



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
OCTOBER 15, 2018
7:00 PM**

Call to Order

Approval of the minutes of the regular Housing and Redevelopment Authority meeting of September 17, 2018.

AGENDA APPROVAL

1. Approval of the Agenda
2. **Consent Calendar contains several separate items which are acted upon by the HRA in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further HRA action on these items is necessary. However, any HRA Commissioner may request that an item be removed from the Consent Calendar and placed on the regular agenda for HRA discussion and action. All items listed on the Consent Calendar are recommended for approval.**
 - A. Consideration of the approval of the use of the Housing and Redevelopment Authority General Fund for one (1) Down Payment Assistance Loan in the amount of \$10,000.
Staff Report No. 45
3. Consideration of items, if any, removed from Consent Calendar

RESOLUTIONS

4. Consideration of the adoption of a resolution approving an Inclusionary Affordable Housing Policy.
Staff Report No. 46

HRA DISCUSSION ITEMS

5. HRA Discussion Items

EXECUTIVE DIRECTOR REPORT

6. Executive Director's Report

CLAIMS AND PAYROLLS

7. Claims and Payrolls
8. 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.



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

September 17, 2018

CALL TO ORDER

The meeting was called to order by Chair Supple at 7:04 p.m. in the Council Chambers.

HRA Members Present: Mary Supple, Chair; Pat Elliott (arrived at 7:43 p.m.); Michael Howard; and Sue Sandahl

HRA Members Absent: Erin Vrieze Daniels

Staff Present: Steve Devich, Executive Director; John Stark, Community Development Director; Julie Urban, Housing Manager; Julie Eddington, HRA Attorney; Myrt Link, HRA Accountant, and Kate Aitchison, Housing Specialist.

APPROVAL OF THE MINUTES OF THE: (1) SPECIAL CONCURRENT CITY COUNCIL AND HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF JULY 16, 2018; AND (2) REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF JULY 16, 2018.

M/Sandahl, S/Howard to approve the minutes of the: (1) Special concurrent City Council, Housing and Redevelopment Authority, and Planning Commission meeting of August 20, 2018; and (2) Regular Housing and Redevelopment Authority meeting of August 20, 2018.

Motion carried 3-0.

Item #1	APPROVAL OF THE AGENDA
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M/Howard, S/Sandahl to approve the agenda.

Motion carried 3-0.

Item #2	CONSENT CALENDAR
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Executive Director Devich presented the Consent agenda:

- A. Consideration of the approval of a contract with TMS Companies, Inc. for the demolition of 1430 66th Street East (El Jalapeno Market) (S.R. No. 38)

B. Consideration of the adoption of a resolution approving a subordination agreement related to Cedar Point II. (S.R. No. 39).

Executive Director Devich noted that an updated resolution had been provided for item B with an updated name.

M/Sandahl, S/Howard to approve of the consent calendar with amended changes.

Motion carried 3-0.

Item #3	CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM CONSENT CALENDAR
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None.

Item #4	CONSIDERATION FO THE ADOPTION OF A RESOLUTION AMENDING THE BYLAWS OF THE RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY.
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Executive Director Steve Devich presented Staff Report No. 40.

Executive Director Devich stated that upon his retirement as City Manager, a number of housekeeping changes to the Housing and Redevelopment Authority bylaws have been recommended.

Commissioner Sandahl stated that the bylaws should be clarified with the addition of some language to item 5. It should read "Regardless of who is appointed as the Executive Director of the HRA, the City Manager of the City of Richfield shall..."

Chair Supple asked if a similar action will be taken with the Economic Development Authority. Community Development Director John Stark stated that the EDA will have similar considerations to make.

M/Sandahl, S/Howard to adopt a resolution amending the bylaws of the Richfield Housing and Redevelopment Authority.

Motion carried 3-0.

Item #5	CONSIDERATION OF THE ADOPTION OF A RESOLUTION APPROVING AN AMENDED CONTRACT FOR PRIVATE DEVELOPMENT WITH CEDAR POINT INVESTMENTS, LLC FOR REDEVELOPMENT OF THE CEDAR POINT II HOUSING AREA WITH UP TO 80 UNITS OF FOR-SALE TOWNHOMES.
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Housing Manager Julie Urban presented Staff Report No. 41.

Commissioner Sandahl asked for an update on the purchase of the remaining homes on 16th Avenue in the redevelopment area. Housing Manager Urban answered that the developers have Purchase Agreements on 8 of the 11 homes, and 2 offers are currently being considered. The final home will need a bit more time for personal reasons of the homeowner.

M/Howard, S/Sandahl, to adopt a resolution approving an amended Contract for Private Development with Cedar Point Investments, LLC for the Cedar Point II Housing area.

Motion carried 3-0.

Item #6	PUBLIC HEARING AND CONSIDERATION OF THE ADOPTION OF A RESOLUTION APPROVING A CONTRACT FOR PRIVATE DEVELOPMENT WITH NHH COMPANIES, LLC FOR THE REDEVELOPMENT OF CEDAR POINT II HOUSING AREA WITH 218 UNITS OF APARTMENTS
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Housing Manager Julie Urban presented Staff Report No. 42.

Commissioner Howard asked for clarification on what the 9.5% average contribution to the Redevelopment Fund means for affordable housing. Housing Manager Urban stated that the developers did attempt to create some affordable rental units, but in the course of the ‘but for’ analysis, found that the project was not viable with that component. A total of \$486,000 will be contributed to the Housing and Redevelopment Fund over the course of the TIF period. The contributions will start during year 8 and will be approximately \$40,000 per year, to be used for other affordable housing work in the community. In the last few years, the payments will increase substantially to cover the \$486,000. The funds will be used on TIF-eligible expenses in the community.

Commissioner Howard asked the developers to share their insights.

Tony Simmons, of NHH Properties stated that given the current housing market, the rents charged do not fully cover the cost of building new apartment buildings. More city assistance would be needed to lower the rents to accommodate affordable housing rents, in order to even qualify for financing of the project.

Commissioner Howard stated that he understands the challenges of this site and development. He will support this project moving forward, and stated his acknowledgement that affordable housing will continue to be a challenge in our community.

M/Sandahl, S/Howard to close the public hearing.

Motion carried 3-0.

M/Sandahl, S/Howard to adopt a resolution approving a Contract for Private Development with NHH Companies, LLC for the Cedar Point II Housing area and selling HRA-owned properties within the development area to NHH Companies, LLC.

