



**SPECIAL JOINT CITY COUNCIL AND HOUSING AND REDEVELOPMENT
AUTHORITY WORKSESSION
RICHFIELD MUNICIPAL CENTER, BARTHOLOMEW ROOM
JULY 17, 2017
7:15 PM**

Call to order

1. Affordable Housing Strategies

Adjournment

Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9738.

CITY OF RICHFIELD, MINNESOTA
Office of City Manager

July 13, 2017

Council Memorandum No. 69

The Honorable Mayor
and
Members of the City Council

HRA Memorandum No. 20
Housing and Redevelopment
Authority Commissioners
City of Richfield

Subject: Affordable Housing Strategies

Council Members and Commissioners:

At the April 25 joint City Council and Housing & Redevelopment Authority Work Session, a representative of the Housing Justice Center (accompanied by representatives of CAP-HC and VEAP) presented a number of affordable housing “strategies and tools” for Richfield policy-makers to consider. Since that time, staff has had the opportunity to further contemplate and research these strategies. This process has included discussions with:

- The housing consultant for the Minnesota chapter of the Urban Land Institute (ULI);
- six of our peer communities (Bloomington, Edina, Minneapolis, St. Louis Park, Golden Valley, Hopkins), Hennepin County, and Minnesota Housing;
- City legal counsel and HRA legal counsel; and
- Further meetings with representatives of the Housing Justice Center, CAP-HC and VEAP.

Based on this research and examination, staff is providing further analysis of each of the proposed “strategies and tools” as well as suggesting a few additional strategies for consideration (attached).

Before implementing strategies, staff suggests that policy-makers better define the goals that such strategies are meant to accomplish. Currently, Richfield has among the highest percentage of housing affordable to “low income” households in both Hennepin County and in the Twin Cities region. According to the most recent information available from the Metropolitan Council¹, Richfield’s status at each affordability threshold is as follows:

Affordability to households earning 80% or less than the Area Median Income (AMI): 90% of Richfield’s rental housing meet this criteria. It is staff’s assertion that a certain amount of “upscale” rental housing is healthy for a community and helps provide

¹ Analysis includes only those communities with 1,000 or more rental units

the market demand for the kinds of retail and restaurants that resident's desire. As such, staff suggests that the construction of new market rate rental housing could increase the "upscale" rental housing beyond its current 10% level.

Affordability to households earning 50% or less than the Area Median Income (AMI): This is the predominant affordability level in Richfield. Currently 63% of Richfield's rental housing falls into this category. This ratio places Richfield 8th in the metro region (out of 51 communities) and 1st in Hennepin County (among 17 communities) for providing housing at this affordability level. The vast majority of this housing is "naturally occurring affordable housing", which is affordable by virtue of its poor condition or the obsolescence of its design or amenities. Much of this housing can be rehabilitated and improved. There are some buildings, however, that are structurally substandard to a degree at which renovation would be infeasible and unadvised.

Affordability to households earning 30% or less than the Area Median Income (AMI): Richfield currently provides a relatively small percentage of housing for this income level, which is described as "very low income" in affordability terms. Only 10.1% of Richfield's rental housing stock meets this level. Two of our peer communities provide a greater proportion of housing at this affordability level (Golden Valley at 18.5%, Columbia Heights at 13.9%), two are at similar proportions (Roseville at 10.6% and Edina at 10.1%), and two having a lower proportion (St. Louis Park at 8.5% and Brooklyn Park at 8.2%).

It is a generally shared belief that housing for "very low income" families ($\leq 30\%$ AMI) needs to be formally subsidized and should provide social services on site. Historically, Richfield residents have opposed housing fitting this description (based on denied proposals in 2008 and 2012).

Before implementing any particular affordability strategies, staff is recommending that the City Council and HRA establish policy statements or goals for each of the following:

- Development of new subsidized housing with social services for very low income households;
- Preservation of existing naturally occurring affordable housing (NOAH) aimed at households earning between 30%-80% of the AMI;
- A strategy for dealing with affordable housing in buildings that are unsafe and/or structurally substandard and cannot be feasibly renovated;
- Development of new upscale rental housing (for households earning more than 80% of the Area Median Income).

