



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING
VIRTUAL MEETING VIA WEBEX
FEBRUARY 23, 2022
7:00 PM**

Call to Order

Attendance Roll Call

Open Forum: To participate live during the open forum dial 612-861-0651.

Approval of the minutes of the regular Housing and Redevelopment Authority meeting of January 18, 2022.

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. Designation of Community Development Director Melissa Poehlman as the Executive Director of the Richfield Housing and Redevelopment Authority for 2022.
Staff Report No. 7
 - B. Consideration of the approval of revisions to the First Time Homebuyer Program Guidelines.
Staff Report No. 8

3. Consideration of items, if any, removed from Consent Calendar

RESOLUTIONS

4. Consider the adoption of a resolution amending the Bylaws of the Richfield Housing and Redevelopment Authority to clarify the staggering of appointment terms, change the annual meeting date, and indicate the Rules of Order under which the Board will operate.
Staff Report No. 9

HRA DISCUSSION ITEMS

5. HRA Discussion Items

EXECUTIVE DIRECTOR REPORT

6. Executive Director's Report

CLAIMS

7. Claims
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 612-861-9739.



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

**Regular Meeting
Held via WebEx**

January 18, 2022

CALL TO ORDER

The meeting was called to order by Chair Supple at 7:00 p.m. via WebEx.

HRA Members Present: Mary Supple, Chair; Maria Regan Gonzalez; Sue Sandahl; Erin Vrieze Daniels; and Lee Ohnesorge

HRA Members Absent: None

Staff Present: Melissa Poehlman, Interim Community Development Director; Julie Urban, Housing and Redevelopment Manager; Kelly Wynn, Administrative Assistant; Jane Skov, IT Manager; and Kari Sinning, City Clerk.

Others Present: Rebecca Kurtz, Ehlers Inc.

CONSIDER THE ELECTION OF OFFICERS FOR THE RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY FOR 2022. (STAFF REPORT NO. 1)

Chair Supple opened nominations.

M/Sandahl, S/Regan Gonzalez to elect Mary Supple as Chairperson.

City Clerk Sinning took roll call vote:

Supple: AYE
Regan Gonzalez: AYE
Vrieze Daniels: AYE
Sandahl: AYE
Ohnesorge: AYE

Motion carried 5-0

M/Regan Gonzalez, S/Sandahl to elect Erin Vrieze Daniels as Vice Chair.

City Clerk Sinning took roll call vote:

Supple: AYE
Regan Gonzalez: AYE
Vrieze Daniels: AYE
Sandahl: AYE
Ohnesorge: AYE

Motion carried 5-0

M/Vrieze Daniels, S/Supple to elect Maria Regan Gonzalez as Secretary.

City Clerk Sinning took roll call vote:

Supple: AYE
Regan Gonzalez: AYE
Vrieze Daniels: AYE
Sandahl: AYE
Ohnesorge: AYE

Motion carried 5-0**OPEN FORUM**

Administrative Assistant Wynn provided instructions to call in for the open forum and stated that there were no callers.

APPROVAL OF THE MINUTES

M/Vrieze Daniels, S/Regan Gonzalez to approve the minutes of the regular Housing and Redevelopment Authority meeting of December 20, 2021.

City Clerk Sinning took roll call vote:

Supple: AYE
Regan Gonzalez: AYE
Vrieze Daniels: AYE
Sandahl: AYE
Ohnesorge: AYE

Motion carried 5-0**Item #1****APPROVAL OF THE AGENDA**

M/Sandahl, S/Regan Gonzalez to approve the agenda.

City Clerk Sinning took roll call vote:

Supple: AYE
Regan Gonzalez: AYE
Vrieze Daniels: AYE
Sandahl: AYE
Ohnesorge: AYE

Motion carried 5-0

Item #2	CONSENT CALENDAR
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Interim Community Development Director Poehlman presented the Consent Calendar:

- A. Consider resolutions designating official depositories for the Housing and Redevelopment Authority for 2022, including the approval of collateral. (Staff Report No. 2)

HRA RESOLUTION NO. 1420

RESOLUTION DESIGNATING CERTAIN FINANCIAL INSTITUTIONS AS DEPOSITORIES FOR THE INVESTMENT OF HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2022

HRA RESOLUTION NO. 1421

RESOLUTION DESIGNATING CERTAIN SAVING AND LOAN ASSOCIATIONS, BANKS AND CREDIT UNIONS AS DEPOSITORIES FOR THE INVESTMENT OF HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2022

