

## 10.03 LAND DISPOSITION POLICY

### HOUSING AND REDEVELOPMENT AUTHORITY

**Enabling Legislation:** HRA M2024-014

**Date Adopted:** 5/2/24

**Revised:**

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#### PURPOSE

A. Pursuant to Minn. Stat. Section 469.001 to 469.047, the Housing and Redevelopment Authority (HRA) of the City of Northfield, Minnesota (City) is legally permitted to acquire real property for the following purposes:

1. To provide a sufficient supply of adequate, safe, and sanitary dwellings in order to protect the health, safety, morals, and welfare of the citizens of the city of Northfield, Minnesota;
2. To clear and redevelop blighted areas;
3. To perform those duties according to the comprehensive plan of the city of Northfield;
4. To remedy the shortage of housing for low- and moderate-income residents, and to redevelop blighted areas, in situations in which private enterprise would not act without government participation or subsidies.

The purpose of this Land Disposition Policy (Policy) is to provide a uniform and consistent approach for the sale, lease or other disposition of real property now owned or hereafter acquired by the HRA.

B. In addition to the procedures described in this Policy, there are legal requirements imposed by law on the disposal of HRA owned real property, including those located in Minn. Stat. Section 469.029 which provides that the HRA can sell or lease real property without public bidding only after a public hearing, and published notice of the hearing must be given at least 10 days but not more than 30 days before the hearing. This Policy adopts and incorporates herein the definitions contained in Minn. Stat. Section 469.002.

C. This Policy is not intended to and does not create any legal rights to persons or entities. Any modifications or waivers to this Policy requires the applicant to demonstrate hardship and requires approval by the duly appointed Board of Commissioners for the HRA (Board).

## **CORE PRINCIPLES**

- A. The following core principles identify housing components that work together to influence holistic upward mobility out of poverty for residents and offer ways to measure progress towards those goals.
1. **Housing Stability** refers to a person's ability to stay in their home without unplanned or unwanted disruptions or moves, such as those caused by eviction or foreclosure.
  2. **Housing Quality** refers to the condition of the housing unit and its ability to protect and promote the physical and mental health of those who live there.
  3. **Housing Affordability** refers to a household's ability to pay for adequate housing without significant financial burden.
  4. **Neighborhood Context** considers that housing is more than a unit. The characteristics of the neighborhood, socio-economic composition of the population, availability of a variety of transportation options, diversity of housing types and affordability levels, availability and accessibility to parks, greenspace and schools are all part of the neighborhood context that can support economic mobility.
  5. **Housing that builds assets and wealth** relates to the way in which homeownership can provide pathways to upward mobility through home equity, credit and asset-building.

## **OBJECTIVES**

- A. To ensure an understandable, consistent, and open process by which the HRA sells or releases its real property for development.
- B. To maximize the HRA's ability to promote development opportunities relative to its real property holdings.
- C. To minimize the level of public investment required to acquire and develop real property in the City of Northfield.
- D. To minimize the period of time that real property is held by the

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HRA before it is sold or otherwise released for development.

E. To maximize the resources available for future real property acquisition and development.

F. To provide equal opportunity for all regardless of race, color, religion, national origin, sex (including gender identity and sexual orientation), disability, or familial status in rental, sales or lending decisions, to purchase HRA owned real property.

### **POLICY**

Whenever the Northfield HRA acquires or holds real property, it will determine conditions for the path of disposing of such property, using the guiding principles and objectives stated herein; the City's adopted Comprehensive Plan, the City's land development code, the City's Strategic Plan, the City's heritage preservation guidelines, if applicable, and community input regarding the proposal.

### **PROCEDURES**

A. For HRA owned real properties that are currently occupied as rental units, the HRA may sell such properties pursuant to Minn. Stat. Section 469.029.