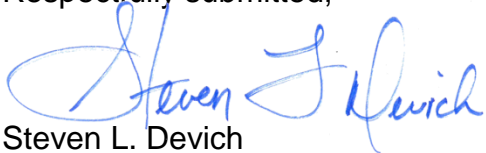
The Rental Housing Inventory and Needs Assessment prepared for the City and HRA in 2012 provides an analysis of the gaps that exist in the rental housing stock, as a whole, and can offer a resource when developing these goals.

While we are still in the data gathering phase of the Comprehensive Plan, a great deal of the feedback thus far has related to affordable housing.

A cursory review of these comments shows that about half of the respondents are generally supportive of affordable housing and/or are concerned about the inadequacy of affordable housing while the other half have a negative view of affordable housing and feel that Richfield has more than enough affordable housing.

Staff's suggestion is that the formation of policy statements/goals related to affordable housing should occur as part of the ongoing Comprehensive Plan process.

Respectfully submitted,



Steven L. Devich
City Manager

SLD:js

Email: Assistant City Manager
Department Directors

Attachments

Analysis of Affordable Housing Preservation Strategies & Tools

The following strategies and tools are suggested by the Housing Justice Center as options to help the City preserve its affordable housing stock.

Strategy/Tool:	Identification of buildings; Document the problem
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Staff Feedback:	Since the inception of the City’s Rental Licensing Program in 1989, staff has maintained a list of the City’s rental housing. Staff has begun identifying NOAH (naturally occurring affordable housing) buildings and those that are the most at-risk of becoming less affordable.
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Resources Required:	Staff time
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Places Enacted in MN:	Unknown
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Staff Recommendation:	Staff will continue to compile and improve our listing of rental housing, paying particular attention to the identification of naturally occurring affordable housing (NOAH) complexes with 30 or more units.
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Strategy/Tool:	Advanced notice period required for the sale of affordable housing
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Staff Feedback:	From both a practical and legal standpoint, the most difficult aspect of this tool would be enforcement. What punitive actions would be taken to prevent this requirement from being ignored? Who would be subjected to that punitive action? The seller may no longer have any presence in Richfield, and the buyer would not have been empowered to provide such notice.
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Attorney Feedback:	A requirement that property owners give the City advanced notice before the sale of a building triggers enforcement concerns. Arguably, a seller could disregard the requirement with the only potential consequence being a monetary fine or penalty relating to the ordinance violation. Such a consequence may not be a significant deterrent. Also, monitoring compliance would be challenging. A notice requirement could be effective if tied to the City’s rental licensing requirements and/or made a condition for properties receiving public funding or assistance. Without a tie to licensing or public funding, a notice requirement potentially raises questions about interference with private property rights. The cities of Denver and Portland have
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ordinances requiring mandatory notice, but the ordinances apply to buildings that receive public money. And even in those cases, a seller's noncompliance with the ordinance doesn't invalidate the sale. The primary purpose of this strategy would be to give the City time to approach an alternative buyer rather than to punish a seller that does not comply with the notice requirement. The City Attorney is not aware of any court opinions relating to a mandatory notice period.

Resources Required: Adoption of an ordinance and staff/attorney time for enforcing the ordinance.

Places Enacted in MN: Nobody has enacted yet. Minneapolis is expected to do so this year. St. Louis Park and Golden Valley are studying the topic but have not yet reached any firm conclusion.

Seattle has such an ordinance, but it has been reported that they do not enforce it.

Staff Recommendation: Require a 90-day notice for the sale of any affordable housing development that received any assistance from the City of Richfield and/or Richfield HRA/EDA.

Work with St. Louis Park and Golden Valley to continue researching the legality and practicalities of requiring such notice on other properties.

Strategy/Tool: **Help preservation buyers to buy at-risk buildings**

Staff Feedback: A first step in this strategy is to develop and nurture relationships with "preservation buyers." City staff is committed to continuing to improve these relationships. A better identification of such "buyers" would be helpful and that is something that housing advocacy groups could help provide.

While not stated in this recommended strategy, it is implied that the City would provide financial assistance to the prospective buyer.

Resources Required: Funding to assist in property purchases.

Places Enacted in MN: Several

Staff Recommendation: Staff will continue to meet with potential preservation buyers to make them aware of potentially available properties and of resources that may be

available to assist in rehabilitation.

