



Legislation Text

File #: 20-055, **Version:** 1

City Council Meeting Date: January 21, 2020

To: Mayor and City Council
City Administrator

From: Nate Carlson, Economic Development Coordinator

Consider Motion accepting the Declaration of Restrictive Covenant for 5th Street Lofts.

Action Requested:

The Northfield City Council is requested to make a motion accepting the Declaration of Restrictive Covenant for the 5th Street Lofts redevelopment project.

Summary Report:

The City of Northfield approved a Tax Increment Financing (TIF) Agreement on October 1, 2019 for the 5th Street Lofts redevelopment project. Within this agreement, an affordability provision was drafted and approved by the developer and City Council. Section 3.3 states the following.

Section 3.3. Compliance With Affordability Requirements. The Developer's financing for the Project requires that at least 8 rental housing units in the Project shall be occupied by or available for rent to persons whose income does not exceed 60% of the area-wide median family income for the standard metropolitan statistical area which includes the City as that figure is determined and announced from time to time by HUD, as adjusted for family size. The Developer hereby represents, covenants and agrees that it will comply with such income restriction and all affordable housing requirements imposed in connection therewith.

The developer's lender has requested to record the attached Declaration of Restrictive Covenant regarding the affordability requirements at the time of closing. This Covenant benefits the City to ensure that the affordability requirements are upheld. At this time, the developer is requesting that the City accept the execution and recording of the Declaration of Restrictive Covenant. City staff has discussed this request with City Bond Counsel, Jenny Boulton of Kennedy & Graven, and found this to be an appropriate action for the City Council to accept.

Alternative Options:

Not applicable.

Financial Impacts:

Not applicable.

Tentative Timelines:

The developer intends to close on financing and property acquisition in the near future.