B. The HRA may solicit development proposals for a particular site through a Request for Qualifications (RFQ) and/or a Request for Proposals (RFP). An RFQ is used to ascertain the qualifications of potential developers. An RFP is used to solicit specific development proposals for a specific site. The RFQ/RFP will reflect the type of development/developer sought by the HRA, and may specify other parameters as well (e.g. desired timeline for development, remediation requirements, density, affordable housing units, etc.). The RFQ/RFP will be advertised in the following locations, as determined by the HRA Board, including but not limited to, the following options: (a) on the City's web site; (b) in local newspapers; and (c) on the HRA agenda.

C. HRA Board members will be available for ongoing communication with City of Northfield elected and appointed officials regarding

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proposals as requested from time to time.

D. As soon as practical the HRA will provide notification of a proposed HRA project and related proceedings to neighborhood residents determined by the HRA Board to be affected by the project and encourage full participation in those public processes through neighborhood level review and input.

E. The HRA will evaluate proposal(s) received under paragraph (B) above and consider:

1. The proposed use of the property, and the consistency of that use with existing or proposed zoning, the City comprehensive plan, applicable City design guidelines, heritage preservation guidelines, where applicable, and neighborhood and community input regarding the proposal.
2. The estimated total development cost for the proposed project, including the amount to be paid to the HRA for the real property and/or additional public investment sought for demolition, remediation, infrastructure, etc.
3. The estimated time to begin and complete the proposed project.
4. Its consistency with the City's public policies, including its affordable housing goals, Sustainable Building Policy, promotion of quality architectural design and level of quality acceptable to the Board and Community.
5. Contribution of the proposal to the tax base of the City and net effect of the proposal on the City's overall budget.
6. Demonstration to the Board's sole satisfaction of the developer's ability to complete the proposed project based on past development experience, general reputation, credit history, among other factors, and including experience with the size and scope of the proposed project.
7. The developer's demonstrated ability to meet equal opportunity/affirmative action employment and contracting

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goals established by the City of Northfield, its demonstrated past history of providing contracting and employment opportunities for qualified minority and women individuals and minority/owned small businesses and its proposed use of local contractors.

8. Achievement of other public purpose goals.

9. Upon evaluation of all the proposals, the Board by Resolution may either reject all the proposals or select one or more of the proposals that best accomplishes the objectives and goals of this Policy. The Board may grant tentative developer status or authorize a development agreement or contract for the sale of land by Resolution contingent on the completion of all the requirements contained in the Resolution.

F. If the HRA receives a proposal from an entity to develop a parcel of land owned by the HRA outside of its RFP/RFQ process described above, and the HRA, in its sole discretion, decides to evaluate such proposal, then it will follow all of the procedures described herein the same as if it was a proposal solicited by the HRA.

G. The designation of 'tentative developer status' means the HRA has tentatively approved of the developer and the project and the HRA will not contract with any other entity for the real property while the tentative developer diligently pursues the completion of all conditions attached by the HRA in the award of the designation. Typical conditions may include the following: completion of design and architectural drawings of the project, market study, utility plans, environmental investigations, and preparation of remediation plans, securing of financing, and negotiation of a development agreement subject to HRA approval.

H. The tentative developer may be required to provide guarantee requirements as determined by the HRA Board.

I. Along with tentative developer status or contract rights, the HRA will establish a time limit for the tentative status and completion of the project, based on the nature of the proposed project.

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J. If the project proceeds as proposed, there will be a closing on a contract for sale, lease and/or conveyance of the HRA land. All conveyances will be made by Quit Claim Deed, the property will be conveyed in its AS IS condition and buyers may be required to provide an environmental indemnity to the HRA. With respect to the construction of the project, the developer will be required to comply with all laws and regulations of the City of Northfield, the County of Rice, the State of Minnesota, or the Federal Government, as applicable. The conveyance instruments shall provide that the land shall revert back to the HRA if the developer fails to timely construct the project according to the terms and conditions contained therein, and that the final conveyance of the land shall require an affidavit of compliance from the Board.

K. If the project does not result in a closing and the tentative developer designation is not extended by the HRA Board, the developer will lose its tentative developer status and will meet guarantee requirements.

#### **LIST OF EXISTING HRA OWNED REAL PROPERTY**

The HRA will maintain and make available on the HRA website a list of all existing HRA-owned real estate and a status of those properties.