Given the limited resources available to the City and HRA/EDA and given the local desire to ensure that affordable housing is maintained as “quality affordable housing,” staff would recommend that financial assistance be directed to the rehabilitation of affordable units (addressed further on another point) rather than the acquisition of NOAH units to be preserved without improvements.

Strategy/Tool:**Right of First Refusal**

Staff feedback:

As suggested, this would encompass the tenants having a collective Right of First Refusal rather than the City. It is unclear what role the City would play in establishing the legal framework to enable this or its role in managing such a process.

It is unclear how effective such a law would be on the local level and absent significant financial resources. There is a similar state law that applies to mobile home parks, giving mobile home owners the right of first refusal to buy park land. This law proved ineffective in a recent case in St. Anthony where a mobile home park was sold to a developer instead of Aeon on behalf of the home owners.

Attorney Feedback:

When the HRA or EDA convey land to a developer and the development does not commence, a right of first refusal provides the HRA or EDA with the ability to repurchase the property for the price at which it was purchased (plus any improvements made to the property). If the developer assembles land for a development and the development does not commence, the HRA or EDA could obtain a right of first refusal to buy the assembled property before the developer attempts to sell it. This type of right of first refusal would require the EDA or HRA to buy the property for fair market value. If the HRA or EDA provide a subsidy to the development, it is easier to obtain a right of first refusal from a developer. Without a subsidy, developers are reluctant to execute rights of first refusal. Developers’ main concern over these agreements is that potential buyers see these documents on the title work and don’t want to put an offer on the land because another entity has the right to step in and buy the property for whatever the potential buyer is offering or a bidding war may ensue between the potential buyer and the entity with the right of first refusal.

Resources Required:

Funding for attorney research.

Places Enacted in MN: None

Staff Recommendation: Staff recommends working with our peer cities and with the League of Minnesota Cities (and similar organizations) to draft language in State Statutes giving similar Right of First Refusal powers to apartment tenants that are currently provided to mobile home tenants.

Strategy/Tool: **Local programs offering rehab financing in return for affordability commitments**

Staff Feedback: Staff has been advocating for federal, state, and county programs of this nature (and has mentioned it at our Legislative Breakfast meeting) for several years. Lacking players at a higher level, Richfield can fund a limited program.

Urban Land Institute staff has offered to set up a meeting with Hennepin County, Minnesota Housing and interested cities to talk further about the need for resources.

Local funding will have to be diverted from other needs and the funding may ultimately be insufficient to make an appreciable difference.

Some local funding sources suggested (i.e., CDBG) are best used in the case of small buildings given the federal rules that apply with eight or more units. (Note: CDBG is a federal program, which is dependent upon Congress authorizing funds.) The City received \$244,000 in CDBG for 2017. The funds are currently directed to low income residents through the Deferred Loan Program, affordable homeownership opportunities, and several public service agencies. Redirecting the funds to apartment rehab would leave these programs unfunded.

This strategy also requires willing owners. Financing terms will need to be attractive enough to incentivize owners to participate.

Resources Required: Staff believes the cost of rehabilitating an apartment unit (with some associated improvements to the contiguous common area) to be approximately \$15,000 per unit.

Places Enacted in MN: Bloomington - \$50,000 put into NOAH fund every year (2% of \$2.1 million HRA levy).

Staff Recommendation: Staff has identified \$237,000 in the proposed 2018 EDA budget for an Affordable Rental Housing Rehab Pilot Loan/Grant Fund. This could pay half the cost to rehabilitate over 30 apartment units next year. If successful, the program would be continued in 2019.

Strategy/Tool: **4d Property Tax Program**

Staff Feedback: The state no longer administers this program or funds this program. While the statute allows for “local subsidies,” the City would need to find the resources to fund it (i.e., providing a tax reduction/credit to affordable apartment owners would mean increasing taxes on others and/or reducing services). It also may be that the tax credit would primarily serve existing affordable housing providers and not result in increasing the supply or preventing an owner from selling to a new owner who would raise rents.

Resources Required: Local funding

Places Enacted in MN: None

Staff Recommendation: Further research is needed on this concept to determine the effectiveness, costs, and benefits.

Strategy/Tool: **Prohibition of Section 8 Discrimination**

Staff Feedback: In the Minneapolis case, opposing landlords claimed that they could simply raise their rents over the Section 8 payment standard which would disqualify their units according to HUD’s policies. This would have the unintended consequence of making rental housing less affordable. Or rents may already be too high to meet payment standards.

