

HOUSING DEVELOPMENT IN THE CITY OF NORTHFIELD

RESOLUTION NO. 2019- 037

RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTHFIELD, MINNESOTA SUPPORTING SPRING CREEK II, A 32 UNIT MILTI-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 on Rice County parcel 22.07.3.03.003 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 pay-as-you-go 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 \$31,872 available for 26 years;

WHEREAS, the Developer projects a funding gap and is requesting support of tax increment financing for up to 26 years to support a third-party loan to the project in the amount of \$383,000;

WHEREAS, affordable, workforce housing is one of 6 strategic priorities

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 subject to final determination by the City Council of Development eligibility, statutory requirements, public hears and required reviews.
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 award of tax credits for the Development by, December 31, 2019, 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 annual net increment of \$31,872 for up to 26 years in order to assist in funding gap reductions. 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 16th day of April 2019.

ATTEST:

City Clerk

Mayor

VOTE: ___POWELL ___NASKASIAN ___DELONG ___ZWEIFEL
 ___PETERSON WHITE ___ GRABAU ___NESS