

NORTHFIELD HOUSING AND REDEVELOPMENT AUTHORITY
RESOLUTION 2024-005
A RESOLUTION AUTHORIZING DESIGNATION OF A TENTATIVE DEVELOPER
STATUS FOR OBERTO PROPERTIES, LLC AND RICE COUNTY HABITAT FOR
HUMANITY FOR THE PROPERTY AT 307 SUMNER STREET

WHEREAS, pursuant to Minn. Stat. 469.001, the Authority was created and exists in significant part to provide a sufficient supply of adequate, safe, and sanitary dwellings and to remedy the shortage of affordable housing for low- and moderate-income residents of the City of Northfield (the “City”); and

WHEREAS, there exists in the City a shortage of adequate, safe, and sanitary affordable housing; and

WHEREAS, the HRA has the power to engage in development or redevelopment activities under Minnesota law and the HRA is authorized to engage in activities relating to (a) housing projects and development, (b) removal and prevention of the spread of conditions of blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) disposition of land for private redevelopment, and (e) improving the tax base and the financial stability of the community, and to engage in the aforementioned activities when these needs cannot be met through reliance solely upon private initiative and which can also be undertaken in targeted neighborhoods; and is authorized to create redevelopment projects as defined in Minn Stat Section 469.002, Subd. 14; and

WHEREAS, HRA staff received a proposal for redevelopment of an HRA-owned site at 307 Sumner Street East from Oberto Properties, LLC and Rice County Habitat for Humanity; and

WHEREAS, the proposal from the tentative developer was received outside of the HRA’s RFP/RFQ process and according to the HRA’s Disposition Policy HRA staff evaluated the proposal; and

WHEREAS, after reviewing the submitted proposal, staff recommends accepting the proposal from Oberto Properties, LLC and Rice County Habitat for Humanity to construct at minimum a 2-unit residential building homeownership opportunity that is affordable for families with incomes at or below 80% AMI according to Rice County Habitat for Humanity’s existing criteria together known as the Project (the Project).

NOW THEREFORE, BE IT RESOLVED by the HRA that Oberto Properties, LLC and Rice County Habitat for Humanity is designated as Tentative Developer for 307 Sumner Street East for a period of 180 days, within which period of time the Tentative Developer, at its own cost, will complete the following:

1. *Within 90 days, for the Project, complete a formal scope of work with architectural/engineering plans and specifications to include a site plan, elevations,*

incorporate Northfield's Sustainable Building guidelines, exterior treatments/materials for review by HRA and suitable for submission to the Building Department to obtain the proper building permits.

- 2. Within 90 days, for the Project, submit evidence of availability of construction financing for review by HRA staff for acceptability.*
- 3. Finalize a detailed development budget and businesses plan for approval by the HRA staff.*
- 4. Within 120 days, a HRA approved scope of work must be completed.*
- 5. Within 180 days receive all approvals for zoning, licenses and any other required City or State approvals required for the Project.*
- 6. Negotiate final terms and conditions of a purchase agreement and development agreement which will include review of all compliance requirements, details of the bidding process and sworn construction cost statement from their selected contractor for the Project.*

BE IT FURTHER RESOLVED, that the terms and conditions of a development agreement by and between the HRA and Tentative Developer be within the following constraints:

- 1. All pre-development costs are the sole responsibility of the Tentative Developer.*
- 2. The Tentative Developer must work with affected neighbors and community groups.*
- 3. The property will be sold "as is".*

BE IT FURTHER RESOLVED if the Tentative Developer does not timely complete the tasks specified in this resolution by the stated deadlines or abide by its restrictions, the Tentative Developer status shall terminate without further action by this Board.

PASSED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Northfield on this 19th day of September, 2024.

Galen Malecha, Chair

Brent Nystrom, Secretary

VOTE: _____ NYSTROM _____ CROW _____ MALECHA _____ THOMAS
 _____ FREELAND _____ ZUCCOLOTTO _____ THORSTEINSON