

City of Northfield - Finance Toolbox

Finance Tool	Description	Who approves?	Where have we used it in Northfield	Other Notes
TIF Tax Increment Financing	the ability to capture and use most of the increased local property tax revenues from new development within a defined geographic area for a defined period of time without approval of the other taxing jurisdictions.	Planning Commission City Council	Spring Creek	26 years
Tax Abatement	tax abatement is a reallocation of taxes rather than an exemption from paying taxes. The property for which taxes have been abated will continue to pay their taxes in full. The amount of the abatement, however, is redirected to a specific project rather than going to the general fund. To offset the lost revenue, the municipality annually adopts an abatement portion of their property tax levy equal to the amount of abated taxes.	The jurisdiction: - School district - County - city	Maple Hills	10 years
City of Northfield HRA Tax Levy	% of property taxes, set by the state, that is used for HRA purposes	City Council	<ul style="list-style-type: none"> - Staff - Purchase rental properties - Street assessment assistance 	223K in 2016 233K in 2017 Approximately
CDBG (Community Development Block Grant)	The Community Development Block Grant (CDBG) program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at HUD.	Dakota County monitors	<ul style="list-style-type: none"> - 1st time homebuyer program - Rental rehab - Mobile home acq and rehab 	Northfield is an “entitlement community” and gets CDBG from Dakota County. This is an annual (relatively guaranteed) funding source of approx.. 69K. We could apply to HUD directly but would not be guaranteed \$.
USDA RD US Department of Agriculture Rural Development 515 Rental Program			North and South Oaks Apartments	No longer available – except for funds to help preserve existing projects

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USDA RD US Department of Agriculture Rural Development 502 Director Loan Program	RD essentially acts as a lender who has the ability to subsidize the interest rate. - Homeowners apply and will pay an interest rate of 1% to market rate interest. The interest subsidy is subject to recapture upon a future title transfer	RD		
HUD Housing and Urban Development				They have moved away from funding transitional, supportive housing and is supporting permanent supportive housing
MHFA MN Housing Finance Agency	Low Income Housing tax credit program		Maple Hills South Bridge/Spring Creek Jefferson Townhomes	A bunch of programs that are utilized a lot
MN Housing Partnership	Money for planning, technical assistance, market studies.			Haven't used in a while
Greater MN Housing Fund	Provide deferred loans, construction loans, rehab loans to developer			Developer applies, could match our CDBG funds for 1 st time homebuyer funds.
Rice County HRA	Section 8 homeownership vouchers Section 8 rental vouchers County wide levy? – used to match a city's contribution for 1 st time homebuyer program, match for a big project			Let's keep this on our radar
Land Trust				
Donations from Community (Mangers Inn, example)				

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Employer Assistance for housing				Jenny Larson wrote her thesis on this – we'll pick her brain more!
For profit agencies: Dominium			Jefferson Townhomes	
Other non-profit agencies: Common Bond			Common Bond	
DEED Department of Employment and Economic Development	<p>Northfield isn't eligible for Small Cities (it is CDBG for non-entitlement communities), but they have a new Workforce Housing program. https://mn.gov/deed/government/financial-assistance/community-funding/workforce-housing.jsp</p> <p>They also have infrastructure and site cleanup/redevelopment funds for redevelopment sites.</p>			

Let's not forget:

Acquisition of Florella's

Mobile Home Co-op model

Warren Kramer is coming to our October 4 meeting

Rytway Building (homeless shelter?)