



# Rebuild Duluth

*"...We will identify and secure 10-15 parcels and make an offer: If you come up with a good, achievable idea that can provide affordable housing on the land, it's yours. For free. The City will help with all the tools at our disposal, but what we need from you are new ideas and your drive to change the math and create new ways to imagine building affordable housing".*

*- Mayor Emily Larson*

*2018 State of the City Address*





## Background

On April 15, 2019, Duluth Mayor Emily Larson's State of the City Address highlighted many housing related disparities in the City of Duluth. Among the disparities highlighted were the increasing costs of newly developed housing. The **Rebuild Duluth Program** has been developed with the intent of identifying and reducing the costs for creating infill housing within the city. The program has been developed by the Planning and Economic Development Department with assistance from the Housing and Redevelopment Authority of Duluth, MN and the Duluth Economic Development Authority (DEDA).

## Expected Outcomes

While there is likely to be several positive outcomes from this pilot program, the two primary outcomes are:

1. Newly constructed, innovatively designed, affordable housing units.
2. An expanded collective knowledge of how creativity and innovation can be used to design homes in a way that is affordable and fits well within existing neighborhoods. Hopefully the results of new housing will be repeatable throughout the community and will contribute to creating additional affordable housing in Duluth.

*Nearly 75% of Duluth's housing units are at least 46 years old, with nearly 44% (approximately 16,500 units) being at least 76 years old or older.*

*Rebuild Duluth acknowledges the challenges of constructing a new home at an affordable cost. Many available lots in Duluth are narrow, creating an additional challenge to adding new homes to the housing stock. In the City's residentially zoned districts, 15% of the total lots are 25 ft wide. Of this number, 64% are located in Low to Moderate Income Areas, as defined by HUD.*

## What is Rebuild Duluth?

Vacant, developable lots will be given to individuals or organizations who can provide a viable plan for constructing new housing on the site.

Affordability of the proposed housing unit will be a key consideration.

In addition to affordability, the program will consider applicants who display the resources and capacity to construct housing in Duluth. The City has recognized the challenges associated with the development of lots with widths as narrow as 25 feet. For this reason, **bonus points will be given to applicants that pursue development of a 25 ft. lot with particular focus on innovative design.** From start to finish, the process involves, but may not be limited to, 4 distinct steps.

*A generally accepted standard for affordable housing is 30% of gross income paid toward housing costs.*

*Therefore, a household earning \$50,000 could potentially afford to purchase an owned unit in the price range of \$150,000 to \$180,000, pending credit, down payment, and other factors.*



1. APPLICATION & REVIEW



2. SELECTION



3. AGREEMENT



4. CONSTRUCT

## Innovative Design

The intent of this program is to promote innovative design and construction methodologies that can produce quality, architecturally appealing homes in the City of Duluth, while remaining affordable. Here are some examples of innovative approaches:

**Smaller footprint**—Consider a smaller building footprint while maximizing space, storage, and utility through innovative design concepts.

**Slab on Grade**—Instead of a basement, slab on grade could lower the foundational cost in construction.

**Prefabricated Structural Materials**—Lower costs, more financing options, energy efficiency, and speedy construction are among the benefits of this option.

**“Skinny” Homes**—Typically only 17 feet wide and two stories tall, narrow homes can be a great way to lower construction costs while remaining architecturally appealing and modern.



Complete and submit the **Application** (Appendix A attached) containing a general site/floor plan and, if available, a concept level elevation design for the proposed construction. The site plan should adhere to all City zoning requirements, including setbacks, height restrictions, and other standards identified in the city's Unified Development Chapter which can be found here: <https://duluthmn.gov/planning-development/land-use-zoning-and-applications/zoning-regulations/>

The applicant must provide a proposed construction timeline and budget. The information submitted is classified as public data under the Minnesota Government Data Practices Act and may be requested and provided to the public.

Application decisions will be made by City/DEDA staff based on a point system that encompasses the variables shown in Appendix B and other criteria related to program goals and the Imagine Duluth 2035 Plan. Please note: submitting an application and proposal does not guarantee inclusion in the program.



Example of a  
concept-level  
elevation design

The City/DEDA will take approximately **45 days** to review the application to determine completeness and evaluate site/floor plan and project design for the proposed construction. The information presented in the application will be the basis for project selection. It is imperative to note that applications that are complete and include all information will receive favored consideration. Attention to detail and production of descriptive concepts that achieve the goals identified in this program are encouraged.