HRA RESOLUTION NO. 1422

RESOLUTION DESIGNATING U.S. BANK A DEPOSITORY OF FUNDS OF THE HRA OF RICHFIELD FOR THE YEAR 2022

- B. Consider the approval of a Right of Entry Agreement with Twin Cities Habitat for Humanity for 6600 Logan Avenue South. (Staff Report No. 3)
- C. Consideration of the adoption of a resolution approving an Assignment and Assumption Agreement of a Development Contract between the Housing and Redevelopment Authority and RM Senior Living Richfield LLC to Gopher (Richfield) LLC for the Havenwood senior housing project. (Staff Report No. 4)

HRA RESOLUTION NO. 1423

RESOLUTION APPROVING ASSIGNMENT AND ASSUMPTION OF CONTRACT WITH RM SENIOR LIVING RICHFIELD LLC AND GOPHER (RICHFIELD) LLC

M/Sandahl, S/Vrieze Daniels to approve the Consent Calendar.

City Clerk Sinning took roll call vote:

Supple: AYE
Regan Gonzalez: AYE
Vrieze Daniels: AYE
Sandahl: AYE
Ohnesorge: AYE

Motion Carried 5-0

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

Item #4	CONSIDER A REQUEST FOR THE FORGIVENESS OF A DEFERRED LOAN ISSUED TO ROGER AND EILEEN JOHNSON AT 7045 BLOOMINGTON AVENUE SOUTH. (STAFF REPORT NO. 5)
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Housing Manager Urban presented Staff Report No. 5.

M/Sandahl, S/Vrieze Daniels to approve full loan forgiveness for \$7,537.95 for the estate of Roger and Eileen Johnson at 7045 Bloomington Avenue South.

Chair Supple offered sympathies to the family of Roger and Eileen Johnson who were present at the meeting.

City Clerk Sinning took roll call vote:

Supple: AYE
Regan Gonzalez: AYE
Vrieze Daniels: AYE
Sandahl: AYE
Ohnesorge: AYE

Motion Carried 5-0

Item #5	CONSIDER APPROVAL A PROPOSAL FOR THE PREPARATION OF A TAX INCREMENT FINANCING MANAGEMENT PLAN BY EHLERS, INC. (STAFF REPORT NO. 6)
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Interim Community Development Director Poehlman presented Staff Report No. 6.

M/Vrieze Daniels, S/Sandahl to approve a proposal of a Tax Increment Financing Management Plant with Ehlers, Inc.

Chair Supple supported the idea as it very cost efficient and can keep everything running smoothly.

City Clerk Sinning took roll call vote:

Supple: AYE
Regan Gonzalez: AYE
Vrieze Daniels: AYE
Sandahl: AYE
Ohnesorge: AYE

Motion carried 5-0

Item #6	HRA DISCUSSION ITEMS
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Chair Supple introduced Interim Executive Director Poehlman to discuss two items: 1) Review the HRA Bylaws; and 2) Reschedule the February 21 HRA meeting to February 23.

Interim Executive Director Poehlman explained that there is a discrepancy in the length of terms between the HRA and the EDA bylaws however the terms lengths are prescribed by state statute. She also mentioned that the HRA and EDA currently do not have a standard timeframe for appointments and proposed a March timeframe for appointment to allow new mayors to understand the role of the HRA.

Commissioner Vrieze Daniels stated that it would be better to keep the staggered terms for citizen appointments and asked if there could be clarification to have commissioners continue until their vacancy is filled to ensure of a quorum. She also asked if the bylaws could state which rules of procedure the commission will follow for clarity.

Commissioner Sandahl agreed with the later appointment time in March and asked for clarification of her attendance at the March HRA meeting.

Commissioner Regan Gonzalez agreed with the March appointment start timeframe.

Interim Executive Director Poehlman proposed to have the officials be appointed at the March meeting instead of the January meeting to coincide with the start dates which would have to be changed in the bylaw.

Chair Supple asked about the procedure to stagger the appointments and Interim Executive Director Poehlman stated that staff will work with the HRA Attorney so that we could get to the staggered terms.

Interim Executive Director Poehlman stated that the revisions to HRA Bylaws would be brought to the meeting next month.

Interim Executive Director Poehlman explained that the HRA would need to reschedule the February 21, 2022 HRA meeting to Wednesday, February 23, 2022 due to the President's Day Holiday and the regular City Council meeting occurring on the following Tuesday. The Authority was in agreement with rescheduling the meeting.

