

NORTHFIELD HOUSING AND REDEVELOPMENT AUTHORITY
AFFORDABLE HOUSING FORGIVABLE LOAN AGREEMENT

THIS AFFORDABLE HOUSING FORGIVABLE LOAN AGREEMENT ("**Agreement**"), made and entered into this ___ day of ____, 20 ____ (the "Effective Date") in entered into by and between Rice County Habitat for Humanity, a nonprofit corporation organized under the laws of the State of Minnesota, 204 7th Street West, PMB 128, Northfield, MN 55057, (the "**Recipient**"), and the Northfield Housing and Redevelopment Authority, a/k/a Housing and Redevelopment Authority of the City of Northfield, Minnesota, a body politic and corporate under the laws of the State of Minnesota, 801 Washington St., Northfield, MN 55057 (the "HRA"); (collectively the "parties").

RECITALS

- 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 Recipient is a locally supported nonprofit corporation with the goal of supporting low- and moderate-income families achieve home ownership; and
- WHEREAS, Recipient seeks to create affordable homeownership housing opportunities for low and moderate-income families; and
- WHEREAS, Recipient has made a request to the Authority for funds in the amount of Thirty Thousand and 00/100 Dollars (\$30,000) (the "Request") to partially fund acquisition of the lot at 1102 Forest Street to build on; and
- WHEREAS, Recipient agrees on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the promises and agreements hereinafter contained, the parties agree as follows:

1. AMOUNT AND TERMS

- a. Forgivable Loan. Subject to, and upon the terms and conditions herein set forth, the HRA agrees to make the Forgivable Loan to Recipient in the amount of Thirty Thousand and 00/100 Dollars (\$30,000)("Loan Funds").
- b. Term. The term of the Forgivable Loan shall be five (5) years from the Effective Date of this Agreement or such a time as Habitat closes on the sale of the home with an eligible household, whichever date is first.
- c. Interest. No interest shall accrue on the Loan Funds.

2. REPRESENTATIONS OF RECIPIENT. Recipient warrants that the following statements are true:

- a. Recipient is in good standing with all public entities having any authority or jurisdiction over Recipient, and Recipient is in compliance and shall at all times remain in compliance with all federal, state and local laws, rules and regulations, which apply to Recipient.
- b. The statements and representations made in Recipient's request for the Forgivable Loan were at the time of the request and as of the date hereof true and correct.

- c. Recipient shall use the Loan Funds for, and only for, the Project, namely the redevelopment of the Property located at 1104 Forest Street, Northfield, MN 55057 for the creation of housing affordable to low- and moderate-income households.
3. DISTRIBUTION OF LOAN FUNDS. The HRA will pay the sum of Thirty Thousand and 00/100 Dollars (\$30,000.00) to the Recipient in one lump sum payment upon receipt of:
 - a. Execution of this Agreement;
 - b. Execution of HRA Board Resolution.
4. FORGIVENESS/REPAYMENT OF LOAN FUNDS. The Forgivable Loan shall be forgiven, without interest, provided that:
 - a. Recipient completes the Project by redeveloping the Property located at 1102 Forest Street, Northfield, MN 55057 to create adequate, safe, and sanitary homeownership opportunity for a low- to moderate-income household by five (5) years of the Effective Date of this Agreement.
5. DEFAULT. If Recipient defaults on any material provision of this Agreement, mainly failure to construct an affordable housing unit, then the sum total of the Loan Funds disbursed to Recipient as of the date of the default shall be immediately due and payable in full.

[Signature pages follow.]

IN WITNESS WHEREOF the parties have caused these presents to be signed as of the date and year first above written.

RECIPIENT:

Rice County Habitat for Humanity

Date: 1-25-2023

By: Dayna Norvold
Dayna Norvold
Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

This instrument was acknowledged before me on 1-25-, 2023, by Dayna Norvold, the Executive Director of Rice County Habitat for Humanity, a nonprofit corporation organized under the laws of the State of Minnesota, on behalf of the corporation.

(Notary Seal)



Cheri A. Johnson
Notary Public

This Instrument was drafted by:

The City of Northfield Housing and Redevelopment Authority
801 Washington Street S.
Northfield, MN 55057

HRA:

**Northfield Housing and Redevelopment
Authority, a/k/a Housing and Redevelopment
Authority of the City of Northfield, Minnesota**

Date: _____

By: _____
Brent Nystrom, Its Chair

Date: _____

By: _____
Jayne Hager Dee, Its Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

This instrument was acknowledged before on _____, 20____, by Brent Nystrom, the Chair, and by Jayne Hager Dee, the Secretary, of the Northfield Housing and Redevelopment Authority, a/k/a Housing and Redevelopment Authority of the City of Northfield, Minnesota, a body politic and corporate under the laws of the State of Minnesota, on behalf of the body politic and corporate.

(Notary Seal)

Notary Public

This Instrument was drafted by:

The City of Northfield Housing and Redevelopment Authority
801 Washington Street S.
Northfield, MN 55057