The City/DEDA will determine which applications meet the goals of the Rebuild Duluth Program and will begin working with those applicants to gather additional materials. At this point, proof of financing the construction will be required.

## 1. APPLICATION & REVIEW

## 2. REVIEW

Upon being selected after the application process, an agreement will be provided to applicant to document the terms of the transaction, including requirements, timelines, and other reporting responsibilities. The agreement and the plans and specification for the applicant's project will need to be approved by DEDA. The agreement will identify the timeline for transferring the lot, conditions, and requirements.

Construction must commence within **12 months** of the date of closing on the lot, and the certificate of completion must be issued within **18 months** of the date closing. If the applicant does not complete construction in the required time frame, the property and improvements shall revert back to DEDA.

### 3. AGREEMENT

The applicant will submit a final construction timeline and budget indicating any changes post construction. The final budget, timeline, and plans and specification content is encouraged as this information will be used to evaluate the feasibility of new home construction in Duluth and will build the community's collective knowledge of how to produce more affordable housing. All construction must meet building code and zoning requirements and will need to go through the city permitting process.

The completed project will be featured publicly and may include: photos of interior/ exterior, floor plan/design, construction timeline and budget, and information regarding the construction process.

### 4. CONSTRUCT

Table 1. Single Family Price and Cost Breakdowns  
2017 National Results

	Average Lot Size:	11,186
	Average Finished Area:	2,776
	Average	Share of Price
<b>I. Sale Price Breakdown</b>		
A. Finished Lot Cost (including financing cost)	\$91,995	21.5%
B. Total Construction Cost	\$237,760	55.6%
C. Financing Cost	\$7,636	1.8%
D. Overhead and General Expenses	\$21,835	5.1%
E. Marketing Cost	\$5,314	1.2%
F. Sales Commission	\$17,448	4.1%
G. Profit	\$45,902	10.7%
<b>Total Sales Price</b>	<b>\$427,892</b>	<b>100.0%</b>
<b>II. Construction Cost Breakdown</b>		
<b>I. Site Work (sum of A to E)</b>	<b>\$15,903</b>	<b>6.7%</b>
A. Building Permit Fees	\$4,002	1.7%
B. Impact Fee	\$2,085	0.9%
C. Water & Sewer Fees/Inspections	\$4,350	2.0%
D. Architecture, Engineering	\$3,288	1.4%
E. Other	\$1,675	0.7%
<b>II. Foundations (sum of F to G)</b>	<b>\$25,671</b>	<b>10.8%</b>
F. Excavation, Foundation, Concrete, Retaining walls, and Backfill	\$25,390	10.7%
G. Other	\$281	0.1%
<b>III. Framing (sum of H to L)</b>	<b>\$41,123</b>	<b>17.3%</b>
H. Framing (including roof)	\$35,694	15.0%
I. Trusses (if not included above)	\$5,802	1.6%
J. Sheathing (if not included above)	\$764	0.3%
K. General Metal, Steel	\$574	0.2%
L. Other	\$326	0.1%
<b>IV. Exterior Finishes (sum of M to P)</b>	<b>\$33,066</b>	<b>13.9%</b>
M. Exterior Wall Finish	\$15,397	6.5%
N. Roofing	\$7,728	3.3%
O. Windows and Doors (including garage door)	\$9,947	3.9%
P. Other	\$745	0.3%
<b>V. Major Systems Rough-ins (sum of Q to T)</b>	<b>\$32,746</b>	<b>13.8%</b>
Q. Plumbing (except fixtures)	\$11,018	4.6%
AC. Electrical (except fixtures)	\$10,100	4.2%
S. HVAC	\$11,189	4.7%
T. Other	\$439	0.2%
<b>VI. Interior Finishes (sum of U to AE)</b>	<b>\$67,939</b>	<b>28.6%</b>
U. Insulation	\$5,236	2.2%
V. Drywall	\$10,523	4.4%
W. Interior Trims, Doors, and Mirrors	\$10,959	4.6%
X. Painting	\$7,067	3.0%
Y. Lighting	\$3,091	1.3%
Z. Cabinets, Countertops	\$11,801	5.0%
AA. Appliances	\$3,536	1.5%
AB. Flooring	\$10,209	4.3%
AC. Plumbing Fixtures	\$3,297	1.3%
AD. Fireplace	\$1,353	0.6%
AE. Other	\$955	0.4%
<b>VII. Final Steps (sum of AF to AJ)</b>	<b>\$16,591</b>	<b>7.0%</b>
AF. Landscaping	\$5,859	2.5%
AG. Outdoor Structures (deck, patio, porches)	\$2,989	1.2%
AH. Driveway	\$4,405	1.9%
AI. Clean Up	\$2,621	1.1%
AJ. Other	\$717	0.3%
<b>VIII. Other</b>	<b>\$4,722</b>	<b>2.0%</b>
<b>Total</b>	<b>\$237,760</b>	<b>100.0%</b>