Requires landlords to not discriminate. It doesn’t require their participation in the program. Minneapolis is considering coupling it with a Landlord Incentive Fund.

An enforcement process would need to be developed and implemented. Minneapolis will enforce through complaints filed with their Civil Rights Commission, a structure Richfield doesn’t have.

Attorney Feedback:

The Minnesota Human Rights Act makes it an unfair discriminatory practice for an owner to refuse to rent to a person because of “status with regard to public assistance.” Minn. Stat. § 363A.09, subd. 1(1). “Status with regard to public assistance’ means the condition of being a recipient of federal, state, or local assistance, including medical assistance, or of being a tenant receiving federal, state, or local subsidies, including rental assistance or rent supplements.” Minn. Stat. § 363A.09, subd. 47. In 2010, the Minnesota Court of Appeals held that, consistent with federal regulations, Minnesota law does not require property owners to participate in Section 8 programs. *Edwards v. Hopkins Plaza Ltd. Partnership*, 783 N.W.2d 171 (Minn. Ct. App. 2010) The Court, therefore, rejected a claim of discrimination by a tenant who was displaced when his landlord decided to phase out of the Section 8 program. However, the Court also said that even though Section 8 is voluntary, the federal rules were not “intended to pre-empt operation of state and local laws that prohibit discrimination against a Section 8 voucher-holder because of status as a Section 8 voucher-holder.”

Based on the Minnesota Human Rights Act and the Court’s decision in *Edwards*, the City Attorney believes that the City could adopt an ordinance prohibiting Section 8 discrimination. However, the City could not mandate or require property owners to participate in Section 8.

The City of Minneapolis passed a Section 8 anti-discrimination ordinance on March 24, 2017. It will go into effect in May 2018. The ordinance is similar to the provision in the Minnesota Human Rights Act, but it also allows property owners to claim an “undue hardship” based on financial considerations and other factors, which may exempt them from the ordinance requirements. Opponents of the ordinance have sued the city. The landlords are asking the court to declare the law invalid and order the city not to enforce it.

Resources Required:

Potential legal costs in the event of litigation.

Places Enacted in MN:

Minneapolis enacted 3/17; effective date mid-2018.

Staff Recommendation:

Staff feels that it would be prudent to mirror Minneapolis’ actions related to this with a 6-12 month delayed action in order to reduce the legal exposure and to better react to negative impacts.

Strategy/Tool:**Just Cause Eviction**

Staff Feedback:

Staff is concerned about the mechanism for determining whether “just cause” has been met.

Currently, the state of Minnesota is able to take enforcement action on any violation of the Fair Housing Act. Beyond that, Richfield staff has no ability, mechanism/structure or expertise to adjudicate whether a tenant has been asked to vacate at the end of their lease for a cause that is deemed to be “just” under the terms of the lease. City staff is simply not equipped to handle the enforcement of such an ordinance.

It has been suggested that the Minnesota Housing Courts could serve as the body to determine whether or not a landlord would be in violation of a Richfield ordinance requiring just cause. Staff suspects, however, that this court could not enforce a local ordinance.

Attorney Feedback:

Cities have broad local authority to regulate rental housing, usually via rental licensing provisions, to address public health, welfare and safety concerns. However, there is no explicit authority in Minnesota law giving cities the ability to require landlords and property owners to include specific terms in a lease agreement. Under state statute, “[a] tenancy at will may be terminated by either party by giving notice in writing.” Minn. Stat. § 504B.135. In a legal opinion provided to HOME Line, it was argued that this statute only addresses the who and how a tenancy may be terminated, but not the why a tenancy may be terminated. Therefore, the opinion was that an ordinance requiring landlords to have cause to evict would not be in conflict with the statute. This provides a somewhat narrow interpretation of the statute and leaves some doubt as to how a court might rule on the issue. The City Attorney is not aware of Minnesota court opinions relating to just cause eviction.

Under Minnesota law, owners of manufactured home park property may only “evict” mobile home owners for cause as provided in the statute. (Including nonpayment of rent, violations of law, etc.) Minn. Stat. § 327C.09. The Legislature has not enacted a similar provision relating to rental properties.

