

April 26, 2018

Northfield Spring Creek II Project Summary

Location: HRA-owned South Bridge Site
Southbridge Drive

About Three Rivers

Three Rivers Community Action is a Community Housing Development Organization with a mission to create and preserve affordable housing throughout the twenty counties of Southeast and South Central Minnesota. Three Rivers has built or rehabilitated over 646 units of affordable workforce rental housing, often utilizing intricate financing mechanisms and assembling numerous sources for each project. After development, Three Rivers oversees the operations of the projects and *ensures the long-term affordability of the housing.*

Spring Creek Project Background

In 2013 Three Rivers developed Spring Creek Townhomes on the west side of the HRA-owned Southbridge site. This attractive 28 unit townhome development was designed to serve the growing need for large-family affordable rental housing in Northfield. The units were leased immediately after construction was complete and the property continues to maintain a large waiting list. Last year, Spring Creek was home to nearly 50 children.



Spring Creek II Project Concept

Over the last year, the Three Rivers Community Development team has been working with the Northfield HRA to create a plan to develop more affordable rental housing units on the Southbridge site. Due to the success of the original Spring Creek project, the HRA and Three Rivers developed a Spring Creek II project concept together.

Project Details:

- 32 townhome units for modest income families with children; 8 two bedroom units, 22 three bedroom units and 2 four bedroom units (including 2 accessible units)
- Rents will be \$748 for a two-bedroom unit, \$858 for three-bedroom unit, \$934 for a four-bedroom unit. The property manager will be Lloyd Management, the same firm that manages Spring Creek
- Families will be at or below 60% of the Area Median Income (AMI); it is anticipated that employment income will be between \$15 and \$20 per hour (estimated)
 - Examples of local jobs at this rate: retail sales, waiters & waitresses, cashiers, gas station workers, administrative assistants, food preparation workers, farm workers and entry level construction laborers

- The project will include 4 units for local families that do not have stable housing. Three Rivers has partnered with the CAC and The Key; together we will deliver on-site support services and rental assistance to help these families become successful, long-term tenants
 - Three Rivers will be working on rental subsidy options for these units with the Rice County HRA. More information about this will be available over the next month.

- Spring Creek II will be complementary to the existing Spring Creek project and will include features like patios, attached garages, family sized living spaces made with quality durable materials, access to a walking trail, green space/playground and more (see project concept examples). **Your input is important!**

- The ownership entity will be a Limited Partnership; made up of a Limited Partner (investor) and a General Partner (a Three Rivers LLC). Three Rivers will be the “active” owner.

- ***Proposed sources:***
 - HRA land donation, Tax Increment Financing (TIF) from the City of Northfield (requesting in May), a mortgage from a local lender
 - Private investment through the Low Income Housing Tax Credit (LIHTC) program; credits will be awarded through the MHFA Multifamily competition (June 14th)
 - Sales Tax Rebate and Energy Rebate

- ***Local support*** for this project is **key** to scoring enough points to compete for tax credits/private investment!

- If the project is successfully funded in this upcoming June round, Three Rivers will be notified by November 2018 and construction could begin in late summer 2019

Questions?

Please call Leah Hall at 507-732-8589 or lhall@threeriverscap.org