

# SUSTAINABLE ECONOMY

This chapter of the Comprehensive Plan starts with the foundational premise that where one lives (Census Block Group or Tract) should not determine or predict outcomes and that the City will prioritize investments based on what assets are missing – as determined by the neighborhood – in order to create a complete “place.”

This chapter provides information about the current and projected housing, economic development, and community development situation in Northfield based on recently completed studies and reports. It also includes concerns and ideas from the community related to housing and economic development. The strategies and actions respond to both community concerns and the barriers to housing, family-sustaining wages, and related transportation needs identified in those reports and focus on how the city can provide support, funding or partnerships to support the most vulnerable populations.

## Dear Northfield, we dream of a town where **WE HAVE A HOME**

"Over the years, Northfield has supported the development of new apartments, town homes ... that claim to offer affordable housing and actually do not. Meanwhile, many Latinos are struggling. Something needs to change."

"My dream? Well, having a house. I have one in Mexico, but here it's very hard you know?"

"I would like to be able to buy a house and no longer live in a trailer. Our trailer is too small for us, but they are very expensive! Maybe they can help us with that."

"I have lived in Northfield 20 years and just bought a house last year. It took a long time to save up. It should not be that difficult for people."



## What We Heard - Housing Related Concerns

- Northfield needs more housing affordable to everyone who lives or works in the community, especially in the most walkable areas of the city.
- Finding affordable housing is particularly challenging for people with very low-incomes and people with disabilities and those with fixed incomes.
- High home prices are affecting the attainability of homeownership in Northfield. Additionally, supply is impacted because there is no financial benefit or incentive for seniors to downsize from their current homes because of rising home prices.
- There is a need to preserve and maintain the existing housing stock and improve upon naturally occurring affordable housing, while retaining affordability.
- People with disabilities need more housing choices, including but not limited to a diverse selection of supportive housing opportunities.
- There is a desire to develop mixed-income communities.
- Residents are looking for a wider variety of housing stock at a more affordable price. Specifically, the focus was on affordable rental apartments, condos/ownership opportunities, and small/starter homes.
- Students leave Northfield right after graduating; contributing factors include rents that are too high relative to the quantity and wages of local jobs.
- Northfield needs to do more education on the benefits of density to combat fear.

*For a complete summary of engagement activities and results from the comprehensive planning process, please refer to Appendix X.*





## What We Heard - Economic Development Related Concerns

- Residents value Northfield's unique identity, charm and history, which the City can build upon in its economic development strategy.
- Northfield should work to broaden the tax base to reduce the burden on residential property owners.
- The City should plan for balanced, smart and sustainable growth.
- Workforce housing development is needed to support employee growth in Northfield.
- Residents would like to see more support for entrepreneurs and small businesses in Northfield.
- The city should pursue public-private partnerships to raise funds and attract investment.
- Residents would like to see more restaurants, retail shops and sports entertainment activities as strategies to boost economic activity.
- The City should prioritize creative solutions to foster more work opportunities for people with disabilities in Northfield.
- Northfield should continue to invest in downtown, including working to attract restaurants and retail for more foot traffic and economic activity.
- Attracting new industry to Northfield would be helpful in creating good-paying jobs and growing the local economy.
- There is a desire for more collaboration between the City and colleges.

*For a complete summary of engagement activities and results from the comprehensive planning process, please refer to Appendix X.*



## The Three E's: Equity, Environmental and Economic Sustainability

The strategies and actions presented in this chapter are created through the three lenses described in the [Introduction](#) to this plan: equity, environmental and economic sustainability.

In general, the sustainable and secure economic future chapter focuses on two end results: providing housing to Northfield's most vulnerable populations and ensuring economic and environmental sustainability for residents, business owners, and those in the region that rely on the City's relationship with the School District, educational opportunities, jobs, employers, community partners and retail and recreational opportunities to meet their needs.