Other states and cities outside of Minnesota have implemented good cause eviction rules, many of which have been upheld by courts on constitutional grounds. Additional research would be needed to understand the applicable state laws and claims that were being made in those cases.

Resources Required:

Staffing for investigating claims and a body for hearing claims and appeals.

Places Enacted in MN: None

Staff Recommendation: Given limited staff capacity at this time, we recommend that consideration of this item be revisited at a later time.

Strategy/Tool: **Incentives to address landlord concerns about renting to certain groups of tenants**

Staff Feedback: Richfield already does this to some degree, and is recommending a number of further steps to address this concern

Minnesota Housing is developing a pilot program targeted to high-risk populations and people with barriers to housing beyond affordability. The City will participate in this program to the greatest extent possible.

Resources Required: \$3,000 - \$5,000 annually

Places Enacted in MN: Dakota County (church funds), Fargo-Moorhead; Lutheran Social Service, Minneapolis (out of funds).

Staff Recommendation: In the 2018 Revised Budget, staff would include \$3,000 for a Section 8 Security Deposit Assistance Fund and \$1,000 for a Section 8 Application Fee Assistance Fund.

Staff is also recommending an HRA/EDA policy stating that any non-age restricted multi-family housing development that receives financial assistance must set aside at least one unit and up to 2% of the units for Section 8 tenants (the average City-wide ratio is .07 Section 8 tenants per unit).

Strategy/Tool: **Inclusionary Housing**

Staff Feedback: For nearly 20 years, 100% of new publically-assisted, rental housing has adhered to Richfield's current informal policy of either providing 20% affordable housing or contributing 15% of their Tax Increment Financing to Richfield's Housing Fund.

Staff will be working on language to formalize our requirements while still providing some degree of flexibility. From a process standpoint, the update of

the City’s Comprehensive Plan would be the ideal venue to make this change.

The HRA could also add the requirement that buildings receiving financial assistance from the HRA accept Section 8.

Resources Required: Drafting of local ordinances/policies.

Places Enacted in MN: Several

Staff Recommendation: The Zoning Ordinance should be revised to require affordable housing in all new multi-family developments. An example of such language might state that any multi-family housing development of 10 units or more must include at least 20% of the units as affordable to households earning at or below 60% of the Area Median Income – if such developments are the recipients of Tax Increment Financing, then 15% of the TIF generated could be given to Richfield’s Housing and Redevelopment Fund in lieu of providing such units.

Strategy/Tool: **Increasing local government leverage through zoning**

Staff Feedback: In our meeting with the Housing Justice Center, they were unable to provide many examples of this strategy but have committed to providing further information. One example they suggested was zoning a parcel as affordable and placing restrictions on any rezoning. This is something that would require further investigation as to its legality or practical application.

Resources Required: TBD

Places Enacted in MN: TBD

Staff Recommendation: Continue a dialog with housing advocacy groups to get more concrete examples and then further research those examples.

Strategy/Tool: **Rental assistance**

Staff Feedback: This is one area where Richfield excels. There is no other community in Minnesota that provides more or better rental assistance relative to its size

than Richfield. Our Kids@Home program continues to be revolutionary and our Section 8 program is administered in a manner that is second-to-none.

Resources Required: EDA Funding.

Places Enacted in MN: Richfield has been the leader on this issue in terms of funding relative to community size.

Staff Recommendation: Utilizing EDA funding, Staff is proposing to increase Kids@Home funding by over 35% in 2018. This will allow us to assist an additional 8-12 households.

Strategy/Tool: **Comp Plan: Include strong language and solutions regarding affordable housing**

Staff Feedback: While we are still in the data gathering phase of the Comprehensive Plan, a great deal of the feedback thus far has related to affordable housing. A cursory review of these comments shows that about half of the respondents are generally supportive of affordable housing and/or are concerned about the inadequacy of affordable housing while the other half have a negative view of affordable housing and feel that Richfield has more than enough affordable housing.

Resources Required: A consultant has been hired to update the Comprehensive Plan.

Places Enacted in MN: All metro communities are required to update their Comprehensive Plans by 2018.

Staff Recommendation: The Comprehensive Plan update is underway and will address affordable housing.

OTHER RECOMMENDED ACTIONS

Strategy/Tool: **Building permit fee deferment/forgiveness: 15% of building fees deferred, with 1/3 of the deferment forgiven for every year rents are kept affordable**

Staff Feedback: This would be more of an incentive for the preservation of existing affordable housing than a punitive action for removing it. Richfield has always considered itself a better “carrot” organization than a “stick” organization.