# REBUILD DULUTH APPLICATION FORM

Date of Application

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Applicant/Organization or Developer:

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Mailing Address:

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*Street Address*

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*City*

*State*

*ZIP*

Email Address:

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Phone #

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Desired Site(s):

*1<sup>st</sup> Choice*

*2<sup>nd</sup> Choice*

*3<sup>rd</sup> Choice*

Project description and how project meets goals of the program:

**DATA PRACTICES NOTICE:**

According to the Minnesota Government Data Practices Act, the information you provide on this form will be classified as government data. Most government data, including your name, address, e-mail address and telephone phone number, is public and is available to the public upon request. Some of the information you provide may be classified as private data. Furnishing the requested information is voluntary, but if you refuse to supply the requested information, you may not be considered for participation in the Rebuild Duluth Pilot Program.

**Attached to the Application, please provide the following items:**

1. General site/floor plan with concept-level elevation design, if available.
2. Estimated construction timeline/budget with a clear description of the total estimated cost.

All information pertaining to the application and required attachments should reflect the goals of the program description. A critical element of this program is the ability to display the affordable and geotechnical feasibility of constructing a new home in the City of Duluth. The more information provided, the more likely the applicant will be accepted for the program, as this process will be made public in order to make it repeatable in the future.

Applicants who display a higher point value will receive further consideration. This point system will be used as a guide in conjunction with the submitted site plan and concept-level elevation design.

### **Lot Density**

0	1	2	3	4
No plan for lot density has been indicated.	A detached garage is detailed in the site plan.	An accessory home is designated for future build in the site plan.	An accessory home is presented in site plan and construction timeline.	A multi-family building is presented in site plan and construction timeline.

### **Construction Timeline and Financial Feasibility**

0	1	2	3	4
No construction timeline is present in application.	A poorly constructed timeline and/or low value construction cost is listed in the application.	A timeline is present yet construction costs and labor are not fully accountable.	A realistic timeline is present and construction costs are modestly presented.	A strong timeline and construction cost evaluation has been presented.

### **Landscaping and Stormwater Retention**

0	1	2	3	4
Landscape plan not present in application or does not meet UDC standards.	Includes minimal retention efforts and/or only includes turf as landscape surface.	Includes retention plan without diversification of vegetative landscape for stormwater retention efforts.	Includes retention plan with some diversification of vegetative landscape for stormwater retention efforts.	Includes retention plan utilizing diverse native vegetation and includes a detailed site plan for landscaping.

### **Energy Efficiency**

0	1	2	3	4
No effort has been made to implement energy efficiency in the proposed dwelling.	Includes plans for energy efficient lighting, appliances, and wiring.	Includes plans for energy efficient lighting, appliances, wiring, and building envelope.	Includes plans for energy efficient lighting, appliances, wiring, building envelope, and passive solar window installations.	Includes plans for energy efficient lighting, appliances, wiring, building envelope, and the installation of renewable energy source such as solar paneling.