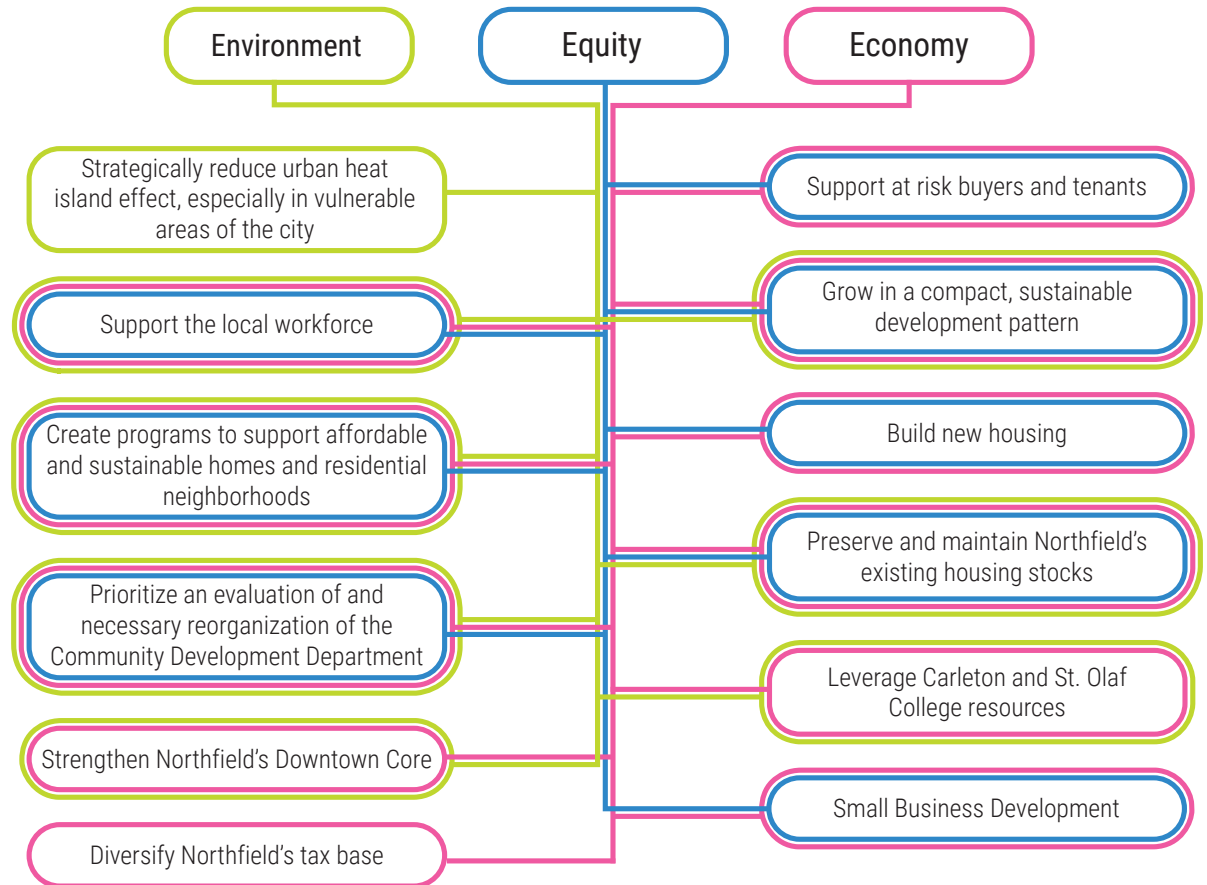
The economy-related strategies focus on retaining, maintaining, and expanding the high-quality downtown retail environment, leveraging existing commercial/ industrial properties to maximize tax capacity per acre, and connecting relevant strategies from this chapter with those in the Access Chapter.

The housing-related strategies and actions focus on providing affordable, safe and healthy housing for all residents. How housing is created impacts the City's equity (ensuring that residents can find safe, accessible and affordable housing), environmental sustainability (ensuring that new housing is healthy and meets energy codes), and economic sustainability (everyone who wants to can live and work in Northfield).

How the City approaches economic development impacts equity (which businesses the City chooses to support with limited resources), economic sustainability (how the city chooses to grow both physically and financially), and environment (where the city chooses to grow).

**Figure 1** shows how the strategies in this chapter support these three lenses.

Figure 1: The 3 E's - Sustainable and Secure Economic Future





## Definitions

*The following terms are defined as they are used within this Plan:*

**Affordable Housing:** The general definition of affordability as established by the US Department of Housing and Urban Development (HUD) is for a household to pay no more than 30% of their income for housing. For this study, we define affordable housing that is income-restricted to households earning at or below 80% AMI, though individual properties can have income restrictions set at 30%, 40%, 50%, 60% or 80% AMI. Rent is not based on income but instead is a contract amount that is affordable to households within the specific income restriction segment. It is essentially housing affordable to low or very low-income tenants.

**Area Median Income “AMI”:** AMI is the midpoint in the income distribution within a specific geographic area. By definition, 50% of households earn less than the median income and 50% earn more. The U.S. Department of Housing and Urban Development (HUD) calculates AMI annually, adjusted for household size. (In 2024, the median household income in Rice County for a household of four is \$100,900—equivalent to an hourly wage of around \$50 per hour.)

**Economic Mobility:** The ability of a person or family to improve their economic status over time.

**Extremely Low-Income:** Person or household with incomes below 30% of Area Median Income, adjusted for respective household size.

**Fair Market Rent:** Estimates established by HUD of the Gross Rents needed to obtain modest rental units in acceptable conditions in a specific geographic area. The amount of rental income a given property would command if it were open for leasing at any given moment and/or the amount derived based on market conditions that is needed to pay gross monthly rent at modest rental housing in a given area. This figure is used as a basis for determining the payment standard amount used to calculate the maximum monthly subsidy for families on at financially assisted housing.

**Household:** All persons who occupy a housing unit, including occupants of a single-family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

**Housing Choice Voucher Program:** The federal government’s primary program for assisting very low-income families, the elderly and the disabled to afford decent, safe and sanitary housing in the private market. A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family’s choice where the owner agrees to rent under the program. Housing choice vouchers are administered locally by public housing agencies. They receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. A housing subsidy is paid to the landlord directly by the public housing agency on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.



## Definitions, Continued

**Market Rate Rental Housing:** Housing that does not have any income restrictions. Some properties will have income guidelines, which are minimum annual incomes required in order to reside at the property.

**Moderate Income:** Person or household with gross household income between 80% and 120% of the Area Median Income, adjusted for household size.

**Naturally Occurring Affordable Housing:** Although affordable housing is typically associated with an income-restricted property, there are other housing units in communities that indirectly provide affordable housing. Housing units that were not developed or designated with income guidelines (i.e. assisted) yet are more affordable than other units in a community are considered “naturally occurring” or “unsubsidized affordable” units. This rental supply is available through the private market, versus assisted housing programs through various governmental agencies. Property values on these units are lower based on a combination of factors, such as: age of structure/ housing stock, location, condition, size, functionally obsolete, school district, etc.

**Subsidized Housing:** Housing that is income-restricted to households earning at or below 30% AMI. Rent is generally based on income, with the household contributing 30% of their adjusted gross income toward rent. Also referred to as extremely low-income housing.

**Subsidy:** Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment’s contract/market rate rent and the amount paid by the tenant toward rent.