Resources Required: This would reduce some revenues generated in building permits, but staff feels that it is a reduction that could be mitigated.

Places Enacted in MN: unknown

Staff Recommendation: Write and adopt a policy for a deferment of 15% of building fees for the rehabilitation of affordable rental housing units, with 1/3 of the deferment forgiven for every year rents are kept affordable.

HOUSING STRATEGIES & TOOLS FOR THE CITY OF RICHFIELD

Tools	Description	Opportunities	Challenges	Hennepin County Cities Considering
<i>Identification of buildings; Document the problem</i>	There should be an organized effort to track the most significant examples of this trend as well as identify buildings as soon as they come on the market (if possible before that). The City can also do a housing study that will identify the housing inventory and at-risk properties.	Richfield is at a great risk given the high percentage of naturally occurring affordable housing (NOAH). Identifying the multi-family housing in Richfield and documenting the problem gives the City more knowledge and ability to craft a strategic, outcome-oriented approach.		A number of cities have been doing housing studies and research on their housing inventory, particularly with the upcoming Comprehensive Plans.
<i>Notice Period</i>	The City must be given advanced notice prior to the sale of any building.	A Notice Period will give the City more to approach a preservation buyer to rehab the property and prevent displacement. In addition, the City can give service providers advanced notice in order to support tenants.	Developers will push back stating that it is restraining their ability to get the best price (i.e. buyers will lower the price if the market fluctuates in the 90 day time period.) Also, there could be a potential for the price to rise if there is a bidding war between a for-profit and a not for profit developer.	St. Louis Park, Golden Valley, Minneapolis, St. Paul, Bloomington
<i>Help preservation buyers to buy at risk buildings</i>	Several of our non-profit housing providers are actively competing in the market for these properties, but they are disadvantaged in competing against for-profit purchasers on price and timing with the complex financial process. The City can help notify preservation buyers when they know properties will be up for sale (e.g. Seasons Park).	Preservation buyers will keep the rents affordable while enhancing the property.	Preservation buyers often need at least a 90 day notice prior to the property being listed on the market in order to put together a competitive bid.	Many cities have relationships with preservation buyers, and there is frequent communication.

HOUSING STRATEGIES & TOOLS FOR THE CITY OF RICHFIELD

<p><i>Right of First Refusal</i></p>	<p>When owners offer their buildings for sale, they would be required to notify tenants and the designated unit of government. Tenants or the government unit would then have a defined period of time to match the essential terms of the offer (price, timeline, etc.). If they are able to do so, they have the right to purchase the building themselves.</p>	<p>Prevents tenant displacement and can help a preservation buyer be competitive.</p>	<p>It can be hard to anticipate where these purchase opportunities will materialize, making it difficult to know where to push for local ordinances. Could get complicated determining what the offer's "essential terms" are.</p>	<p>Minnesota has a ROFR for manufactured home parks.</p>
<p><i>Local programs offering rehab financing in return for affordability commitments</i></p>	<p>Many cities, like Richfield, have a supply of aging complexes that have deferred maintenance. Many managers of these complexes cite the costs of improvements as a reason to either 1) not make improvements or 2) increase the rents once improvements are made. Municipalities could offer rehab financing (low interest loans, forgivable grants) with commitments to maintain affordability over a set period of time. This could be done with CDBG dollars.</p>	<p>Preserves affordable housing units in the City as well as makes the property safe housing for residents.</p>	<p>Administration of the financing (could be done in conjunction with a local nonprofit), funds for the financing.</p>	<p>Bloomington- using their HRA levy money to put \$50,000 every year for a NOAH fund to preserve developments. It has been proposed to Brooklyn Park, in conjunction with their Rental Rehab Program.</p>
<p><i>4d Property Tax Program</i></p>	<p>This is essentially a tax credit given to housing providers who receive a government subsidy, and in exchange provide a percentage of their units at affordable levels (60%/50% AMI) for a set period of time. This is a program Richfield had when it was funded at the state level. That funding has dried up, and it seems that most people think 4D has gone away. However, the statute allows for "local subsidies."</p>	<p>Increases the number of new affordable housing units in the City.</p>	<p>Providing the pot of money for developers to tap into; the program is voluntary.</p>	<p>Suggested to Brooklyn Park</p>