Chair Supple mentioned that the Section 8 wait list is open for applications. Housing Manager Urban explained the process of the online application and also how to apply via phone or in person appointments.

Item #7	EXECUTIVE DIRECTOR REPORT
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Interim Community Development Director Poehlman shared several updates:

- 1) The MWF project did not receive tax exempt bonds and they would try again in July. MWF would bring the land use approvals to the Planning Commission and Council soon.

- 2) The proposed Minnesota Independence College and Community (MICC) project has been recommended to receive 1.2 million dollars in LCDA funding. The Met Council would approve the awards by the end of January.
- 3) The awards for 9% tax credit have been delayed but should be approved by the end of January which this includes the 6501 Penn Project.
- 4) The Woodlawn Terrace Cooperative closed on the property improvements in December.
- 5) The Kids @ Home Program will have openings this spring and more information on applying will be available in February.

Commissioner Vrieze Daniels asked a question about covid safety to connect families in the Kids @ Home Program. Housing Manager Urban stated that they have used Zoom more frequently to make those connections.

Item #8	CLAIMS
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M/Sandahl, S/Regan Gonzalez that the following claims be approved:

U.S. BANK	1/18/2022
Section 8 Checks: 133456 – 133545	\$192,286.20
HRA Checks: 34127 – 34139	\$49,050.11
TOTAL	\$241,336.31

City Clerk Sinning took roll call vote:

Supple: AYE
 Regan Gonzalez: AYE
 Vrieze Daniels: AYE
 Sandahl: AYE
 Ohnesorge: AYE

Motion carried 5-0

Item #9	ADJOURNMENT
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The meeting was adjourned by unanimous consent at 7:33 p.m.

Date Approved: February 23, 2022

Mary B. Supple
 HRA Chair

Kari Sinning
 City Clerk

Melissa Poehlman
 Executive Director



STAFF REPORT NO. 7
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
2/23/2022

REPORT PREPARED BY: Melissa Poehlman, Interim Executive Director
OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Interim Executive Director
2/8/2022

ITEM FOR COUNCIL CONSIDERATION:

Designation of Community Development Director Melissa Poehlman as the Executive Director of the Richfield Housing and Redevelopment Authority for 2022.

EXECUTIVE SUMMARY:

On December 20, 2021 Interim Community Development Director Melissa Poehlman was appointed by the Richfield Housing and Redevelopment Authority (HRA) to serve as its Interim Executive Director. That appointment was to be coterminous with her appointment as the Interim Community Development Director.

On February 8, 2022, the City Council ratified the City Manager's appointment of Ms. Poehlman as the permanent Community Development Director. As such, it is appropriate to now consider the appointment of a 2022 HRA Executive Director.

Historically, designation of an Executive Director has been made at the annual meeting in January; however, the proposed Bylaw modifications move that annual meeting to March. Staff recommends a term to coincide with this new schedule.

RECOMMENDED ACTION:

By motion: Designate Community Development Director Melissa Poehlman as the Housing and Redevelopment Authority Executive Director until the regular meeting in March is conducted by the Housing and Redevelopment Authority in 2023.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

See Executive Summary

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

- The Bylaws of the Richfield HRA require the designation of an Executive Director.

C. CRITICAL TIMING ISSUES:

- Interim Executive Director Poehlman's term has now expired and a new Executive Director must be appointed in order to conduct regular HRA business.

D. FINANCIAL IMPACT:

N/A

E. LEGAL CONSIDERATION:

- The Bylaws of the Richfield HRA require the designation of an Executive Director.

ALTERNATIVE RECOMMENDATION(S):

- Appoint Community Development Director Melissa Poehlman as Executive Director of the Richfield HRA for a longer period (the HRA Bylaws do not stipulate the term of appointment).
- Appoint someone else as the HRA Executive Director.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A



STAFF REPORT NO. 8
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
2/23/2022

REPORT PREPARED BY: Kate Aitchison/Celeste McDermott, Housing Specialists
OTHER DEPARTMENT REVIEW: N/A

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Interim Executive Director
2/17/2022

ITEM FOR COUNCIL CONSIDERATION:

Consideration of the approval of revisions to the First Time Homebuyer Program Guidelines.

EXECUTIVE SUMMARY:

The First Time Homebuyer Program (Program) Guidelines were originally approved by the Housing and Redevelopment Authority (HRA) in July of 2018. Since that time, several updates to the guidelines have been made to adjust to community needs. Since the Program launched, there has been considerable interest, with 24 First Time Homebuyer loans issued, 11 of which were completed in 2021.