**Workforce Housing:** Housing that is income-restricted to households earning between 80% and 120% AMI; however, some government agencies define workforce housing from 50% to 120% AMI. Also referred to as moderate-income housing.

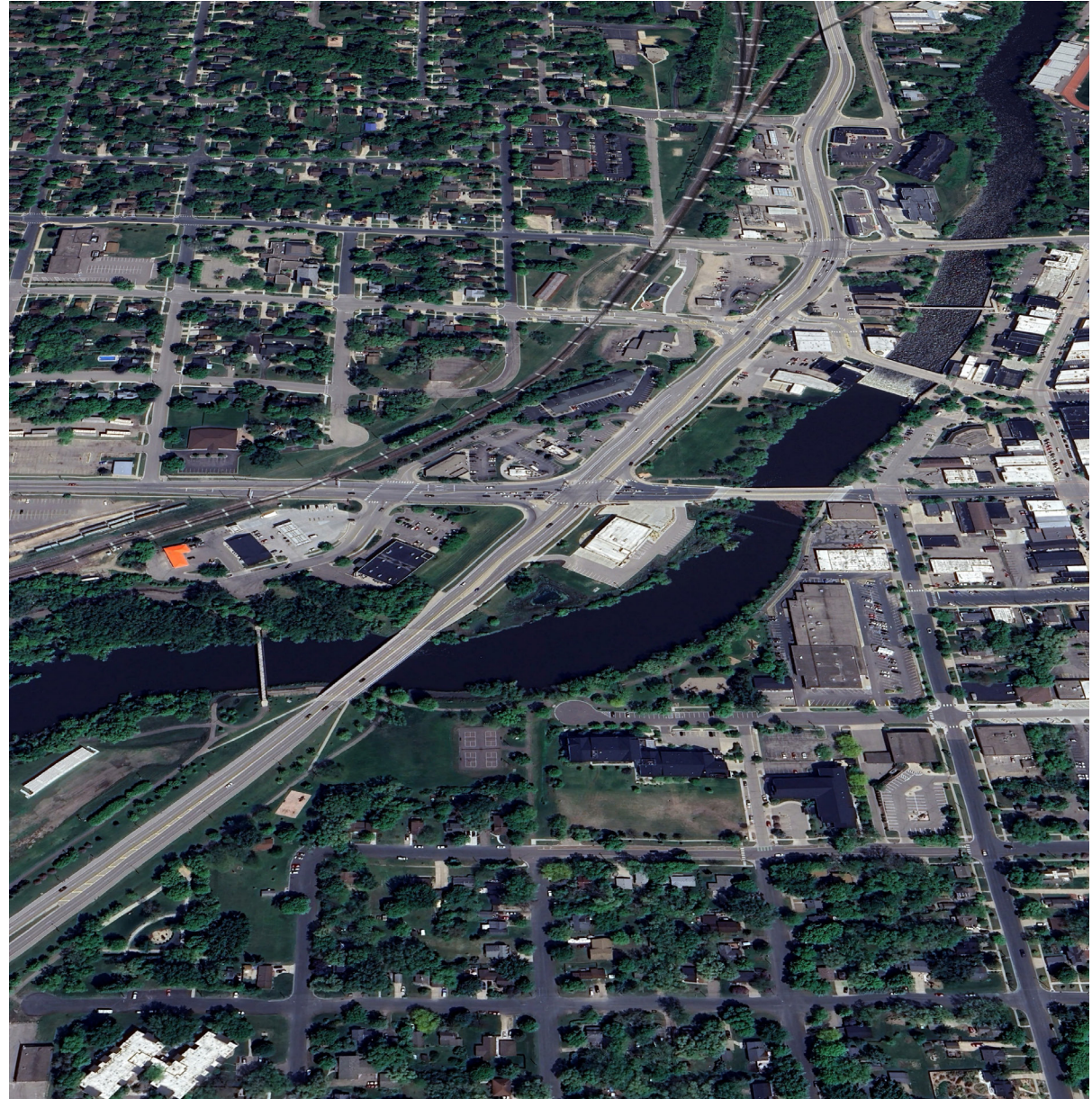




## Existing Conditions & Barriers to Equitable and Environmentally Sustainable Outcomes

In its commitment to understanding the needs of Northfield residents and employers, Northfield has invested in analyses of its tax base and housing needs and development of strategic options for addressing those needs. Recent efforts to address housing needs include a [Housing Needs Assessment by Maxfield Research](#) and a two-phase community-led study resulting in the Community Action Plan [\[include link\]](#) facilitated by Enterprise Community Partners.

Northfield's efforts to address economic and community development needs have included an infill and tax base needs study by Visible City, participation in the University of Minnesota Extension's Connecting Businesses and Community program, and supporting its downtown "Main Street" initiative with the Friends of Downtown Northfield and RETHOS. The comprehensive plan incorporates the research from these studies and background and outcomes associated with those programs. This chapter reflects recommendations from each in the strategies and actions developed for this plan.



## Housing Needs Assessment, Maxfield Research and Consulting (July 2024)

Northfield’s demand for housing is driven by both population growth and job growth. Demographic shifts in its population, and the character of its workforce, play a role in the types of housing that are demanded. The following summarize key takeaways from the report which impact housing in Northfield.