Commissioner Sandahl stated that even if we do not see affordability in the apartment units, there is still an overall affordability of 25% on the project, which is very good and meets our overall goals.

Motion carried 3-0.

Item #7	CONSIDERATION OF THE ACCEPTANCE OF THE RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY TAX INCREMENT DISTRICT STATUS UPDATE
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Executive Director Devich asked Rebecca Kurtz of Ehlers and Associates to present the Tax Increment District Status Update.

Commissioner Elliott arrived at 7:43 p.m.

M/Howard, S/Sandahl to accept the Richfield Housing and Redevelopment Authority Tax Increment District Status Update.

Motion carried 4-0.

Executive Director Devich added that TIF is an important tool for redevelopment. It helps when it comes back into the community with a big impact on the tax base.

Commissioner Sandahl stated that people are finally coming to Richfield and seeing the evidence of the work done with Tax Increment Financing, and it is being reflected in our housing market.

Item #8	CONSIDERATION OF THE APPOINTMENT OF A NEW EXECUTIVE DIRECTOR OF THE HOUSING AND REDEVELOPMENT AUTHORITY TO SERVE FOLLOWING THE RETIREMENT OF CURRENT EXECUTIVE DIRECTOR STEVE DEVICH
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Executive Director Devich presented Staff Report No. 44.

Executive Director Devich stated that the Executive Director of the HRA does not have to be the City Manager. Staff is recommending Community Development Director John Stark to act as Executive Director for the remainder of 2018 and through 2019 for consistency.

M/Elliott, S/Howard to appoint Community Development Director John Stark as Executive Director of the Richfield Housing and Redevelopment Authority following the retirement of current Executive Director Steve Devich for a term lasting until the regular meeting of the HRA in January 2020.

Chair Supple stated her thanks and well wishes to Executive Director Devich and her support for Community Development Director John Stark.

Commissioner Elliott stated that during the transition in the coming months, continuity is imperative.

Motion carried 4-0.

Item #9	HRA DISCUSSION ITEMS
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Commissioner Howard discussed the stream of positive stories in the media covering Richfield recently, on Fox 9 News, The Star Tribune and Kare11.

Commissioner Sandahl stated she was told by a resident that the Ice Arena and Pool need landscaping, and suggested that it be considered as the bandshell project goes through landscaping.

Commissioner Elliott stated his excited for the new restaurant opening at 66th and Penn Avenue that will serve all-day breakfast.

Item #10	EXECUTIVE DIRECTOR REPORT
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No report was offered.

Item #13	CLAIMS AND PAYROLL
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M/Sandahl, S/Elliott that the following claims and payroll be approved:

U.S. BANK	9/17/2018
Section 8 Checks: 130042-130124	\$164,176.50
HRA Checks: 33512-33530	\$80,727.55
TOTAL	\$244,904.05

Motion carried 4-0.

ADJOURNMENT

The meeting was adjourned by unanimous consent at 7:56 p.m.

Date Approved: October 15, 2018

Mary B. Supple
HRA Chair

Kate Aitchison
Housing Specialist

Steven L. Devich
Executive Director



STAFF REPORT NO. 45
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
10/15/2018

REPORT PREPARED BY: Kate Aitchison/Celeste McDermott, Housing Specialists

DEPARTMENT DIRECTOR REVIEW: Melissa Poehlman, Acting Community Development Director
10/10/2018

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Steven L. Devich, Executive Director
10/10/2018

ITEM FOR COUNCIL CONSIDERATION:

Consideration of the approval of the use of the Housing and Redevelopment Authority General Fund for one (1) Down Payment Assistance Loan in the amount of \$10,000.

EXECUTIVE SUMMARY:

In July 2018, the Richfield Housing and Redevelopment Authority (HRA) unanimously approved guidelines for a First Time Homebuyer Downpayment Assistance Program (Program). The Program will be funded utilizing Community Development Block Grant (CDBG) funds, as approved by the City Council on February 13, 2018. Since July, staff has received a number of technical suggestions for improving the Program from both Minnesota Housing and Hennepin County (who administers CDBG funding for the City of Richfield). Revised guidelines will be presented to the HRA in November 2018 for approval. Until the revised guidelines have been approved by both Hennepin County and the Richfield HRA, no CDBG funds can be used for the Program.

Currently, HRA staff has an application that meets the Program criteria: the applicants are income-eligible, have an accepted purchase offer on a home in Richfield, are verified renters in Richfield, and are first time homebuyers. Staff would like the HRA to fund this loan using the HRA General Fund so that the homebuyers can move forward with their purchase.

Future applicants would not be accepted until guidelines have gone through final revisions and approvals by Hennepin County and the HRA.

RECOMMENDED ACTION:

By motion: Approve the use of the Housing and Redevelopment Authority General Fund for one (1) Down Payment Assistance Loan in the amount of \$10,000.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- In February 2018, the Richfield City Council approved the use of Community Development Block Grant funds for a First Time Homebuyer Downpayment Assistance Program.
- In July 2018, the HRA approved the guidelines for the Program.
- This is the first applicant for the Program. The applicants first discussed the Program with City

staff at OpenStreets at PennFest.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

Per the approved guidelines:

- The Richfield HRA offers a financial assistance program for homeownership funded by the City of Richfield's CDBG program.
- The applicant must meet the following requirements at the time of application and throughout the process up until closing.
 - Must be a current renter in Richfield with verifiable lease and proof of rent paid, showing at least 6 months tenancy in Richfield.
 - Must have no prior home ownership in the past 3 years (unless displaced due to divorce).
 - Must be a U.S. citizen or have legal immigration status.
 - Must be a First Time Homebuyer, as defined in Appendix A.
 - Must not have a Gross Annual Income that exceeds the maximum income limits which are revised annually to reflect the current year's CDBG maximum income limits.
 - Must not have Gross Assets exceeding \$25,000.00.
 - Borrowers are required to invest at least \$1,000.00 of their own monies towards the purchase price of the home. Funds from public program(s) cannot be used as part of the Homebuyers portion of the down payment.
 - Must meet the requirements of a Lender and qualify for a first mortgage.
 - Must fulfill the Program obligations in a timely manner and must remain eligible to participate based on the Program requirements and those of the lender through the time of closing.
 - Must not have a previous loan through the HRA that ended in foreclosure or any other loan that ended in foreclosure within the previous five years.
 - Must not buy dwelling with a Contract for Deed.
 - Must meet the requirements as specified elsewhere in these Program Guidelines.

C. CRITICAL TIMING ISSUES:

- Closing on the purchase of the property is scheduled for October 19, 2018.