In November 2021, \$640,000 in Affordable Housing Trust Funds were designated for down payment assistance loans through both the First Time Homebuyer Program and through a new program to be created for buyers of homes in the Woodlawn Terrace Manufactured Home Park. These funds will provide 27-36 down payment assistance loans. Previously, the Program has utilized Community Development Block Grant (CDBG) funding. No CDBG funds will be allocated for down payment assistance in the 2022 FFY, although CDBG funds may be utilized again in the future.

The Affordable Housing Trust Fund does not have the same administrative requirements as CDBG funds, and in order to reflect the Affordable Housing Trust Fund requirements, staff recommends making the following changes to the Program Guidelines:

1. Designate which criteria are specific to CDBG funded loans.
2. Update language in the sections regarding application process and loan documents.

RECOMMENDED ACTION:

By motion: Approve revisions to the First Time Homebuyer Program Guidelines.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- The Program Guidelines were initially approved by the HRA in July of 2018 with revisions approved in November of 2018 to incorporate additional federal requirements.
- Additional revisions were approved in June 2019 and April 2021 to expand eligibility to non-Richfield renters and allowed additional funding for those meeting the criteria outlined.
- In 2017 and again in 2018, the Star Tribune listed Richfield as the hottest housing market in the Twin Cities. This measure was based on price, time on the market, seller discounts and the number of short-sales/foreclosures in the community. That trajectory has continued, leading to a low inventory of houses for sale and a steep increase in home prices. It has become a very difficult market for low and moderate income households to purchase a home in Richfield.

- The demand for down payment assistance is great, as homebuyers struggle to meet rising home prices without taxing their monthly spending.
- 24 First Time Homebuyer loans for down payment assistance have been issued through the Program.

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

- It is the HRA's policy to provide homeownership opportunities to households of a variety of income levels.
- In 2013, the Richfield HRA adopted a Housing Visioning Statement that states: "*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 Housing Visioning Task Force explained that the phrase "match the choices of its diverse residents at every stage of their lives" to mean: "*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.*"

C. CRITICAL TIMING ISSUES:

- The revisions are recommended by staff in order to reflect new funding source requirements and effectively utilize the funds.

D. FINANCIAL IMPACT:

- In November 2021, \$640,000 was transferred from the Housing and Redevelopment Authority's General Fund to the Affordable Housing Trust Fund and designated for down payment assistance loans.
- The base loan amount offered is \$15,000, and applicants meeting certain criteria may be eligible for \$20,000.

E. LEGAL CONSIDERATION:

- The HRA Attorney drafted the Program Guidelines.

ALTERNATIVE RECOMMENDATION(S):

- The HRA may choose to not approve the recommended revisions to the First Time Homebuyer Program Guidelines.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

Description	Type
□ First Time Homebuyer Guidelines- Feb 2022 Update	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 and the Affordable Housing Trust Fund. The First Time Homebuyer Program provides financial assistance for low and moderate income households to become homeowners.

Administration of the First Time Homebuyer 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 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 Program has the following two goals:

- a. Assist low and moderate income families, particularly those 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 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 is in the form of a loan of up to \$15,000, or up to \$20,000 if additional eligibility requirements are met, but no more than 10% of the purchase price. The homebuyer must contribute a minimum of \$1,000 of their own funds towards the downpayment, closings costs, or earnest money. There is no interest on the loan and no payments are required. The loan is forgiven on a pro-rated basis of 10% each year and is fully forgiven after 10 years. If the home is sold, the title transferred, or no longer owner-occupied, within the first 10 years after the purchase date, then the remaining pro-rated amount will become due.

The Financial Assistance may be used to:

- Pay up to 100% of the homeowners required down payment. If CDBG funds are used, the HRA may pay pPay up to 50% of the amount the homebuyer is required to provide toward the down payment under the particular mortgage program they are utilizing. The homebuyer must contribute a minimum of \$1,000 of their own funds towards the downpayment.
- Pay up to 100% of the homebuyer's eligible closing costs. Borrowers are permitted to use program funds for interest rate buy downs if documentation is provided from the lender that shows the buy down is necessary to secure their primary mortgage.
- Reduce the mortgage principal up to 10% of the purchase price, up to \$20,000, depending on eligibility. The applicant(s) housing ratio must be at least 25%, but cannot exceed 35% of their gross monthly qualifying income. The housing ratio 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 \$20,000.00. In certain situations, the HRA Executive Director may authorize additional assistance up to \$5,000 (for a total loan amount up to \$25,000) for applicants who demonstrate a need and meet other criteria. Some examples of circumstances that may warrant additional funding are: an urgent need for safe housing, applicants who work in Richfield, or children who attend school in the Richfield school district. Applicants must have exhausted all other options and may be required to seek additional financial counseling. The HRA Staff will review 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 written verifications as provided by either the lender or by the applicant. 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 other qualifying verification as determined by HRA staff to ensure the applicant(s) qualifies as a low or moderate income household as required by [these program guidelines and](#) 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 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), NeighborWorks Home Partners, 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.
- 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 that includes the Environmental Review addendum supplied by the HRA, if required under CDBG guidelines, and any subsequent Amendments.
- 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 in the Purchase Agreement.
- 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. Provide copy to the HRA.

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~~Determining Eligibility

At the time of application, applicants must provide the HRA with the following information to help staff determine if the household~~and~~ meets the eligibility requirements:

- Names and ages of all household members who will occupy the property purchased
- Address and telephone numbers
- Total gross annual income documentation..
- Lease start and end dates, if applicant is a Richfield renter.
- Letter from lender indicating the amount of a home loan for which applicant is pre-qualified
- Authorization for release of information/data privacy signed by all adults in the household.

The information listed above will provide the HRA sufficient information to conduct an initial screening and determine if the applicant is eligible for the Program. ~~The pre-application must be submitted prior~~

~~to the execution of a purchase agreement. 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.

Supporting Documentation

Eligible applicants will be required to submit the following supporting documentation. Some items may be waived by the HRA Executive Director if not applicable and additional documentation may be requested:

- Authorized Purchase Agreement on a home in Richfield (must include Environmental Review Addendum supplied by HRA staff ~~after Pre-Application is reviewed~~ if required by CDBG funding)
- Pay stubs for all household members, ages 18 years and older, earning income.
- Tax returns stubs for all household members, ages 18 years and older, earning income.
- Bank statements, financial statements and all other document(s) that verify gross assets for all household members, ages 18 years and older.
- Copy of current lease, if applicant is a Richfield renter.
- 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 applicant 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 and an initial screening.
- 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 that includes the Environmental Review Addendum, if required by CDBG funding, provided by the HRA 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 confirms any/all lead-based paint hazards have been investigated and remediated prior to closing if CDBG funds are utilized. See Lead Based Paint Hazard Requirements under Part Three of the guidelines for more information.
- 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.
- If approved, an Environmental Review is completed on the property by the HRA if CDBG funds are utilized.
- The HRA prepares the closing documents required by the City's First Time Homebuyer Program Guidelines.

Post Approval Process

After receiving the application and all of the supplemental documentation, the following procedures shall apply:

- If the application meets the program requirements, the loan funds (not to exceed \$2015,000) will be reserved for the applicant and brought to the closing.
- The HRA loan closing will occur in conjunction with the transfer of property closing. The HRA will provide the full amount of the loan payable to the Buyer AND the Title Company conducting the closing. Payment can be made via check or wire transfer.
- HRA staff will make its best effort to attend the closing. If HRA staff is unable to attend the closing, the loan closing or title insurance company conducting the loan closing will be responsible for recording the HRA's mortgage. The purchaser will pay the filing fee. If HRA staff has not attended the closing, the title company must provide Richfield staff with a copy of the first mortgage executed and filed, as well as an executed Promissory Note, Errors and Omissions Acknowledgement Agreement, and Certificate and Request for Notice: Foreclosure. These documents must be executed prior to any loan disbursement.
 - a. A lien will be placed against the Property by the HRA for the full loan amount through the Mortgage Deed.
 - ~~b. The Mortgage exempt from is subject to Mortgage Registration Tax; the Buyer is responsible for the payment.~~
 - ~~c.b.~~ The Note may not be assigned or pledged.
- HRA staff will provide homeowners with a copy of their loan documents, along with information regarding loan subordinations and servicing.

Eligibility Requirements

To be eligible to participate in the Program and receive a loan up to \$20,000, the applicant must meet the following requirements at the time of application and throughout the process up until Closing.

- 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. Income is calculated using prior year tax returns and verified by most recent paystubs. For information on calculating income, please contact a Richfield Housing Specialist.

