



April 16, 2019

Leah Hall,
Community Development Director
Three Rivers Community Action, Inc.
1414 North Star Drive
Zumbrota, MN 55992

RE: Spring Creek II Townhomes

Dear Leah Hall:

At the April 16, 2019, meeting, the Northfield City Council reviewed and endorsed the Spring Creek II Townhomes housing development proposal that will create 32 new family rental townhomes in the City of Northfield. This endorsement is based upon the findings that the project will meet locally identified housing needs and that the proposed housing is in short supply in the local housing market. This need is evidenced by low vacancy rates for limited affordable rental housing units in the City of Northfield and the demand analysis included in the Market Study conducted by Lea & Company in May, 2018 and updated in March, 2019.

As part of its endorsement, the City Council committed local assistance through the use of tax increment financing (TIF). The Northfield City Council approved the maximum net increment of \$31,872 available to the project per year in tax increment financing for a total of 26 years. This assistance will be in the form of pay-as-you-go TIF and will support a third-party loan to the Spring Creek II project in the amount of \$383,000.

The City Council endorsement is evidenced by the City Council's approval of Resolution 2019- , a copy of which is included with this letter.

Sincerely,

Ben Martig,
City Administrator