D. FINANCIAL IMPACT:

- Funding is available in the HRA General Fund.

E. LEGAL CONSIDERATION:

- A mortgage and promissory note will be filed at the time of closing, and recorded with Hennepin County to secure the HRA's lien.

ALTERNATIVE RECOMMENDATION(S):

- Do not approve the use of the HRA General Fund for one (1) First Time Homebuyer Downpayment Assistance Program loan in the amount of \$10,000.

PRINCIPAL PARTIES EXPECTED AT MEETING:

None

ATTACHMENTS:

Description	Type
Richfield First Time Homebuyer Downpayment Assistance Program Guidelines	Backup Material

**City of Richfield
First Time Homebuyer Program**

Part I: GENERAL PROGRAM DESCRIPTION

Program Overview

The Richfield Housing and Redevelopment Authority (HRA) offers a financial assistance program for homeownership funded by the City of Richfield’s Community Development Block Grant (CDBG) program. The First Time Homebuyers Program provides financial assistance for low and moderate income households to become homeowners.

Administration of the First Time Homebuyers Program and the functions and responsibilities of the HRA staff shall be in compliance with the U.S. Department of Housing and Urban Development (HUD) CDBG regulations as well as all Federal, State and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.

No family or individual shall be denied the equal opportunity to apply for or receive assistance under the First Time Homebuyer’s Program on the basis of race, color, gender, religion, creed, national origin, age, familial or marital status, handicap or disability, sexual orientation or reliance on public assistance.

The HRA office is accessible to persons with disabilities. Accessibility for the hearing impaired is provided by the Minnesota Relay Service and the City of Richfield.

Program Goals

The First Time Homebuyer’s Program has the following two goals:

- a. Assist low and moderate income families who rent in Richfield to purchase homes within the City of Richfield by providing assistance with down payment, closing costs and mortgage principle reduction.
- b. Promote responsible home ownership

Program Administration

The Program will be administered through the HRA. Interested applicants should contact HRA staff by calling 612-861-9778.

Data Privacy

The HRA is subject to Minnesota Statutes Chapter 13 (the “Minnesota Government Data Practices Act”). Under the Minnesota Government Data Practices Act, the names and addresses of applicants for or recipients of assistance under this program and the amount of assistance received under this program are public data. All other financial information submitted to the HRA for purposes of the loan application is considered private data.

Purpose of the Program Guidelines

The purpose of these guidelines is to establish policies for carrying out the First Time Homebuyer Program in a manner consistent with HUD requirements and local goals and objectives contained in the City of Richfield’s Consolidated Plan and Annual Action Plans. The HRA is responsible for complying with

all changes in HUD regulations pertaining to the CDBG program. If such changes conflict with these guidelines, HUD regulations will have precedence. Application regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 570: Community Development Block Grant
- 24 CFR Part 35: Lead Based Paint Regulations

PART II: PROGRAM POLICIES

Financial Assistance

The Financial Assistance may be used to:

- Pay up to 50% of the amount the homebuyer is required to provide toward the down payment under the particular mortgage program they are utilizing, not to exceed \$5,000. The homebuyer must contribute the remaining 50% using their own funds. Homebuyer's minimum investment is \$1,000.
- Pay up to 100% of the homebuyer's eligible closing costs not to exceed \$5,000. Borrowers are not permitted to use program funds for interest rate buy downs unless documentation is provided from the lender that shows the buy down is necessary to secure their primary mortgage. Eligible closing costs do not include optional insurances (i.e. optional owner's insurance policy, etc.).
- Reduce the mortgage principal up to 10% of the purchase price to a maximum of \$20,000. The applicant(s) housing Debt to Income Ratio (DTI) must be at least 25%, but cannot exceed 35% of their gross monthly qualifying income. The housing DTI is calculated using the current year's projected income. Under certain circumstances, the HRA Executive Director may allow the DTI to exceed 35%.

The financial assistance will be provided at a minimum amount of \$3,000.00 and a maximum amount of \$10,000.00. In certain situations, the HRA Executive Director may allow assistance in excess of the maximum at their discretion. The HRA Staff will make a determination on the amount of assistance an applicant qualifies for. That determination will be based upon a review of the applicant's verified income and assets, estimated closing costs, purchase agreement, and lender's recommendations for financial assistance in compliance with uses described above. Lenders must provide a pre-approval letter indicating the maximum amount of financing the borrower would qualify for from the first mortgage lender.

The HRA will verify an applicant's income and assets through third party written verifications as provided by either the lender or by the HRA. The HRA Staff may re-verify income and asset information provided by the lender. The HRA will calculate the applicant's gross annual income using paystubs and recent tax returns or third party verification as defined in Appendix A to ensure the applicant(s) qualifies as a low or moderate income household as required by CDBG regulations and to determine the maximum amount of assistance.

Financial assistance will be provided at the time of closing on the property with the following conditions:

- Selected applicants must meet the requirements of the program and be eligible for the financial assistance throughout the entire application process.
- The housing unit to be purchased and the purchase price must be accepted by the HRA as meeting the intent and requirements of the program.
- The financial assistance provided by the program is in the form of a no-interest loan that is forgiven 10 years from the initial purchase date. If the house is sold, transferred or no longer the primary place of residence within that 10 year period, the loan will be repaid on a pro-rated basis.
- The homebuyers must enter into a second mortgage and execute a Repayment Agreement with the HRA providing for repayment of the indebtedness 10 years from the initial purchase date or when the house is sold, transferred or no longer the primary place of residence, whichever occurs first.

Responsibilities of the First Time Homebuyer

The responsibilities of the prospective homebuyers are to:

- Obtain mortgage pre-qualification from a Minnesota Housing approved lender
- Submit a pre-application and mortgage pre-qualification to the HRA
- Complete, sign and return the full application packet, authorization for release of information form, and other certification and verification forms within the time frame specified.
- Register and attend the Home Stretch or Framework – Homebuyers workshop such as those offered by Community Action Partnership of Hennepin County (CAP-HC), Neighborhood Development Alliance (NeDA) or PRG Inc. More information about homebuyer education can be found online at: <http://www.hocmn.org/buyingahome/homebuyer-education/>. Classes must have been completed within 12 months prior to closing. The applicant will be provided with a certificate of attendance. A copy of this certificate should be forwarded to the lender and the HRA. Applicants may be required to attend an individual counseling session with a housing counselor at one of the agencies listed above. If the financial counselor recommends that the applicant is not ready to purchase a home, the HRA may not provide assistance until the applicant has satisfied staff concerns.
- Select a real estate agent, if one is desired.
- Select a dwelling in Richfield for purchase that is owner-occupied or vacant and is an eligible dwelling under the program.
- Provide information throughout the process as required by the lender or the HRA staff.
- Execute a purchase agreement.
- Execute the lender's mortgage and related documents.
- Execute the HRA's Mortgage, Loan Agreement and Promissory Note.