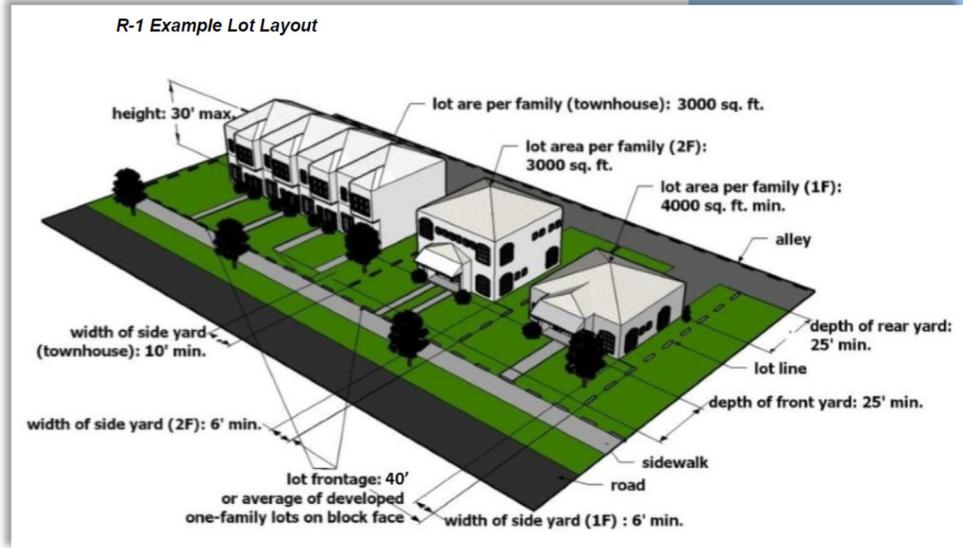
### **Affordability**

0	1	2	3	4
Total cost of construction is greater than \$250,000 (per unit)	Total cost of construction is between \$250,000 and \$200,000 (per unit)	Total cost of construction is between \$200,000 and \$170,000 (per unit)	Total cost of construction is between \$170,000 and \$150,000 (per unit)	Total cost of construction is under \$150,000 (per unit)

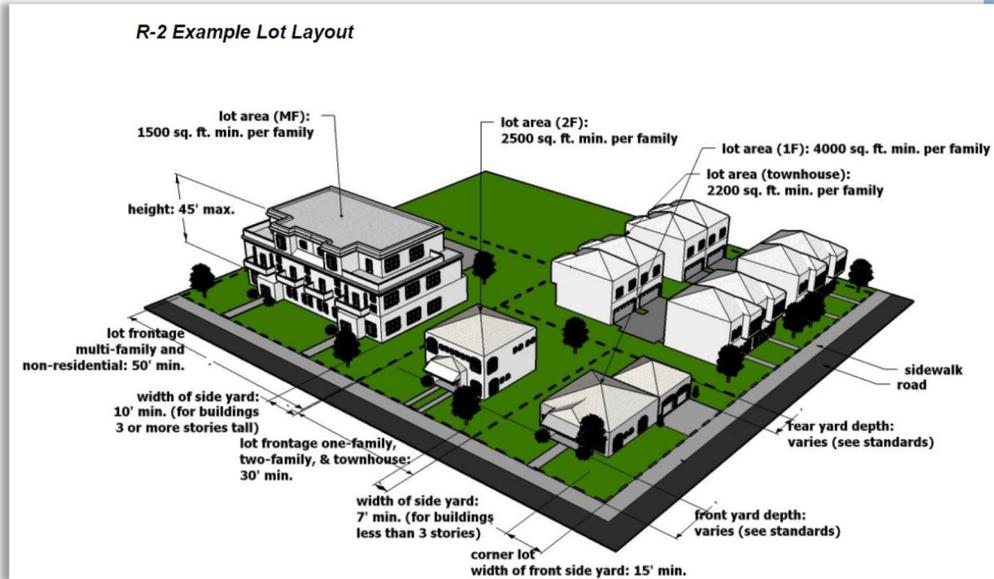
# Zoning Requirements

(All requirements from the city's Unified Development Chapter apply.)

