

HOUSING AND REDEVELOPMENT AUTHORITY

The Housing and Redevelopment Authority (HRA), created by City Council Resolution according to Minnesota Statutes Section 469.003, is responsible for providing a wide variety of housing opportunities, primarily for low- and moderate-income residents, in the City of Northfield. The HRA is responsible for redeveloping blighted areas and coordinating efforts with other agencies whose missions are to provide affordable decent, safe, and sanitary housing. These efforts are to be consistent with the overall Comprehensive Plan of the City, the City’s Strategic Plan and other plans of the City.

The commission consists of seven members as appointed by the Mayor and approved by the Northfield City Council. Each member serves a five-year term. There are no term limits for members, and they do not receive monetary compensation. The fund summary is shown below:

01/26/2024

BUDGET REPORT FOR CITY OF NORTHFIELD
Calculations As Of 06/30/2023

	2020 Activity	2021 Activity	2022 Activity	2023 YTD and % of budgeted			2024 Proposed	2024 % Change	2025 Proposed
				2023 Adopted	2023 As of Jun 30	2023 % Used			
Fund: 295 HRA									
Revenue									
TAXES	267,148	278,920	306,485	325,417	107,567	33	370,547	14	370,547
OTHER REVENUES	74,235	53,035	4,756	74,752	50,092	67	38,200	(49)	38,200
OTHER FINANCING SOURCI	(48,311)	5,200	224,890	-	1,866	-	-	-	-
Total Department Revenue	293,072	337,155	536,131	400,169	159,525	40	408,747	2	408,747
HRA General Operating									
PERSONAL SERVICES	95,866	114,986	134,465	142,240	67,833	48	147,593	4	155,827
SUPPLIES	20	163	410	300	158	53	500	67	500
CHARGES FOR SERVICES	65,414	37,722	25,421	59,891	20,079	34	60,385	1	61,174
OTHER CHARGES	7,570	9,333	258,768	10,120	4,846	48	10,729	6	11,165
Total Department HRA Gen	(168,870)	(162,204)	(419,064)	(212,551)	(92,916)	44	(219,207)	3	(228,666)
HRA Rental Projects									
CHARGES FOR SERVICES	10,835	10,076	13,223	12,152	3,532	29	4,552	(63)	4,552
OTHER CHARGES	26,044	25,352	26,269	36,457	17,789	49	37,000	1	37,000
Total Department HRA Rent	(36,879)	(35,428)	(39,492)	(48,609)	(21,321)	44	(41,552)	(15)	(41,552)
HRA LMI Housing									
CHARGES FOR SERVICES	125,903	79,922	656,394	56,000	59,602	106	147,988	164	138,529
OTHER CHARGES	-	-	-	1,000	1,300	130	-	(100)	-
CAPITAL OUTLAY	14,242	-	-	82,009	-	-	-	(100)	-
Total Department HRA LMI	(140,145)	(79,922)	(656,394)	(139,009)	(60,902)	44	(147,988)	6	(138,529)
Fund 295 - HRA:									
TOTAL ESTIMATED REVENUE	293,072	337,155	536,131	400,169	159,525	40	408,747	2	408,747
TOTAL APPROPRIATIONS	345,894	277,554	1,114,950	400,169	175,139	44	408,747	2	408,747
NET OF REVENUES & APPROF	(52,822)	59,601	(578,819)	-	(15,614)	-	-	-	-
BEG. FUND BALANCE - ALL FL	1,762,090	1,709,266	1,768,868	1,190,050	1,190,050		1,190,050		1,190,050
END FUND BALANCE - ALL FU	1,709,268	1,768,867	1,190,049	1,190,050	1,174,436		1,190,050		1,190,050

ACCOMPLISHMENTS & HIGHLIGHTS 2023

HRA programs and resources aimed at affordability and support and 2023 funding support, income eligible programs (at or below 80% AMI):

- Down Payment Assistance (DPA), zero interest, zero payment loan program;
 - Three DPA loans were funded and closed on (\$75,000)
- Manufactured Home Rehab forgivable (after 3 years) loan, zero interest loan program;
 - Three MH Rehab loans funded (\$27,000)
 - Q1 – Q2, 2024 received three applications, all approved and waiting for improvement in weather
- Single Family Home Rehab forgivable (up to ½ after 10 years) loan, zero interest loan program;
 - 2023- 1 SF Rehab loan funded (\$19,100)
- \$50,000 Mobile Home Emergency Repair funds- set aside fall 2022, utilized by **CAC and HCI** in 2023 for emergency MH repairs through reimbursement;
- \$5,000 support to **CAC/PD** emergency hotel voucher program;
 - CAC utilized all Salvation Army Hotel Voucher funds and requested assistance from the HRA
- \$20,000 support to the **Northfield Union of Youth (NUY) Wallflower Project**;
 - NUY’s funding primarily comes from DEED. HRA provided the original seed money of \$25,000 in 2017. The HRA’s funds are used to leverage additional funding supports for a FT social worker and host home (temporary) family supports for youth.
- \$8,500 to pay permit fees for **Rice County Habitat for Humanity’s** 4-plex at Ford Street;
- \$25,000 forgivable loan to **Rice County Habitat for Humanity’s** purchase of the lot at 1102 Forest Street;
- \$4,000 for 2-deposits and first month rent for residents at **Restore Recovery** women’s sober home;
 - Property Acquisition to address blight and site prep for future development;
 - 307 Sumner Street East- blighted property
 - 315 Linden Street North- blighted property
 - 308 Cherry Street- reunites with 315 Linden Street, to close summer 2024
- Spring Creek II opened summer 2023
 - Northfield HRA contributed 4.4 acres of land to the project and a \$250,000 forgivable loan (grant)
 - **Three Rivers Community Action** built 32 units of affordable housing managed by Lloyd Management.
 - 16 units have Project Based Assistance through **Rice County HRA**
 - 8 units have been identified for persons with disabilities (4 units, administered by **Laura Baker Services**) and families that have experienced homelessness (4 units, administered by **South Central Human Relations Center**)
 - 8 are available to those at or below 80% AMI
 - Low Income Housing Tax Credits were used
 - Federal Challenge Funds were needed to gap fund