- Close on the property within the time frame specified.
- Execute other required forms within the time frame specified or required.
- Take occupancy of the dwelling within 30 days after closing, homestead the property, and continue to occupy the dwelling as a Principal Place of Residence.
- Make principal, interest, property tax and insurance payments as required.
- Reimburse the HRA in accordance with the HRA's Mortgage, Loan Agreement, and Promissory Note should the First Time Homebuyer trigger repayment through sale, moving, transfer of ownership or foreclosure within 10 years or default on any other terms of these documents.

Responsibilities of the Lender

The lender must:

- Verify the prospective homebuyer's income and assets to determine that they meet the requirements of the program and submit a copy of the verification to the HRA. These copies must be submitted to the HRA as part of a completed application.
- Compute the Mortgage, Down Payment, Mortgage payments and Closing Costs of Acceptable Loans approved by the Program to determine the most cost-effective and appropriate form of financing for the First Time Homebuyer to use.
- Provide a title search and review the documents.
- Provide the HRA with a pre-approval letter stating the maximum mortgage amount the applicant is approved for.
- Provide the HRA other verification materials as requested by the HRA.
- Process a mortgage consistent with the Program.
- Meet all deadlines in a timely fashion, especially those that relate to the Closing. All documents must be completed at least 10 days prior to the Closing and be delivered to the HRA at least seven days before the Closing.
- Appraise property to determine the loan-to-value ratio.

Responsibilities of the HRA

The responsibilities of the HRA for the Program are to:

- Establish Program requirements and administer the Program.
- Send applicants the application form, the authorization for release of information form and other certification and verification forms.
- Review the Application and other material for eligibility.

- Establish the initial eligibility of participants via the information provided in the pre-application process. Full approval will be determined upon completion and submission of a full application and supporting documents.
- Notify applicants when ineligible.
- Direct prospective buyers to register for the homebuyer workshops and provide information and forms related to the Program.
- Provide liaison services involving the prospective buyer, lender and any real estate agent that might be involved in the transaction.
- Review appraisal, purchase agreement, eligibility and mortgage for consistency with the Program requirements.
- Prepare and execute the HRA Mortgage, Loan Agreement, and Promissory Note.
- Provide financial assistance according to Program guidelines to the applicant at the time of Closing.
- Service the HRA Mortgage, Loan Agreement, and Promissory Note.
- Modify or terminate the Program as may be appropriate or required.

Pre-Application Process

At the time of application, applicants must provide the HRA with the following information and meet the eligibility requirements:

- Names and ages of all household members
- Address and telephone numbers
- Total gross annual income from all sources (i.e. employment, social security income, child support, etc.)
- Lease start and end dates
- Letter from lender indicating the amount of a home loan for which applicant is pre-qualified
- Authorization for release of information

The information listed above will provide the HRA sufficient information to determine if the applicant is eligible for the Program. Applicants will be notified if they are eligible or ineligible based on the information provided in the pre-application.

It is the responsibility of each applicant to ensure that the information is correct and that the HRA receives his or her application. Only pre-applications with original signatures will be accepted.

Supporting Documentation

Eligible applicants will be required to submit the following supporting documentation:

- Authorized Purchase Agreement on a home in Richfield
- Three months of pay stubs for all household members earning income.
- Two years of tax returns stubs for all household members earning income.
- Three months of bank statements, financial statements and all other document(s) that verify gross assets.
- Copy of current lease.
- Last three previous addresses.
- Proof of completion of an approved homebuyer workshop.

Summary of the Application Process

If the applicant qualifies to apply for the Program, the application should proceed with the application process, which includes:

- The applicant selects a participating lender and applies for mortgage pre-approval.
- The applicant completes and submits to the HRA: (i) a First Time Homebuyer application; (ii) authorization form for release of information to the HRA ; and (iii) a mortgage pre-approval letter from the lender.
- The applicant is notified by the HRA whether or not they are eligible for the Program based on the information provided.
- The applicant registers for and attends the homebuyer workshop series.
- The applicant searches for a home in Richfield.
- The applicant enters into a Purchase Agreement and contacts the lender.
- The lender authorizes appraisal of home.
- The lender confirms applicant's mortgage eligibility and approves purchase.
- The applicant contacts the HRA with supporting documentation.
- The HRA conducts an initial lead-based paint hazard inspection of the property, if the dwelling was built prior to 1978. If evidence of lead-based paint is found on the property, a formal Lead Assessment will be ordered with a licensed Lead Risk Assessor.
- The HRA reviews appraisal, Purchase Agreement, Loan Estimate, and eligibility verification for consistency with program goals and requirements.
- The HRA issues an approval letter or denial letter to applicant.

- The HRA prepares the closing documents required by the City's First Time Homebuyer Program Guidelines.

Eligibility Requirements

To be eligible to participate in the Program, the applicant must meet the following requirements at the time of application and throughout the process up until Closing.

- Must be a current renter in Richfield with verifiable lease and proof of rent paid, showing at least 6 months tenancy in Richfield.
- Must have no prior home ownership in the past 3 years (unless displaced due to divorce).
- Must be a U.S. citizen or have legal immigration status.
- Must be a First Time Homebuyer, as defined in Appendix A.
- Must not have a Gross annual Income that exceeds the maximum income limits which are revised annually to reflect the current year's CDBG maximum income limits.
- Must not have Gross Assets exceeding \$25,000.00.
- Borrowers are required to invest at least \$1,000.00 of their own monies towards the purchase price of the home. Funds from public program(s) cannot be used as part of the Homebuyers portion of the down payment.
- Must meet the requirements of a Lender and qualify for a first mortgage.
- Must fulfill the Program obligations in a timely manner and must remain eligible to participate based on the program requirements and those of the lender through the time of Closing.
- Must not have a previous loan through the HRA that ended in foreclosure or any other loan that ended in foreclosure within the previous five years.
- Must not buy dwelling with a contract for deed.
- Must meet the requirements as specified elsewhere in these First Time Homebuyer Program Guidelines.

Denial of Eligibility

The HRA will review and verify all applications for eligibility. Those applicants not meeting the eligibility requirements will be sent a written notice explaining the reason(s) for denial of program participation.

