

CITY OF NORTHFIELD, MN
CITY COUNCIL RESOLUTION 2018-061
SUPPORTING SPRING CREEK II, A 32-UNIT MULTI-FAMILY
HOUSING DEVELOPMENT IN THE CITY OF NORTHFIELD

WHEREAS, Three Rivers Community Action, Inc. (the "Developer") has proposed to build a multi-family housing development consisting of thirty-two (32) townhome units in the City of Northfield (the "Spring Creek II Development"); and

WHEREAS, the Developer has presented a proposal for the Development to the Council, which includes a request for financial assistance from the City in the form of tax increment financing; and

WHEREAS, the Developer further intends to submit an application to the Minnesota Housing Finance Authority (the "MHFA") for an allocation of tax credits for the Development, the success of which is predicated on support of the Development by the City, including through the commitment of tax increment financing for the project; and

WHEREAS, City consultants have provided a tax increment financing preliminary project tax capacity estimate showing a maximum net increment of \$851,365 with a present value of \$439,729 at 5%; and

WHEREAS, the Developer projects a funding gap and is requesting support of tax increment financing of the full net increment of \$851,365 with a present value of \$439,729 at 5%; and

WHEREAS, the Council has reviewed the proposal for the Development, and hereby finds and determines that the Development fulfills a need for high-quality affordable housing in the City, which is currently in short supply.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Northfield, Minnesota, as follows:

1. The City hereby endorses the Development in substantially the form proposed by the Developer and supports the Developer's application to MHFA for tax credits for the Development.
2. The City hereby authorizes staff to proceed with the process for establishment of a Tax Increment Financing District (Housing) for the Development, subject to the allocation of tax credits for the Development from MHFA and submission of a formal application and payment of fees and the review and public hearing process statutorily required for the creation of such a District. If the Developer has not secured an allocation of tax credits for the Development by, December 30, 2018, this authorization shall expire and be of no further effect.

BE IT FURTHER RESOLVED THAT:

The City authorizes the City Administrator to execute a letter to MHFA in support of the Development and giving preliminary support for the use of TIF utilizing the maximum 26-year note, for \$851,365 committed net increment and \$439,729 present value at 5% interest. Final estimated TIF and terms of the Development Agreement will not be determined until a formal application is made and proposal is reviewed by the City and City Consultants.

PASSED by the City Council of the City of Northfield on this 5th day of June 2018.

ATTEST:

Deb A. Little

City Clerk

Richarda Pownell

Mayor

VOTE: Y POWNELL Y COLBY Y DELONG Y NAKASIAN

Y NESS Y PETERSON WHITE Y ZWEIFEL