



MEMORANDUM

TO: Northfield HRA
FROM: Northcountry Cooperative Foundation
RE: New Leaf extension request and development update
DATE: March 27, 2024

The HRA and NCF signed a Memorandum of Understanding on November 2, 2023 related to the HRA-owned parcel at Southbridge. We are writing to provide an update of activities related to the proposed neighborhood development at that parcel and the surrounding city-owned parcels and to request a 6-month extension of the existing agreement.

The Memorandum of Understanding included the following expectations of NCF during its term:

1. Funding applications submitted
2. Engaged an architect to prepare a preliminary design concept
3. Investigate the property for due diligence purposes

NCF has satisfied each of these expectations. We describe the activities completed for each of these below.

Funding Applications

NCF applied for the following programs for funding:

- State of Minnesota – 2023 Direct Appropriation [FUNDED]
- Enterprise Community Partners – Housing Affordability Breakthrough Challenge
- Minnesota Housing – Manufactured Home Community Redevelopment
- Minnesota Housing – Impact Fund
- State of Minnesota – 2024 Infrastructure Appropriation [PENDING]

This development, due to its highly innovative approach and program, presents funding providers with both opportunities and challenges. In our conversations with funders, they recognize the tremendous opportunity to provide affordable home ownership using substantially fewer resources than other housing models. However, it also presents a challenge because their usual programs aren't designed for this delivery model. For example, some programs are designed for rental housing and some are designed for existing manufactured home communities.

We learned a great deal from the feedback received with these applications and are looking forward to the 2024 application cycle.



In addition to these funding applications, NCF secured a Letter of Intent from NeighborWorks Home Partners to be the first homebuyer lender for the New Leaf project. NeighborWorks provides home loans that feature:

- Low, fixed rates
- Low down payments
- Terms up to 30 years

In its Letter of Intent, NeighborWorks commits to create a lending product similar to those offered in New Hampshire, Vermont, and Maine.

Preliminary Design

NCF engaged four design partners to develop the preliminary design concept.

Cardo Design is an urban design firm that prepared the overall site plan. Cardo reviewed the Northfield zoning ordinances and public works street design criteria to set street widths and lot sizes while providing important neighborhood features. These features include a medium-density, walkable layout, a central commons with community center and play structure, and on-site storage units for vehicles and other personal items for the residents.

Locus Architecture reviewed the house plans from several manufacturers and helped us select three primary floorplans. Each floorplan features a front porch entry with living room facing the street, at least three bedrooms and at least two bathrooms. Locus also provided design guidelines to help with siding selection, eave overhangs, siding colors, and trim details to maximize curb appeal.

Tekton Engineers prepared four foundation designs for costing evaluation including a full basement, a slab-on-grade, helical piers, and a perimeter foundation. In each case, Tekton evaluated how the foundation system would allow the homes to be set near the grade level to maximize accessibility. With the information from Tekton, we were able to select the perimeter foundation as providing the most durability and functionality at the most cost effective price. The perimeter foundation allows for a full size, insulated crawl space that is recessed into the ground and accessible through the home. We also selected a full basement as an upgrade option.

Lastly, Zanetta Illustration took all of this information together and provided visualizations to help us and the community see the quality of neighborhood that we intend.



Due Diligence

NCF completed the following due diligence activities:

- Reviewed the site survey commissioned by the city
- Reviewed past geotechnical analyses done in the Southbridge parcels
- Received community input from neighbors and potential homebuyers at the city's community outreach event on February 29
- Created a website with a project overview and interest list at newleafhome.org
- Received preliminary cost estimates from NCC Builders for the on-site construction work including streets, utilities, landscaping, utility hookups, foundation installation, and home setting

Each of these activities have deepened our understanding of the site and continue to validate the viability of the project.

Current Activities and Next Steps

We appreciate all the feedback and questions we've received from Northfield citizens, staff, and officials. We've assembled a Frequently Asked Questions document to address these questions.



We learned a tremendous amount from the City's community engagement event on February 29. As a follow-up to that event, we intend to form an advisory board of interested prospective homebuyers to make sure the project is designed to meet their needs.

We also commissioned a housing demand study from Maxfield to better understand the supply and demand of homes in the target price ranges. We expect to receive a draft of the report by the end of March and intend to share the findings with you.

Lastly, the State Legislature is actively reviewing a direct appropriation request that was chief-authored by Representative Kristi Pursell of Northfield. This \$10 million request would establish a grant program for cities to receive up to 50 percent of the capital costs of public infrastructure necessary to construct a new cooperative manufactured housing development.

Extension Request

As noted during the discussion to enter into the Memorandum of Understanding (MOU), six months is a relatively short amount of time to fully complete pre-development activities.

At this time, we respectfully request a six-month extension of the MOU in order to:

1. Receive and incorporate the Maxfield report and the City's full housing study into our pricing and phase planning
2. Allow the legislature to complete its debate of the funding request
3. Commission updated and site-specific geotechnical analyses
4. Allow city staff to evaluate how best to incorporate development plans for the neighboring Koester property
5. Pursue funding in Minnesota Housing's upcoming RFPs this summer
6. Engage a civil engineering firm to prepare preliminary design documents that are consistent with Northfield public works requirements
7. Allow for the HRA to complete its disposition policy to inform next steps

We greatly appreciate the HRA Board's leadership to have a comprehensive view of the housing needs and potential solutions for Northfield. Thank you for your consideration.