Appeals regarding interpretation of eligibility requirements may be made in writing to the HRA Executive Director, and then to the Director of Community Development and then to the City Manager, and then to the HRA Board. Appeals that clearly do not meet eligibility requirements will not be considered.

Eligible Dwellings

To be eligible the property must meet the following requirements:

- Be located within the City of Richfield.
- Be a single-family dwelling, a townhouse unit, or a condominium unit.
- Be a conforming use as defined by the Richfield Zoning Ordinance.
- Be free of lead-based paint hazards at the time of Closing.

The HRA may require an inspection of the dwelling for compliance with the Richfield Housing Code. The HRA will require an inspection of all dwellings built prior to 1978 for compliance with HUD's lead-based paint hazard regulations.

Applicant Outreach

The HRA will publicize and disseminate information to make known the availability of homeownership assistance on a regular basis through a variety of media and other suitable means. The availability of assistance will be communicated to other services providers, realtors, and lenders in the community and advise them of the guidelines so that they can make proper referrals for the Program. Realtors and lenders will be encouraged to provide additional services to eligible clients to ensure their successful utilization of the program.

Applicant Pool

The applicant pool for the Program shall consist of all those who have completed and returned to the HRA a pre-application form, written verification from their lender of pre-approval, and who have acknowledged that they will meet the eligibility requirements.

Funds will be available to the applicant pool on a first come, first serve basis. Eligible applicants will be approved for funding when they or their lender notify the HRA of the applicant's approved purchase agreement and the full application packet is completed and returned. If funding is limited and more than one applicant is at the purchasing stage, the HRA will provide funding to the applicant who qualifies for the most preference points.

Preference points have been established to meet the goals of the HRA. Each preference category is worth one (1) point. The maximum points any one household could receive are five (5) points. Households with the highest point totals will be selected first. In the event of a tie, a drawing or lottery will be held to rank the applicants within each of the preference categories.

- Applicant with dependents under age 18
- Applicant has lived in Richfield longer than 6 months prior to Closing
- Head or co-head of household has primary, longer-term employment in Richfield
- Applicant currently participates in Richfield's Kids @ Home Program
- Applicant has never owned a home (versus having owned a home over three years ago)

Approval from the applicant pool is tentative and conditional. Families selected for participation must fulfill the Program obligations in a timely manner and must remain eligible to participate based on the Program requirements and those of the lender through the time of Closing.

Lender Outreach

The HRA will solicit lender participation as needed. The HRA will review requests from lenders to be approved as a participating lender of the First Time Homebuyer Program. The lenders must be FHA and Minnesota Housing approved and exhibit a willingness to provide mortgage products to low and moderate income households.

PART III: PROGRAM RULES

Lenders

All lenders must be approved by Minnesota Housing. Find a lender here: <http://www.mnhousing.gov/>. Lenders and their representatives must also be willing to participate in the Richfield First Time Homebuyer Program. Applicants should ask the lender if they have received the City's First Time Homebuyer Program Guidelines and if they are familiar with the process. It is the applicant's responsibility to make arrangements for obtaining pre-qualification or pre-indication of approval and for making an application for a mortgage. **A letter from the lender indicating the amount of the mortgage for which the applicant pre-qualifies must be provided with each pre-application.** The same lender must be used when the applicant goes for pre-approval of a mortgage prior to the purchase of a home, so it is recommended that the applicant selects the lender carefully.

Lead Based Paint Hazard Requirements

All applicants purchasing a dwelling built prior to 1978 will be provided with a lead based paint brochure and must sign a certification of receipt of the brochure.

As a condition of funding, the applicant will be required to purchase a home free of Lead Based Paint (LBP) hazards. If the dwelling was built prior to 1978 a visual assessment for deteriorated paint will be done by City staff. Applicants will be informed that the inspection is only to determine the presence of deteriorated paint and they may also want to obtain a complete Home Inspection from a certified Home Inspector.

If deteriorated paint is found, the HRA will contract with a certified Risk Assessor to perform the necessary tests to determine if there is a lead hazard risk. A copy of a clean Lead Risk Assessment report must be submitted to the HRA before the home is approved for assistance. If the applicant refuses, the property will not be eligible for assistance. The applicant will need to find another house that is or will be made LBP risk free in order to qualify for assistance.

If LBP risks are found, stabilization of the defective paint, cleanup and clearance will be required before funds are approved for assistance. The presence of LBP risks should be treated like any other defect found during an inspection and may be negotiated between buyer and seller. Clearance will be required before the home can be safely occupied and will assure that there are no remaining lead hazards.

Repayment of Assistance

Repayment of the down payment assistance loan shall occur upon the earliest of:

- Sale or transfer
- The property ceases for any reason to be the homebuyer’s principal place of residence.
- Default on the mortgage with the HRA or any superior mortgage on the property.

Repayment of the loan shall be pro-rated, with the principal amount due reduced by 10% for each year of the homeowner’s tenancy in their Richfield home, as established by the loan date on the filed mortgage with the HRA.

AGE OF LOAN	AMOUNT OF PRINCIPAL LOAN AMOUNT DUE
0 - 1 year	100 % of principal loan amount due
1 - 2 year	90% of principal loan amount due
2 - 3 years	80% of principal loan amount due
3 - 4 years	70% of principal loan amount due
4 - 5 years	60% of principal loan amount due
5 - 6 years	50% of principal loan amount due
6 - 7 years	40% of principal loan amount due
7 - 8 years	30% of principal loan amount due
8 - 9 years	20% of principal loan amount due
9 - 10 years	10% of principal loan amount due
10+ years	0% due, Loan Fully forgiven

When a loan made by the HRA is paid in full or forgiven, a document satisfying the lien will be prepared by the HRA, executed by the Executive Director or his or her delegate and delivered to the borrower for recording. The borrower is responsible for the cost of recording the satisfaction.

Subordination of Mortgages

Richfield Housing and Redevelopment Authority (HRA) loan recipients requesting subordination of the interest of the HRA in real property must submit a Subordination Request Form, the required supporting documentation, and a processing fee. Forms are available on the City of Richfield website (www.cityofrichfield.org) or by calling the Community Development Department at 612-861-9760. Requests will not be considered until all documents and the processing fee have been received.

The following information must be submitted with the Subordination Request Form:

1. A typed letter dated and signed by the mortgagor, stating the reason for the requested subordination and the use of any equity being removed as part of the loan transaction.
2. A copy of the current appraisal (dated within six months of application) or other evidence of market value of the property that is acceptable to the HRA.
3. A copy of current title work (must indicate all debt against the property).