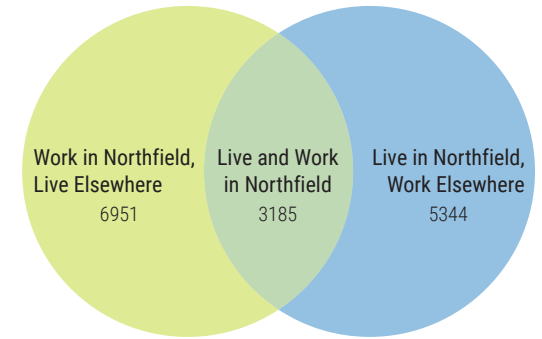
### Demographics

- The population is growing. It is projected to grow by 5.2% from 2020 to 2028.
- The population is aging. The 65 to 74 year old age cohort grew 73% between 2010 and 2020.
- Household sizes are shrinking. In 2024, the most common household type in Northfield was people living alone, representing 31.4% of all households in the city, followed by Married Couples without Children at 30.4%.
- There is a sizable gap between household incomes of homeowners versus renters. The median income for owner households in Northfield is estimated at \$109,853 as of 2024, 60% greater than the median income for renter households (\$43,467).

### Economics

- Northfield’s strong economy and number of jobs generates demand for housing. Employment increased by almost 5% between 2010 and 2020, and by an additional 4% by 2023.
- More people come into Northfield to work, than leave the City for work.
- Base industries in Northfield, such as manufacturing and higher education, tend to pay higher wages than average for rural communities.

Figure 2: Northfield Employment Inflow/Outflow, 2020



Source: OnTheMap



Source: Northfield Hospital



Source: wolfrake - stocker photo.com



## Housing Needs Assessment, Continued

### Demand

A key product of the Maxfield report is (Table 1) estimated housing demand by product type. Overall, there is an estimated demand for an additional 718 to 888 housing units by 2030. Estimated demand for ownership, rental and senior housing subtypes are offered in the table.

<sup>1</sup> Pricing in 2024 dollars. Pricing can be adjusted to account for inflation.

<sup>2</sup> Affordability subject to income guidelines per Minnesota Housing Finance Agency (MHFA). See Table HA-1 for Rice County income limits.

<sup>3</sup> Subsidized housing will be difficult to develop financially. Hence, some demand moved from subsidized to affordable.

<sup>4</sup> Alternative development concept is to combine active adult affordable and market rate active adult into mixed-income senior communities.

Recommended Housing Development - City of Northfield - 2024 to 2030				
	Purchase Price/ Monthly Rent Range <sup>1</sup>	Number of Units	Development Timing	
<b>Owner-Occupied Homes</b>				
<i>Single Family</i>				
	Entry Level	<\$325,000	60 - 100	2024+
	Move-up	\$350 - 450,000	50 - 80	Ongoing
	Executive	\$550,000+	25 - 30	Ongoing
			135 - 210	
<i>Townhomes/Twinhomes/Detached Townhomes/Villas</i>				
	Entry Level	<\$260,000	40 - 45	2024+
	Move-up	\$280 - 350,000	30 - 36	Ongoing
	Executive	\$400,000+	20 - 20	Ongoing
			90 - 101	
<b>Total Owner-Occupied</b>			<b>225-311</b>	
<b>General Occupancy Rental Housing</b>				
<i>Market Rate Rental Housing</i>				
	Apartment (Moderate)	\$1,200/1BR - \$1,800/3BR	80 - 85	2025+
	Apartment (Move-up)	\$1,300/EFF - \$2,500/3BR	65 - 70	2028+
	Townhomes (Move-up)	\$2,200/2BR - \$2,800/3BR	24 - 30	2025+
			169 - 185	
<i>Affordable Rental Housing</i>				
	Apartment	Moderate Income <sup>2</sup>	50 - 60	2025+
	Townhomes	Moderate Income <sup>2</sup>	30 - 35	2025+
	Subsidized	30% of Income <sup>3</sup>	30 - 40	2025+
			110 - 135	
<b>Total Renter-Occupied</b>			<b>279 - 320</b>	
<b>Senior Housing (i.e. Age Restricted)</b>				
<i>Market Rate Rental Housing</i>				
	Active Adult Single-Level Townhomes	\$350 - \$425,000	24 - 32	2028+
	Active Adult Market Rate Rental <sup>4</sup>	\$1,500/1BR+Den - \$2,400/2BR+Den	60 - 80	2025+
	Active Adult Affordable Rental <sup>4</sup>	Moderate Income <sup>2</sup>	70 - 85	2025+
	Independent Living	\$2,200/1BR - \$4,000/2BR+	60 - 60	2028+
	Assisted Living	\$3,000/EFF - \$5,500/2BR	0 - 0	2028+
	Memory Care	\$4,000/2BR - \$6,000/3BR	0 - 0	2028+
			214 - 257	
<b>Total - All Units</b>			<b>718 - 888</b>	

Table 1. Recommended Housing Development 2024-2030 (Maxfield Research and Consulting, LLC)

## Analytical Focus Areas

Three topical focus areas were given additional analytical attention in the development of this plan—**small business support, travel patterns, and fiscal impact of development.**

### *Small business support and entrepreneurship, BIPOC owned businesses*

The planning process included research and analysis of the Northfield small business context, with an emphasis on BIPOC owned businesses. This focus on BIPOC businesses is reflective of one of the guiding values of this plan to “emphasize equity to remedy past disparities.” The research included listening sessions with minority and immigrant business owners, who identified critical barriers and needs within the local business ecosystem. This growing subset of business owners were interested in entrepreneurship and small business development resources.

They highlighted several needs, including the following:

#### **Access to Capital**

- A significant number of minority-owned businesses reported challenges in accessing capital. Around 50% of participants cited access to funding as their biggest hurdle, with many relying on personal savings. The businesses expressed a need for micro-grants, loans, and alternative financing, particularly for physical improvements and operational expenses like marketing.