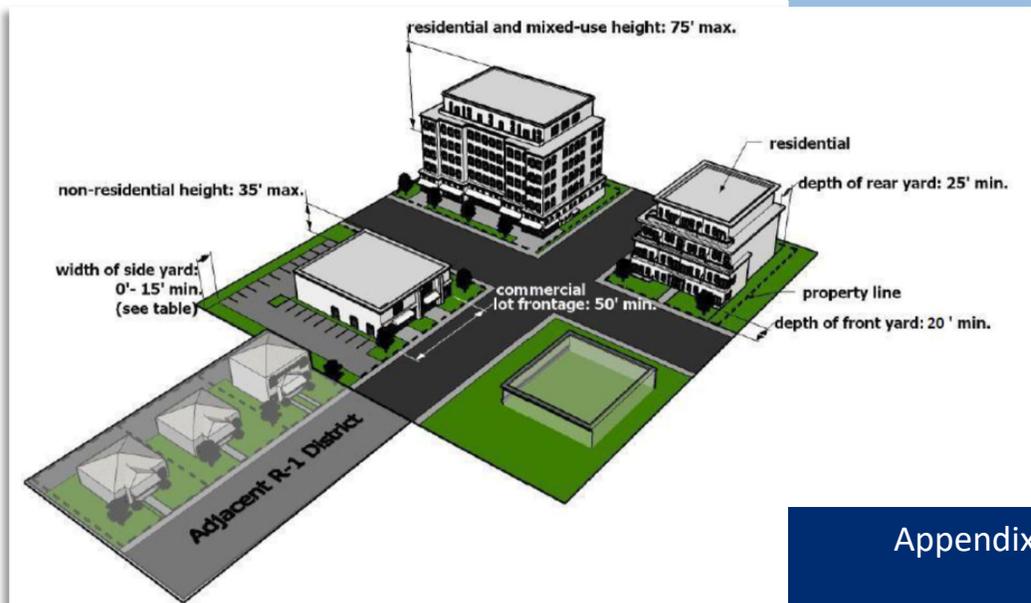
R-1



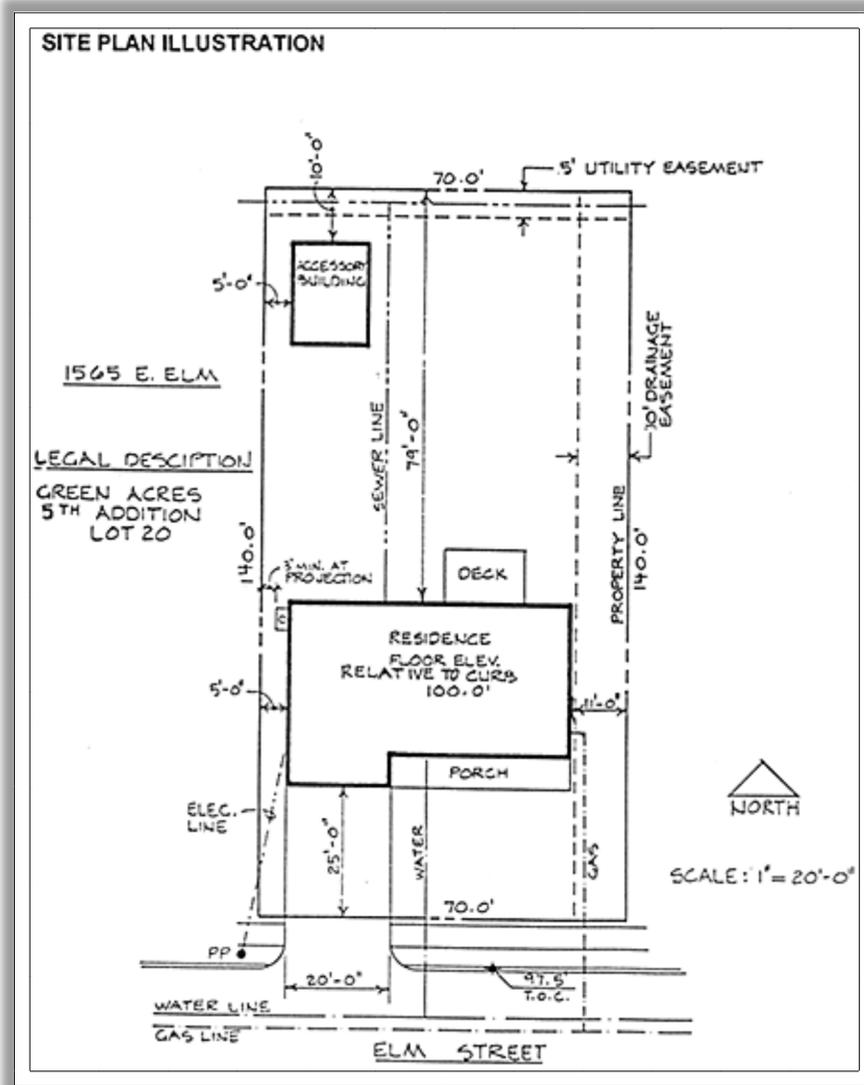
R-2



MU-N



# Example of a Concept-Level Site Plan Illustration



Source: City of Auburn, GA