4. Explanation of remaining debts or liens with supporting documentation (i.e. most recent mortgage bill).
5. Estimated closing costs/settlement statement, where applicable.
6. A copy of the mortgagor's loan application.
7. Additional documentation may be required.

The HRA will subordinate its mortgage interest if all of the following conditions are met, to the extent that they are applicable:

1. Closing costs are reasonable. Generally this shall mean that the sum of all discount points, origination fees, and lender ancillary fees generally shall not exceed 3% of the new first mortgage amount.
2. If the HRA believes that the payment terms of the refinance are within the financial means of the borrower.
3. The total debt secured by the property, including the HRA lien and all superior mortgages, does not exceed 80% of the documented market value of the property.
4. Any equity being removed beyond the cost of the loan transaction will be used to improve the property. A typed letter, dated and signed by the applicant, must be submitted stating the use of any equity being removed.
5. The overall value of superior debt must not be increased by more than 50%.
6. If no more than one subordination request has been approved by the HRA in the past five years.
7. Property taxes, if not escrowed by the superior mortgage holder, must be current.

The HRA will not subordinate to reverse mortgages. In most cases, interest-only loans or loans with interest-only options, revolving lines of credits or debt consolidation will not be allowed unless the HRA determines that an acceptable reason warrants this type of loan.

The HRA may approve other subordination requests not meeting the conditions above on a case-by-case basis that are clearly in the best interests of the HRA, where the security of the HRA loan remains acceptable, and denial of the request will cause or contribute to a documented hardship on the part of the borrower.

The fee for a subordination request is established by the HRA. If the subordination request is denied, the fee will be returned with a letter explaining the reason(s) for denial. An additional fee is required for an appeal to the HRA and is non-refundable.

Subordination requests will be processed by HRA staff, who will submit the request with a recommendation for action, to the Executive Director. The Executive Director has the authority to grant a subordination request when, based on his or her discretion, the subordination is reasonable based on the criteria set forth in this Policy. The Executive Director may request review and final decision by the HRA. Requests for subordination should be submitted 30 days prior to the date the agreement to subordinate is needed. Exceptions may be made on a case-by-case basis.

In cases where a subordination request does not meet the Policy, the Executive Director may grant an administrative appeal under the following circumstances:

- Loan-to-value (LTV) ratio is greater than 80%, but no greater than 85%; or
- Equity being removed for anything other than property improvements does not exceed \$5000; or
- The amount of financing superior to the HRA lien does not increase more than the cost of settlement charges related to the refinancing; or
- The overall superior debt increases more than 50% but the value of superior debt is unusually low and/or sufficient equity protection exists

If an application is denied, the applicant may request an appeal in writing. Appeals will be submitted by staff to the HRA at the next regularly scheduled meeting, provided the request is made at least 10 days prior to that meeting. The HRA meets on the third Monday of each month.

Targeted Funding

At various times, the HRA may target Program funding for purchases in specific developments. Applicants purchasing in those developments would receive Program funding prior to all other applications.

Total Amount of Assistance

The total amount of assistance received through the Richfield HRA for the First Time Homebuyer Program cannot exceed \$10,000.

Modification and Termination of Program

The HRA may modify or terminate the Program as it deems appropriate or as required by HUD. Once the HRA has provided financial assistance and the mortgage executed, financial assistance shall not be rescinded except as provide for in the executed HRA Mortgage, Loan Agreement, and Promissory Note.

APPENDIX A

DEFINITIONS

Acceptable Loans – Conventional, Fannie Mae, FHA, VA and ARM's that at a minimum are at a fixed rate for the first seven years.

Applicant – an individual or household submitting an application for a loan.

Application – The form used to request assistance for the City's First Time Homebuyer funds.

ARM or Adjustable Rate Mortgage – a mortgage that offers an initial rate that is fixed for a certain number of years of repayment; the rate then adjusts every year thereafter for the remaining life of the loan.

CAPHC or Community Action Partnership of Hennepin County – an agency working in all of Hennepin County to assist low income people with services to individuals through outreach, energy assistance programs, homeownership services and financial counseling.

CDBG or Community Development Block Grant Program – an annual entitlement program provided to the City of Richfield through the U. S. Department of Housing and Urban Development (HUD).

City – The City of Richfield.

Clearance – A lead based paint Certification that all lead issues have been remediated.

Closing – The consummation of the real estate transaction. The Closing includes the delivery of a deed, financial adjustments the signing of notes, mortgages, and the disbursement of funds necessary to complete the sale and loan transaction.

Closing Costs – Those costs required by the lender to be paid by the buyer for various fees, credit report costs, insurance, etc., at the time of Closing on a property.

Consolidated and Annual Action Plans – HUD requires the City of Richfield to submit a 5 year Consolidated Plan and an Annual Action Plan to guide housing, homelessness and Community Development activities.

Conventional Mortgage – A type of residential mortgage loan, usually from a bank or savings and loan association, with a fixed rate and term. It is repayable in fixed monthly payments over a period usually 30 – 40 years or less, secured by real property, and not insured by the Federal Housing Administration or guaranteed by the Veterans Administration.

Down Payment – A type of payment made by a homebuyer indicating intention to purchase real estate offered for sale and obtain financing from a bank or mortgage company.

DTI or Debt to Income Rate – the percentage of income that goes toward housing costs including mortgage principal and interest, mortgage insurance premium, hazard insurance premium, property taxes, and homeowners association dues (when applicable).

Fannie Mae or Federal National Mortgage Association – A privately owned and operated corporation that buys mortgages from such lenders as banks and savings and loans, packages and resells them on the open market.

FHA or Federal Housing Administration – A Federal agency that administers many loan programs, loan Guarantee programs, and Loan Insurance programs designed to make more housing available.

First Time Homebuyer – A household who has not owned a dwelling of any kind within the preceding three years from the date of application or who has been displaced due to a divorce situation.

Gross Annual Income – The Gross annual Income of a Household for the purposes of this program is defined for purposes of reporting under Internal Revenue Service Form 1040 for individual Federal annual income tax purposes as per 24 CFR 570.3.

Gross Assets – The current market value of the following minus existing indebtedness: *(Typically, it does not include 401K funds, pensions or other deferred compensation funds.)*

1. Cash on hand
2. Cash in checking accounts
3. Cash in savings accounts, including accounts held in trust.
4. Investment securities (government bonds, municipal bonds)
5. Stocks
6. Certificate of deposits and annuities

Guidelines – The set of standards, criteria, and specifications to be used in administering the Program.