#### **Communication and Awareness of City Resources**

- Many business owners were unaware of the resources and services available to them from the city. The great majority of participants stated they did not feel well-informed about how the City of Northfield could assist their business. Language barriers, especially a lack of translation and interpretation services, further compounded their difficulties in navigating city resources.

#### **Mentorship, Networking, and Technical Assistance**

- Minority business owners emphasized the need for mentorship and technical support, especially in areas like marketing, accounting, and legal counsel. All of the participants said access to a mentor or networking opportunities with other minority business owners would be beneficial. There was also a noted interest in workshops to aid in navigating business development processes and city services.





## Analytical Focus Areas, Continued

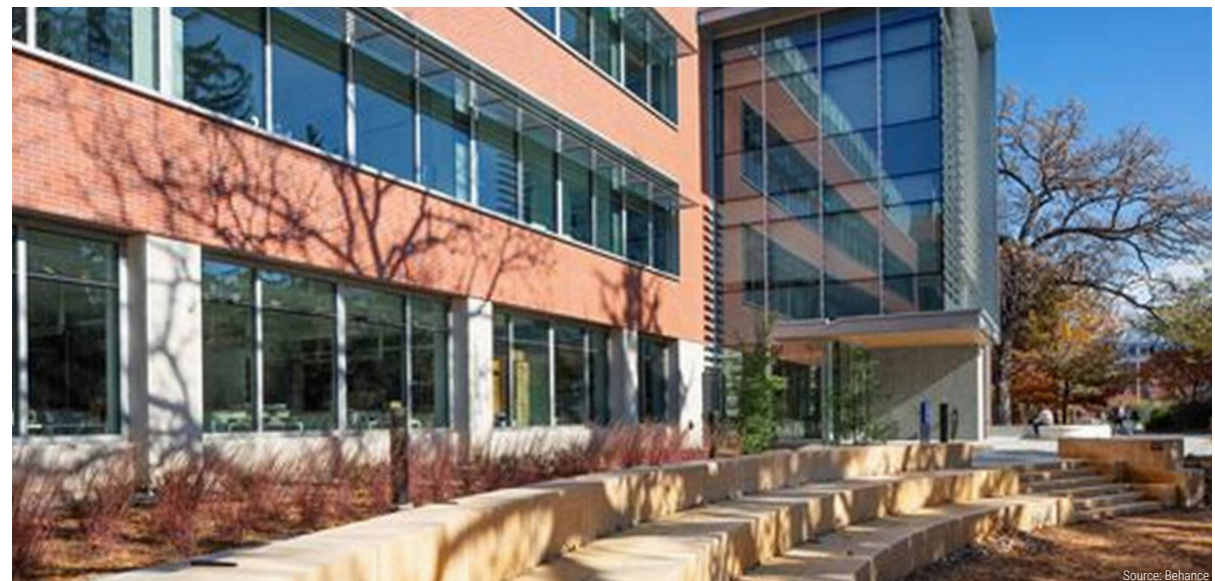
### Travel Pattern Analysis

The steady stream of visitors to major employers, the colleges, and other area attractions, generates spending-related benefits to the broader community. Insights into visitor travel patterns can support the development of tourism strategies, retail strategies, small business planning, and development decisions. Mobile phone data from calendar years 2021 to 2023 allow for isolating visitors to local attractions and differentiating them from those who work at the location, and (in the case of the colleges) students. The visitor data was analyzed to observe the types of places that were visited before and after trips to the attractions.

These patterns were analyzed for the following attractions:

- St. Olaf College
- Carleton College
- Northfield Hospital
- Post Cereal
- Family Fare
- Rare Pair
- The Ole Store Restaurant

The analysis found that a significant share of visitors to these destinations also visited other local businesses or attractions either before or after their visits. Many visitors to the colleges and hospital made stops associated with dining and leisure activities before or after their visits. Visitors to Post Cereal and the retail destinations often went to other retail businesses beforehand or afterwards.



## Analytical Focus Areas, Continued

### *Fiscal Impact of Development*

A priority consideration in the Comprehensive Plan is the impact of different growth scenarios on the City's budget.

The access chapter of this plan and the guiding value to "design infrastructure, policies, and practices to foster resilience and mitigate the effects of climate change" guide the city to develop compactly, focusing on infill before expanding city infrastructure.

While new development generates revenue for cities by paying local property taxes, it also increases city operating costs because the associated households or workforce must be supported by city services such as road and utility infrastructure, fire and police protection, parks and recreational programming.

Additionally, new development outside the city increases greenhouse gas emissions by encouraging longer daily vehicle trips and consumes land that could be used for natural resource protection or agriculture. Considerations related to fiscal impacts were discussed in the Economic Analysis memo located in Appendix X.

They included:

### **Differential property tax rates**

- In Minnesota the class rate for commercial and industrial property is up to twice as high as the class rate for residential property, yielding greater property tax revenues for equally valued properties.

### **Development intensity**

- A higher density development generates greater property value and higher property tax revenues than a lower density development, for developments on equally sized properties.

### **Cost of services by development type**

- The service burden (cost of providing public services) of commercial development is generally lower than the service burden of residential development—whether measured by land area, floor area or value. That's because residential buildings are occupied for more hours of the day, and some city services are targeted to city residents.

### **Cost by land area/development intensity**

- The cost of providing some city services are more correlated with the land area of development than the size of the population being served. Examples include snow plowing services, or street and utility reconstruction. Land intensive development can be fiscally challenging, especially over the long run.

### **Average cost vs. marginal costs**

- The marginal cost of providing city services to new development is typically lower than the existing per capita cost of the service because a level of physical and administrative infrastructure has already been established. This is particularly true in redevelopment situations.

