

City of Duluth Housing Summit

Housing Term Glossary



Affordable Housing: Generally considered to be housing that does not cost more than 30% of a household’s annual income. Families that pay more than 30% of their income for housing are considered cost-burdened.

Income-based Housing: There is a range of different income-based housing programs that help people to become more able to afford renting or purchasing homes. Each program has varying income thresholds and restrictions unique to the program’s purpose; generally for households at or below 80% of median income for rental housing and 115% of median income for homeownership.

Median Income: Duluth’s Median Family Income is \$64,300. To see how the median income varies by family size see the table:

Duluth Income Levels

Household Size	50% of Median Income	80% of Median Income	Median Income	115% of Median Income
1	\$22,531	\$36,050	\$45,063	\$51,822
2	\$25,750	\$41,200	\$51,500	\$59,225
3	\$28,969	\$46,350	\$57,938	\$66,628
4	\$32,213	\$51,540	\$64,425	\$74,089
5	\$34,750	\$55,600	\$69,500	\$79,925

Salaries in Duluth

Occupation	Starting Annual Salary	Median Annual Salary
Elementary School Teacher	\$30,691	\$50,624
Social Worker	\$36,462	\$58,947
Nurse	\$50,232	\$70,553
Aircraft Mechanic	\$52,437	\$61,131
Electrical Engineer	\$65,603	\$79,476

Workforce Housing: Housing that is affordable and meets the needs of the local workforce, where the price of is set by the market place.

Income and Home Affordability

Gross Income	Net Income	Maximum Monthly Housing Payment	Maximum Affordable Home Value
\$44,880	\$33,660	\$1,122	\$175,000
\$51,280	\$38,460	\$1,282	\$200,000
\$64,080	\$48,060	\$1,602	\$250,000
\$76,920	\$57,690	\$1,923	\$300,000

Tax Abatement: An agreement by the City of Duluth and/or St. Louis County to reduce or eliminate property taxes for a set period of time for affordable housing projects, either rental or homeowner, that meet certain requirements.

Tax Increment Financing (TIF): A tax increment is the difference between the amount of property tax revenue generated before a TIF district is designated and the amount of the property tax revenue after the TIF district is designated. Property taxes generated by the incremental increase in value due to the TIF district are available for TIF projects. TIF projects can include a variety of infrastructure and capital projects that can help to further increase the value of development projects.

Tax Credits:

- The **Low-Income Housing Tax Credit (HTC) Program** is a financing program for qualified residential rental properties, that offers investors a 10-year reduction in tax liability in exchange for capital to build eligible affordable rental housing units.
- The **Minnesota Historic Structure Rehabilitation Tax Credit** offers a 20% state tax credit for qualified historic rehabilitations and offers project investors an option of a grant in lieu of a credit, whichever option best suits a developer's tax situation.
- The **New Markets Tax Credit Program (NMTC Program)** was established to spur new or increased investments into operating businesses and real estate projects located in low-income communities by permitting investors to receive a tax credit against their Federal income tax return.

Common Housing Project Funding Sources:

Duluth Economic Development Authority - DEDA is the economic development agent for the City of Duluth and exists to make Duluth a more prosperous place for people to live and work. Whether it is buying or selling property to assist a large development or making loans and grants to small businesses, DEDA supports projects that generate significant return on investment, serves the entire community, and works for Duluth.



Greater Minnesota Housing Fund

Greater Minnesota Housing Fund (GMHF) was launched in April 1996 in a joint effort of The McKnight Foundation and Blandin Foundation to address the urgent need for decent, affordable housing in Greater Minnesota, which includes the 80 counties outside of the Twin Cities metropolitan area. GMHF funds are used to finance the purchase, rehabilitation or new construction of affordable single-family homes and rental units; provide technical assistance and useful research for communities in developing affordable housing and neighborhoods; and provide training and counseling for first-time homebuyers through local community organizations.



Housing Redevelopment Authority of Duluth

The HRA's mission is to assure decent, safe, clean and affordable housing to all residents of the community. The HRA owns and manages over 1,100 units of public housing, including scattered site single family homes, townhouses, and six high-rise apartment buildings throughout the city. They also administer over 1,400 Section 8 Rent Subsidy Vouchers for income qualified tenants, which keeps their rent affordable. The HRA also provides housing rehabilitation grants and loans for owner-occupied or rental housing, in order to maintain the housing stock in the community. The HRA is also involved in the creation of affordable housing opportunities, community development initiatives, and neighborhood revitalization efforts in cooperation with the City of Duluth and other organizations.



Minnesota Housing

Minnesota Housing offers products and services to help Minnesotans buy and rehab their homes and to stabilize neighborhoods, communities, and families. It also supports the development and preservation of affordable rental housing through both financing and long term asset management. It has pioneered a successful model for supportive housing that helps stabilize the lives of some of the state's most vulnerable citizens.