Household – All persons residing in one housing unit; which may include one or more families, a single person, a married couple, or two or more unrelated persons.

Housing Counselor – A person who provides direct customer services primarily to groups, individuals, households seeking information and assistance with housing issues.

HRA – The Housing and Redevelopment Authority in and for the City of Richfield, which administers the City's First Time Homebuyer Program.

HUD or U. S. Department of Housing and Urban Development – The principal federal agency responsible for implementing certain federal housing and community development programs.

Income - The amount of money or its equivalent received during a period of time in exchange for labor or services, from the sale of goods or property, or as profit from financial investments.

Lead Risk Assessment – A report that describes the health risk assessment, management process, estimates of the costs of recovery, and summaries of possible defensive measures required per HUD regulation CFR Part 35: Lead Based Paint Regulations.

Lender – Individual or firm that extends money to a borrower with the expectation of being repaid, usually with interest.

Loan Estimate – Document disclosing the approximate closing costs a mortgage applicant will pay at or before the mortgage settlement date.

Low Income Household– A household whose annual income does not exceed the low income limit as established by HUD with adjustments for smaller and larger families.

Minnesota Housing – The Minnesota Housing Finance Agency; a Minnesota State agency that administers a variety of first time homebuyer loan programs.

Moderate Income Household – A household whose annual income does not exceed 80 percent of the median income for the area, as determine by HUD with adjustments for smaller and larger families.

Mortgage – The conveyance of an interest in real property given as security for the payment of a loan.

Principal Place of Residence – To occupy the home as the primary residence on a permanent basis.

Program – The City’s First Time Homebuyer Program.

Promissory Note – A written instrument containing a promise by the signer to pay and agreed amount.

Purchase Agreement – An agreement between buyer and seller of real property, setting forth the price, and terms of the sale. Also known as a sales contract.

Reducing the Mortgage Principal Amount – A method of benefitting the buyer through the use of a portion or all of the HRA provided financial assistance to lower the mortgage principle amount. In effect, this assistance acts as a larger down payment and helps to reduce the monthly mortgage payments. The available amount of assistance is up to 10% of the purchase price to a maximum of \$10,000. Borrowers are expected to contribute at least 25% of their gross qualifying income toward their monthly payment before Richfield financial assistance can be used for reduction of the mortgage principal.

Satisfaction of Mortgage – A document releasing a mortgage lien, indicating the borrower has paid the debt in full.

Second Mortgage – A loan on a property that already has an existing mortgage (the first mortgage). The second mortgage is subordinate to the first.

VA Loan – Department of Veterans Affairs, providing below-market financing with no down payment to veterans of the U.S. Armed Services.



STAFF REPORT NO. 46
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
10/15/2018

REPORT PREPARED BY: John Stark, Community Development Director

DEPARTMENT DIRECTOR REVIEW: John Stark, Community Development Director
10/10/2018

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Steven L. Devich, Executive Director
10/10/2018

ITEM FOR COUNCIL CONSIDERATION:

Consideration of the adoption of a resolution approving an Inclusionary Affordable Housing Policy.

EXECUTIVE SUMMARY:

In 2013, both the Richfield City Council and the Richfield Housing and Redevelopment Authority (HRA) adopted a Housing Policy Vision Statement that supports a "full range and balance of housing types that match the choices of its diverse residents." Furthermore, there have been many HRA discussions in the past eighteen months related to continuing support for affordable housing. As a part of the implementation of the Housing Visioning Statement, and in conformance with City Council direction, staff is recommending the adoption of a formal Inclusionary Affordable Housing Policy (Policy).

A preliminary draft of this Policy was presented to the City Council and Richfield HRA at a July 16 concurrent work session. Much of this Policy has been consistently applied to developments receiving public assistance over the past twenty years. A formal Policy, however, will better define expectations and requirements in a more transparent manner.

The proposed Policy would require housing developers receiving public subsidy to either:

- Make at least 20% of all housing units to be affordable to either renters earning less than 60% of the Area Median Income (AMI) or owners earning less than 115% of the AMI, or;
 - Pledge 15% of the net-present-value of the subsidy they receive to the Richfield Housing and Redevelopment Fund, and;
 - Must provide 90-day notice of sale, and;
 - Must agree to not discriminate against renters receiving rental subsidies (including the Section 8 Housing Choice program).
- Based on feedback from the September 25, 2018 City Council meeting, the proposed Policy has been revised to state that it is to be applied only for development of 5 or more units and that, in the case of "scattered site" developments (Richfield Rediscovered and New Home) the 20% affordability requirement shall be applied cumulatively over a three-year period.

RECOMMENDED ACTION:

By motion: Adopt a resolution approving an Inclusionary Affordable Housing Policy.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- In 2013 the Richfield City Council and HRA adopted a Housing Policy Vision Statement that supports a "full range and balance of housing types that match the choices of its diverse residents."
- Since April of 2017, the HRA has been considering the need to preserve the City's Naturally Occurring Affordable Housing (NOAH) and to insure the construction of a mix of housing affordability.
- In October 2017 the City Council and HRA established goals and a work plan for strengthening the City's apartment communities. The proposed Policy supports these goals and is one step in the work plan.
- In May 2018, the City Council and HRA directed staff to move forward on drafting a Policy.
- On July 16, 2018, the HRA reviewed a draft Policy.
- The City Council adopted the proposed Policy in concept at their September 25 meeting and will vote to affirm this action at their October 23 meeting.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- The proposed Policy furthers the HRA goal to provide a mix of housing types (including a mix of affordability levels).
- This Policy applies to the inclusion of affordable housing units. In the coming months, staff will be researching and drafting a policy regarding the inclusion of physically accessible housing units and amenities.

C. CRITICAL TIMING ISSUES:

- If approved by the HRA, the Policy will become effective immediately for projects that receive financial assistance from the HRA.

D. FINANCIAL IMPACT:

- While there is no fiscal impact on City/HRA operational costs, a developer's election to pledge funds to the HRA's Housing and Redevelopment Fund would be available to assist in affordable housing costs throughout the community.

E. LEGAL CONSIDERATION:

- The Richfield City Attorney prepared the resolution.