### **Redevelopment**

- Several of these factors—including increased development intensity and lower marginal cost of services—make redevelopment (development in previously development locations that have preexisting street and utility infrastructure) fiscally beneficial in comparison to development on previously undeveloped land.

A site specific economic analysis was done recently for scenarios related to Northfield's 527-acre growth area in Northwest Northfield, near the new hospital complex. The estimated cost for trunk utilities to the area ranged from \$3.7 million to \$7.5 million depending on the development scenario. Estimated property tax revenues ranged from \$2,400 to \$2,800 per acre for industrial development scenarios, and \$17,000 per acre for a residential development scenario averaging 8 units per acre.

As the City considers future growth, these fiscal impacts and the negative impacts of sprawl should be weighed as factors along with the positive impact of the potential tax revenue from development of this area.



## STEP Framework

Based on the STEP framework and Future Land Use map, the City has developed a Future Infill map to guide needed community development investments associated with commercial/industrial infill, housing infill, and projects and programs associated with business retention, recruitment and expansion; tax-base diversification; and housing supply needs with an aim toward economic mobility, supported by environmentally sustainable outcomes.

The map is intended to show where the most “bang for the buck” regarding infill efforts can be achieved and capitalizes on those initiatives begun or referenced in previous plans that have generated the most success; while introducing new ideas based on current technologies, trends, financial markets, and other external factors outside the city’s control. It offers a mechanism to identify where interventions in market forces may be best focused.

Figure 3: Placeholder Map

Map Placeholder

## Strategies and Actions

### Overarching strategy for a sustainable economy:

Focus public resources to mitigate market failures and continuously improve public regulations to prevent or limit likely bad externalities.

### Strategy 1: Evaluate and Reorganize the Community Development Department

*Prioritize an evaluation of and necessary reorganization of the Community Development Department to ensure the very public-facing and community focused work needed to carry out this plan successfully, is achievable.*

Outcomes: There is enough supply of housing at each price point and stage of life for existing and future residents. This includes affordable housing, different types of senior housing and owner-occupied housing. New housing development is constructed in walkable areas of the city.

### Strategy 1 Actions:

- 1 Desired business creation, attraction, retention and expansion outcomes.
- 2 Supporting family-sustaining jobs and enhancing workers' skills to excel at those jobs.
- 3 Growing the tax base to maintain and expand City services, amenities and infrastructure.
- 4 Proactively directing new development to high-priority geographies, such as opportunity (transform) sites identified in the STEP Analysis.
- 5 Encouraging cultural and arts-based businesses in the historic core and elsewhere, specifically for the region's Latine, Southeast Asian and African communities.
- 6 Supporting business, real estate and financial models that keep more money locally.
- 7 Building and expanding neighborhood economic and cultural assets through the development of the local micro-economies.
- 8 Enhancing our vibrant downtown neighborhoods and connecting them to and across the Cannon River.
- 9 Developing programs and funding sources for site acquisition and parcel assembly.





## Strategies and Actions, Continued

### Strategy 2: Strengthen Northfield's Downtown Core

*Continue to strengthen the coalitions, regulations, and investments that keep Northfield's downtown strong.*

Outcome: Downtown Northfield grows as the river-focused anchor of Northfield's small business community, locus of valuable tax base, welcoming public space, river access, and location of city services.

#### Strategy 2 Actions:

- 1 Identify opportunities and provide support for improved business mix, marketing, events, and physical improvements.
- 2 Promote both new and rehabilitation of housing in and near downtown to increase housing supply, increase tax productivity, and support local business by putting more people near downtown retail, services, and the river.
- 3 Implement Riverfront Enhancement Action Plan to improve access to the river and build on Northfield's quality of place
- 4 Be proactive in the identification, evaluation, survey and designation of historic and cultural resources to ensure a consistent and equitable approach to preservation that is time-sensitive and responsive to community needs.

- 5 Integrate Northfield's historic resources into economic development strategies. Reinvestment in existing buildings, including for adaptive reuse is prioritized in financial programs.
- 6 Prioritize evaluation and celebration of the historical contexts that make Northfield unique in Minnesota. Include consideration of and evaluation of the contributions of historically underrepresented communities and their histories in preservation activities.



## Strategies and Actions, Continued

### Strategy 3: Leverage Carleton and St. Olaf Resources

*Carleton and St. Olaf Colleges are key parts of Northfield's distinctive character as well as important employers, home to 25% of Northfield's population, and a significant factor in how Northfield can grow; Northfield needs to more actively leverage colleges' resources and guide their physical growth.*

Outcome: Carleton and St Olaf will plan physical development with the city and increase their economic contributions; the City will benefit from College leadership on climate and tapping student work as appropriate.

#### Strategy 3 Actions:

- 1 Increase Colleges economic contributions to the city to reflect use of city services/resources through increased cash donation or in-kind support to mutual programs such as increased transit or pedestrian improvements.
- 2 Work with Colleges to evaluate district energy feasibility, work on river health, and tap climate leadership.
- 3 Guide College land use planning to reduce surface parking visible to the community, increase access to the Cannon River, and prevent further encroachment into desirable neighborhoods and downtown.

### Strategy 4: Small Business Development

*Build a supportive and culturally competent environment for local businesses to thrive by connecting business owners to the resources from which they can benefit.*

Outcome: Local small business owners know about and use technical and financial resources that are available to them.

#### Strategy 4 Actions:

- 1 Partner with existing local business support organizations and evaluate other support opportunities, including culturally competent organizations to develop, promote, coordinate and mentorship, coaching and technical assistance services for small businesses in Northfield, specifically for those from historically underrepresented communities.
- 2 Partner with existing local business support organizations and evaluate other support opportunities to leverage public and private local funding resources for small businesses
- 3 Leverage existing and potential partners to ensure current and future business owners can easily locate city-related support information for business resources

### Strategy 5: Support the Local Workforce

*Support local businesses in recruiting and retaining their workers through supporting efforts addressing housing, childcare and training.*

Outcome: Northfield's existing and future workforce faces fewer barriers to moving to Northfield and living close to their place of employment.