- **Rice County** contributed \$325,000 American Rescue Plan Act (ARPA) to Spring Creek II
- **City** contributed an additional \$146,000
- American Rescue Plan Act (ARPA) Northfield Building Department Emergency Housing Program;
 - MOU with CAC, **CAC provides housing navigation** support, deposit and first month's rent
 - 2023- Building Official declared 3 homes uninhabitable, all referred to CAC for support services. 2 have found new homes
- Hillcrest Village opened 2023
 - Hillcrest Village provides 17 units of emergency, transitional and supportive housing to the City of Northfield
 - HRA provided for a 10-year forgivable loan (grant) of \$250,000 to the **CAC**
 - The project broke ground 2021 and was completed 2023

GOALS & INITIATIVES 2024

- Develop HRA owned land at Southbridge
 - HRA was approached by **Northcountry Cooperative Foundation** fall 2022 about developing the HRA owned land into a manufactured home cooperative neighborhood
 - Staff arranged for 2 educational tours of Schult/Clayton Homes manufacturing facility in Redwood Falls for city boards and commissions.
 - HRA/City led a Housing Solutions Community meeting at Northfield High School, lower cafeteria Thursday, February 29 5pm-7pm
 - More than 150 people attended, many from the Latine community. Staff presented background information about the housing needs of Northfield and the general housing market landscape. Northcountry Cooperative Foundation (NCF) provided information on their proposed development on HRA/City owned land.
- Selling HRA-owned rentals;
 - Working with **Rice County Habitat and Star Fish Project** to sell vacant rental to Rice County Habitat for rehab and resale to a family at or below 80% AMI.
 - Leases expire July 2024 for the remaining occupied rentals (2)
- Phase II Rental License Updates;
 - Source of Income Protections: would require land lords to consider any applicant eligible to apply regardless of the source of income. For example, it would prevent landlords from advertising a unit as, “No Section 8.” Idea has been introduced 4 times at the MN Legislature including this year. There are not enough local-to-Northfield landlords accepting those with a Housing Choice Voucher (HCV), formerly known as “Section 8.” Of the 329 HCV that Rice County has, 200 are used each month, and of those, only 20 are used in Northfield.

- Definition of affordability and/or a manufactured-home park-only approach to minimizing negative impact, such as displacement, on existing residents' ability to pay when rents are increased.
 - Amendments to the 20% rental restriction to address unintended consequences of the original ordinance. For example, 11 of 13 rental licenses in the 20% area are held by owners of homesteaded properties. Originally enacted to restrict students' use of single-family homes, amendments will be designed to address changes to campus housing underway at both campuses and a nationwide housing shortage.
 - Inclusionary Zoning- Staff has been researching what an inclusionary zoning policy would look like for the City of Northfield. The primary model used is that implemented by the City of Edina. It has been very effective in that community. This would require developers to include a certain number of homes (regardless of rental or homeownership) affordable to those at or below an identified AMI or offer a "buyout" and the money to be deposited into the LHTF.
 - Short-term rentals- Defining and licensing short-term rentals will add a revenue stream for the building department as well as ensure life and safety of temporary occupants and afford the opportunity for the Northfield Convention and Visitor's Bureau to capture a lodging tax.
- Local Housing Trust Fund (LHTF) 2024- ongoing;
 - Established by City Ordinance April 2022
 - HRA passed a Resolution 2/1/24 to fund the LHTF with Statewide Affordable Housing Aid (SAHA)- \$150,000, identifies the sale of property, CDBG, and donations as potential funding sources;
 - MN Housing Finance Agency (MHFA) has been given \$5.8 million during 2022/2023 legislative session for matching grants, up to \$150,000, for new dedicated funds to a LHTF. Staff anticipates applying for matching funds when an application is available.
 - Subcommittee will be meeting again to determine what programs should be administered from the LHTF.
 - Land Disposition Policy- Adopted May 2024
 - City did not have any disposition policy on record. Disposition of property, equipment, vehicles, etc. have been left to each department. A policy will bring a consistent and uniform process for how land is purchased/sold by the HRA.
 - Landlord Engagement- Q3 2024
 - Survey all landlords/property managers
 - Increased communication
 - Identify needs associated with being a rental property owner, a renter, and/or a property manager.
 - Connect multi-family property owners to capital and/or incent landlord participation in housing support programs i.e. Section 8, Bridges, VASH, state assistance, etc.
 - Education opportunities, specifically Fair Housing
 - Playground Equipment grant