ALTERNATIVE RECOMMENDATION(S):

- The HRA may choose to:
 - Approve the Policy with changes;
 - Delay consideration of the Policy for further study; or
 - Decide not to adopt the Policy.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

Description	Type
☐ Resolution	Resolution Letter
☐ Inclusionary Housing Policy	Backup Material
☐ 2013 Housing Visioning Statement	Cover Memo

RESOLUTION NO. ____

**A RESOLUTION APPROVING THE ADOPTION OF
AN INCLUSIONARY AFFORDABLE HOUSING POLICY**

WHEREAS, the Richfield Housing and Redevelopment Authority (HRA) adopted a Housing Policy Vision Statement in 2013 that supports a full range and balance of housing types that match the choices of its diverse residents; and

WHEREAS, the HRA wishes to further support development of high quality housing in the community for households of various income levels, ages and sizes in order to help the City meet its goals of preserving and promoting economically diverse housing options in the City; and

WHEREAS, without intervention, housing prices will continue to rise in new developments;

WHEREAS, the HRA wants to ensure that both the public and private sectors continue to create affordable housing opportunities in the City; and

WHEREAS, the HRA believes that adoption of a policy setting criteria and incentives for developers to build new affordable units will assist the City in achieving its inclusionary housing goals; and

NOW, THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Authority in, and of, the City of Richfield, Minnesota, that:

1. The Inclusionary Affordable Housing Policy is hereby approved and adopted.
2. HRA staff is authorized to carry out the policy effective immediately.

Adopted by the Housing and Redevelopment Authority in, and of, the City of Richfield, Minnesota this 15th day of October 2018.

Mary Supple, Chair

ATTEST:

Erin Vrieze Daniels, Secretary

City of Richfield
Richfield Housing and Redevelopment Authority
Richfield Economic Development Authority
Inclusionary Affordable Housing Policy

The City of Richfield, Richfield Housing and Redevelopment Authority, and Richfield Economic Development Authority are committed to building a community that is welcoming and affordable to a diverse population of individuals and families at all stages of their lives. As such, we hereby establish the following policy for the inclusion of affordable housing in development proposals.

Requirements

1. Housing Development Projects containing the construction of at least 5 new units which receive Financial Assistance from HRA, EDA or City:
 - a. Must contain at least 20% affordable units
 - i. At least 20% of rental housing units must be made affordable to tenant households earning no more than 60% of the Area Median Income over a period of ten years or the duration of the subsidy (whichever is longer);
 - ii. At least 20% of owner-occupied housing units must be made affordable to, and initially sold to, households earning no more than 115% of the Area Median Income;
 - iii. At least 20% of the grand total of housing units in a mixed rental/ownership development must be affordable at the affordability levels established in 1.a)i and 1.a)ii,
 - or;
 - b. Must contribute to the Richfield Housing and Redevelopment Fund
 - i. 15% of the “net present value” of Tax Increment generated by the project (or 15% of the net present value of other types of assistance) must be pledged to the Richfield Housing and Redevelopment Fund over a period of ten years or the duration of the subsidy (whichever is longer), or;
 - ii. A pro-rata combination of the above (i.e. 10% affordable units and a 7.5% contribution) may be considered, and;
 - c. Must agree to provide 90 days’ advance notice to the public body providing funding of any sale of the property,
and;
 - d. Must agree to not discriminate against households utilizing Housing Choice Vouchers (Section 8) or other forms of rental assistance.
2. Non-Housing Development Projects that receive Financial Assistance from HRA, EDA or City and which result in the loss of affordable housing:
 - a. Affordable housing units eliminated by the project must be replaced on-site or at another location in Richfield by the developer at similar affordability levels, or;
 - b. 5-15% (depending on the magnitude of the loss of affordable housing) of the “net present value” of the Financial Assistance provided must be pledged to the Richfield Housing and Redevelopment Fund over a period of ten years or the duration of the subsidy (whichever is longer).

Incentives

3. Housing Development Projects which include affordable units (as outlined in 1a above) are eligible to apply to the City for the following considerations regardless of whether or not they receive Public Financial Assistance:
 - i. Building Permit Fee Reductions (10% reduction for rehabilitation and/or 5% reduction for new construction);
 - ii. 4d Property Tax Reduction (rental projects);
 - iii. Consideration of code flexibility (e.g., smaller setbacks, excessive impervious surface, etc.) in planned unit developments;
 - iv. A housing unit density bonus of 5-15% (e.g., a project in an area that allows 8-24 units/acre could add an additional 1-4 units/acre and remain in compliance).

Exceptions

4. With regards to “scattered-site single family housing development”, at least 20% of the units constructed in any three-year period must meet the proscribed affordability requirements.
5. The City Council or Board of Commissioners of the Housing and Redevelopment Authority or Economic Development Authority may vary the application of this policy as circumstances warrant with the adoption of findings of the reasons for doing so.

Adopted:

This 23rd day of October, 2018 by the Richfield City Council.

Mayor

Secretary

This 15th day of October, 2018 by the Richfield Housing and Redevelopment Authority.

Chair

Secretary

This 15th day of October, 2018 by the Richfield Economic Development Authority.

President

Secretary

Richfield Housing Vision Statement

Richfield is a sustainable community that is known for its strong, vibrant and eclectic, amenity-rich neighborhoods supported by a full range and balance of housing types that match the choices of its diverse residents at every stage of their lives.

THE MEANING OF WORDS IN THE VISION STATEMENT

Richfield is – *means that this is an aspirational statement. The Task Force members are describing the housing and community they want for their future.*

a sustainable community – *“community” was a theme repeated by the Task Force members throughout the process. Housing was acknowledged to be very important, but housing was viewed as a means to achieving a strong community. “Sustainable” is added to encompass environmental, economic and social considerations.*

that is known for its strong, vibrant and eclectic, amenity rich neighborhoods – *like community, strong neighborhoods were identified over and over again by the members throughout the process. The word “vibrant” means that these neighborhoods are prospering economically and socially. “Eclectic” was used to acknowledge that Richfield can have varied and unique neighborhoods, each building on distinct attributes and opportunities. “Amenity-rich” means environmental amenities like green space, trees, trails and other natural features, as well as community gathering places, coffee shops and similar cultural offerings.*

supported by a full range and balance of housing types – *the concept of housing supporting the neighborhoods is reinforced with these words.” Full range” of housing types means that there is a wide variety of housing options available for people to choose from when considering moving to or staying in Richfield. A “balance of housing types” means the avoidance of concentrations of any housing types.*

that match the choices of its diverse residents at every stage of their lives. – *“match the choices of diverse residents” means that the City has what residents want, not just what they have to adapt to. The Task Force supports a broad definition of diversity. These varied housing offerings mean that residents can stay in the community their whole lives and find housing that meets their needs and their preferences.*