#### Strategy 5 Actions:

- 1 Support housing development that increases the supply and variety of affordably priced housing that meets the needs of Northfield's workforce.
- 2 Ensure new housing is built in places that prioritize access to jobs and needed services including to facilitate development of transit and other low cost access to jobs in and out of Northfield.
- 3 Promote strategies and partnerships for increasing high quality affordable childcare services in Northfield.



## Strategies and Actions, Continued

**Strategy 6: Leverage Carleton and St. Olaf Resources to intentionally build a more sustainable local economy and to maintain and expand City services, amenities and infrastructure.**

### Strategy 6 Actions:

- 1 Prioritize development in T4 area in the STEP analysis to ensure an adequate supply of commercially zoned land to provide for ongoing business growth in ways which minimize infrastructure costs, preserve natural resources, and ensure equitable access. [\[Link to developing the annual Capital Improvement Program and budget\]](#)
- 2 In highway-oriented commercial uses, particularly on Highway 3 between Johnson Parkway and County Road 1, prioritize infill development and business expansions that increase floor area ratios and diversify the range of commercial/industrial uses.
- 3 Focus recruitment, retention and expansion investments that support, complement and enhance the existing retail, commercial, industrial, and service industries, recognizing that the community's largest local employers are Carleton and Saint Olaf Colleges, the Northfield Hospital and Clinics, and Post Consumer Brands and that the region benefits from safe, convenient, and affordable access to jobs in Northfield, Faribault, and Rice County.
- 4 Ensure that surface parking uses are limited, and that structured parking is mixed-use and/or convertible to other uses.

### Strategy 7: Grow in a Compact, Sustainable Development Pattern

Outcome: Northfield will grow in a pattern which increases tax productivity, preserves natural resources, limits climate impacts, improves access to jobs and services, and assesses fiscal impact of development.

### Strategy 7 Actions:

- 1 Develop an accessible and approachable process by which to evaluate the benefits, costs, opportunities, and potential negative externalities of larger-scale development projects related to the economic sustainability and health of the overall Northfield community.
- 2 Concentrate on the needs of existing businesses to grow in Northfield and attract compatible and complementary industries.
- 3 Ensure zoning and other regulations guide all development and redevelopment to increase tax productivity, enhance access and reduce regulatory burdens including requiring fiscal impact analysis.

- 4 Lead actions to support the reuse and redevelopment of underutilized properties that are already served by local infrastructure. Specific actions can be found in the access chapter of this plan.
- 5 Encourage design for residential development that is compatible with the pattern and scale of the neighborhood, and allows for innovation and consideration of market needs, climate impact, economic feasibility and sustainable affordability.

## Strategies and Actions, Continued

### Strategy 8: Preserve and Maintain Northfield's Existing Housing Stock

Outcome: All residents in Northfield, especially renters, live in safe, healthy and affordable housing.

#### Strategy 8 Actions:

- 1 Develop programs and partnerships to support manufactured home communities and preserve this form of housing. [Enterprise partners, equity]
- 2 Develop programs in partnership with affordable housing and educational institutions to ensure housing stability in all neighborhoods and communities.
- 3 Assist those who are cost-burdened to live in safe, healthy and affordable housing that is connected to basic needs.
- 4 Explore the establishment of a rent stabilization program that would limit annual rent increases.
- 5 Partner in the creation of a Manufactured Housing Repair Training and Licensing Program to increase community capacity to maintain existing manufactured homes.
- 6 Create incentives for landlords to reduce their energy costs.\*
- 7 Support housing for older people that is near to necessary goods and services and promotes active living and community connectivity.





## Strategies and Actions, Continued

### Strategy 9: Build New Housing

*New housing development meets defined community needs, and diversifies the housing options available to residents.*

Outcomes: There is enough supply of housing at each price point and stage of life for existing and future residents. This includes subsidized housing, different types of senior housing and owner-occupied housing that does not require subsidy, and ensuring lifecycle choices.

#### Strategy 9 Actions:

- 1 Walkable areas of the city are prioritized for new housing.
- 2 Include affordable housing units in all development through pairing inclusionary housing requirements with resources to support the affordable units.
- 3 Prioritize development of infill sites and priority growth areas identified in the land use chapter.
- 4 Prioritize infill development sites through direct acquisition.
- 5 Review and re-tailor Northfield's ADU ordinance to make it more useful to homeowners to encourage more units.
- 6 Support efforts to create and support cooperative ownership opportunities for home owners in manufactured home parks, multi-family properties, and commercial endeavors in the Northfield area.
- 7 Address priority housing needs through direct acquisition of one or more infill sites, readying the site for redevelopment, and soliciting a development proposal that is targeted to identified needs.
- 8 Build a consensus for using tax increment financing to support housing in infill settings and focus on housing types that are in demand to meet community needs.
- 9 Partner with local home builders, employers, and other regional non-profit entities to evaluate and develop an inclusive strategy that results in financial and other tools to accelerate the development of home affordable to working families.
- 10 Foster inclusion of affordable housing units through pairing inclusionary housing requirements with financial resources to support construction of affordable units.
- 11 Revise LDC to remove barriers to housing development including lot size and setback requirements, ADU regulations, etc.
- 12 Regularly evaluate LDC to ensure it continues to meet Northfield's needs, given economic factors, financial environments, and climate and equity concerns.
- 13 Include housing needs in strategic planning efforts to ensure that short-term goals meet local market needs and address potential local market failures.
- 14 Encourage the use of universal design elements to make housing accessible for all residents.