HOUSING STRATEGIES & TOOLS FOR THE CITY OF RICHFIELD

<p><i>Prohibition of Section 8 Discrimination</i></p>	<p>Changes to business practices in Richfield resulted in the following properties no longer accepting Housing Choice Vouchers: -Christopherson Properties (no new) (2014) -Concierge Apartments (2015) -Woodlake Park Apartments (2016) -New Orleans Court Apartments (2016) -Winton Housing Apartments (2016) -Richland Court Apartments (2016) -Fountainhead Apartments (2016) -Seasons Park (2017) This ordinance would say that properties cannot exclude applicants simply because they use a rent subsidy.</p>	<p>Voucher holders would not lose housing every time a building changes policies and practices.</p> <p>There would also more housing options available to voucher holders.</p>	<p>Oftentimes the challenge will be for the HRA to lessen the administrative burden on landlords participating in the HCV program. However, given Richfield has its own HRA, landlords have said their experiences with the program are positive and feel the city is very responsive. Therefore, the challenge is minimal for the City.</p>	<p>St. Louis Park, Minneapolis, Suggested to Golden Valley, Bloomington and Eden Prairie</p>
<p><i>Just Cause Eviction</i></p>	<p>Just Cause Eviction protects tenants from eviction for improper reason as well as prevents involuntary displacement through lease non-renewals or notices to vacate. This would allow landlords to evict a tenant only for certain reasons, such as failure to pay rent or for violation of the lease terms. As we saw at Crossroads, the new screening criteria was the reason many tenants' leases to not be renewed. Just Cause would allow these renters to continue living there until they break a condition of their new lease. It can be tied in with rental licensing.</p>	<p>Prevents involuntary displacement and protects tenants from eviction without a proper reason.</p>		<p>St. Louis Park, Minneapolis, Suggested to Golden Valley, Bloomington and Eden Prairie</p>
<p><i>Incentives to address landlord concerns about renting to certain groups of tenants</i></p>	<p>Risk Mitigation Fund is oftentimes associated with the Housing Choice Voucher program. This Fund can be created as a response to the extremely low vacancy rate and the disparity between cost of living and wages. It serves as a damage fund to supplement costs the security deposit does not fulfill. It also has been offered as short-term vacancy reimbursement.</p>	<p>Incentivizes landlords to participate in voucher programs, providing voucher holders with more access to housing options.</p> <p>Provides insurance to landlords for any monetary losses from potential damage to property.</p>	<p>Funding the RMF; perpetuating stigma that voucher holders cause more damage (no evidence to support this)</p>	<p>Minneapolis HRA, Metro HRA, Dakota County CDA; many models across Minnesota.</p>

HOUSING STRATEGIES & TOOLS FOR THE CITY OF RICHFIELD

<i>Inclusionary Housing</i>	While this is in Richfield’s guidelines to develop housing with 20% affordability, a policy would ensure that this happens with every development. It also can be applied to rehabbed developments.	Increases the number of new affordable housing units in the City.	Only applies to new construction, therefore not addressing the need to preserve and maintain NOAH	St. Louis Park, Edina, Minnetonka, Golden Valley, Eden Prairie, Minneapolis and others are considering
<i>Increasing local government leverage through zoning</i>	Richfield could structure its zoning so as to prevent an owner engaging in conversion actions from doing so before obtaining the city’s zoning related approval.	Provides the City of Richfield with more leverage to intervene.		Minneapolis
<i>Rental assistance</i>	51% of Richfield households are cost burdened (ACS 2015). Rental assistance would lessen the burden by supplementing income, so housing costs are no more than 30% of income.	Residents would be able to afford housing costs without sacrificing other basic needs.	It is costly and unsustainable. As rent increases, rental assistance is insufficient and cannot serve as many households.	Hennepin County & a number of cities
<i>Comp Plan: Include strong language and solutions regarding affordable housing</i>	As Richfield completes its Comprehensive Plan, it is encouraged that the Plan has detailed solutions with strong language around the preservation of naturally occurring affordable housing. This plan will guide the City’s housing efforts in the next ten years.	Strong language can positively guide the City’s housing efforts in the next ten years.		A number of Hennepin County cities