community Housing as the developer. Several of the homes will be sold as "land trust" homes with income requirements. The models will have 3 bedrooms, a connected garage, and plenty of yard space. The first house should be completed this winter with the remaining homes coming on line for purchase in spring 2017.

Over the next two years, Duluth will also see an increase of over 300 units of new market rate rental units.

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