## Strategies and Actions, Continued

### Strategy 10: Support at Risk Buyers and Tenants

*Provide support and funding for vulnerable populations in the housing market.*

Outcomes: Residents can afford to own or rent a home in Northfield, and stay in their housing through hardships.

#### Strategy 10 Actions:

- 1 Partner with local organizations working on housing support, such as Community Action Center, Healthy Community Initiative, Three Rivers Community Action, and Rice County Habitat for Humanity to support first-time homebuyers with education and down payment related assistance and homeowners at risk of foreclosure.
- 2 Coordinate with Healthy Community Initiative to ensure resources available through the city are tied to existing community partners' assistance and are scaled appropriately with the strategic direction of those partners.
- 3 Pursue mechanisms to enhance and improve the use of Rice County-administered Housing Choice Vouchers (HCV) within the Northfield City limits. For example:
  - Pursue use of Small Area Fair Market Rents in order to increase use of vouchers in Northfield.
  - Renegotiate agreement with Rice County for HCV use in Northfield.
- 4 Engage in partnerships to support first-time homebuyers with education and down payment related assistance.
- 5 Engage in partnerships to support homeowners at risk of foreclosure.
- 6 Explore policies and communication strategies to encourage acceptance of Section 8 rental vouchers.
- 7 Develop an eviction prevention program.
- 8 Adopt a tenant notification requirement related to the sale of properties.
- 9 Partner in creating a fund to support the replacement of manufactured homes as they reach the end of their useful life.
- 10 Partner in providing temporary relocation support for manufactured home residents when the homes are being repaired or rehabbed.
- 11 Develop clear, comprehensive, and accessible policies and practices that ensure a common understanding of tenant and landlord rights, responsibilities, best practices, and resources to decrease conflicts that could lead to evictions. For example:
  - Enact a tenant right to counsel ordinance.
  - Enact a time of sale inspection ordinance for mobile and manufactured homes.
  - Work with community partners to adequately fund the identification and mitigation of tenant-landlord conflicts.
- 12 Improve the stability and health of communities of concentrated disadvantage by implementing place-based investments to enhance and improve upon local parks, public transportation, water, and wastewater infrastructure, people-first safety improvements and fiscally responsible and effective regular maintenance.



## Strategies and Actions, Continued

### Strategy 11: Create programs to support affordable and sustainable homes and residential neighborhoods

*Assertively use City resources and authorities to support the production and preservation of needed housing.*

*Outcome: Local housing needs are met at a greater scale through the use of existing public resources and authorities.*

#### Strategy 11 Actions:

- 1 Incentivize energy efficiency in building materials and design, heating/cooling infrastructure, and electrification to reduce lifetime costs of housing
- 2 Use all relevant financial tools to increase housing not supported by the market including value capture strategies (creation of TIF and/or Housing TIFs, leverage Housing Trust Fund) fee waivers/reductions for development that addresses city goals, grants, etc.
- 3 Work with housing partners to address preservation and maintenance of affordable housing through strategies such as low-interest home improvement loans, a naturally occurring affordable housing preservation fund and other existing or future opportunities to reduce the cost burden of rehabilitating housing.
- 4 Pursue methods of improving the sustainability of new and existing housing. Outcome: All new housing developers comply with Minnesota Energy Code and are encouraged to construct Net-Zero housing. Existing housing is retrofitted with energy efficiency upgrades.
- 5 Continue to provide incentives for landlords and homeowners alike to reduce their energy costs.
- 6 Encourage and support high sustainability standards, particularly in situations where such standards will reduce the cost burden for occupants over the long run
- 7 Support all household types, including co-housing, intergenerational housing, intentional communities or other shared-living models that allow residents to “age in community.”
- 8 Utilize value capture strategies and other public financial resources (creation of TIF and/or Housing TIFs, leverage Housing Trust Fund) to foster the types of housing that are needed and are not being built organically.
- 9 Consider playing a role in land development or subdivision processes on existing city/ housing or economic development-authority owned land or through land acquisition in order to have more say relative to the mix of housing that is being built.
- 10 Explore fee waivers/reductions for development that addresses city goals (sustainability, affordability, compact development, etc).
- 11 Revise the zoning code to allow for denser development in neighborhoods dominated by single-family development.
- 12 Work with housing partners to address preservation and maintenance of affordable housing through strategies such as home improvement loans or a naturally occurring affordable housing preservation fund

## Strategies and Actions, Continued

### Strategy 12: Strategically Reduce Urban Heat Island Effect, especially in vulnerable areas of the city.

#### Strategy 12 Actions:

- 1 Prioritize preservation and enhancement of the overall tree canopy in decision making.
- 2 Increase tree planting in vulnerable areas of the city.
- 3 Construct stormwater infrastructure for climate resilience.
- 4 Provide education to residents on sustainable water use.
- 5 Encourage compact development to leverage existing infrastructure.

### ...did you know?

**Most people know that trees provide the oxygen we need to breath.**

#### *But did you know that trees also:*

- Capture fine particles on leaf surfaces, reducing the circulation of airborne particulate matter
- Provide shade, reducing the impacts of daytime heat and production of ozone
- Reduce the urban heat island effect (the tendency for built-up urban areas to retain more heat)
- Increase stormwater absorption and groundwater recharge
  - Reduce rates of crime and stress
  - Increase property values
  - Promote outdoor exercise
  - Provide natural habitat
  - Enhance the landscape
  - Offer an effective strategy for climate