FY 2021 CDBG Income Limits	
Calculated as 80% of the Area Median Income. Source: https://www.hudexchange.info/resource/5334/cdbg-income-limits/	
Household Size	Household Income Limit
1 Person Household	\$55,950
2 Person Household	\$63,950
3 Person Household	\$71,950
4 Person Household	\$79,900
5 Person Household	\$86,300
6 Person Household	\$92,700
7 Person Household	\$99,100
8 Person Household	\$105,500

- Must not have post-closing Gross Assets exceeding \$25,000.00, excluding retirement savings.
- Borrowers are required to invest at least \$1,000.00 of their own monies towards the purchase price of the home.
- Must meet the requirements of a Lender and qualify for a first mortgage.
- Loan must be a fixed-rate, prime loan. No adjustable or balloon mortgages.

- 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.
- HRA Director may authorize exemptions to the above criteria on a case by case basis if there are extenuating circumstances.

Applicants who meet one of the following criteria (in addition to meeting the requirements listed previously) will be eligible for a total loan amount up to \$~~2015~~,000. The final loan amount is subject to current funding availability.

- Applicant is a current renter in Richfield with verifiable lease and proof of rent paid, showing at least 6 months tenancy in Richfield.
- Household has at least one dependent under the age of 18.
- One or more household member is disabled (as verified by a physician signed form)

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, duplex or a condominium unit that is vacant or owner occupied. No renters can be displaced at the time of purchase.
- Be a conforming use as defined by the Richfield Zoning Ordinance.
- Be in full compliance with the City of Richfield's Point of Sale Program. (Ordinance Section 408.01). All corrections must be addressed according to the Point of Sale Program requirements,

either prior to sale or via escrow with the City of Richfield. More information found at: <http://www.richfieldmn.gov/pos>.

- Be free of lead-based paint hazards at the time of Closing. See page 11 for more detailed information regarding lead-based paint hazards.

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. For updated program information, including the status of annual funding for the program, please refer to <http://www.richfieldmn.gov/downpayment>.

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 is a current Richfield renter
- 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 exhibit a willingness to provide mortgage products to low and moderate income households.

PART III: PROGRAM RULES

Lenders

Lenders and their representatives must 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 to the HRA 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 (required with CDBG funds)

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.

The HRA will require an inspection of all dwellings built prior to 1978 for compliance with HUD's lead-based paint hazard regulations. This inspection is performed during the City of Richfield's standard Point of Sale Inspection. If LBP risks are found, stabilization of the defective paint, cleanup and clearance will be required before funds are approved for assistance at closing. 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. If the selling party is unwilling to address the LBP hazards, 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.

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. Contact a Richfield Housing Specialist for more information about repayment of an HRA loan (612-861-9778).

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. [The current HRA subordination policy and forms](#) are available on the City of Richfield website (www.richfieldmn.gov) 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 \$20,000, unless additional funds are approved by the HRA Executive Director.

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 – Portfolio Products, Freddie Mac, 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.

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.

Environmental Review – The process of verifying that a project meets federal, state, and local environmental standards. The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users. HRA staff is responsible for the completion of the environmental review.

Environmental Review Addendum – An addendum to the purchase agreement that states an Environmental Review will be completed by the HRA prior to closing. The addendum must be a part of the original purchase agreement in order to be valid.

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 Income (1)(iii).

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.

Housing Ratio - 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).

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 determined 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 an 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 principal 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 \$20,000. The buyer's housing ratio must be between 25% and 35%.

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. 9
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
2/23/2022

REPORT PREPARED BY: Melissa Poehlman, Interim Executive Director

OTHER DEPARTMENT REVIEW: N/A

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Interim Executive Director
2/11/2022

ITEM FOR COUNCIL CONSIDERATION:

Consider the adoption of a resolution amending the Bylaws of the Richfield Housing and Redevelopment Authority to clarify the staggering of appointment terms, change the annual meeting date, and indicate the Rules of Order under which the Board will operate.

EXECUTIVE SUMMARY:

In staff's annual review of the Housing and Redevelopment Authority (HRA) Bylaws, it was noted that the terms of citizen member Commissioners are no longer appropriately staggered as required by State Statute. In consultation with the HRA Attorney, the Bylaws have been amended to designate a term commencement date and articulate the procedures and term limits of commissioners appointed to fill partial-term vacancies.

With a proposed term commencement date of March 1, staff and the HRA discussed in January a desire to move the annual meeting to March. The proposed amendment includes this revision.

Finally, there was a suggestion to add a rules of order provision; as is done for the City Council and several other City Commissions. The rules of order provision states that the HRA will be governed by the Sturgis Code of Parliamentary Procedure, as has been their unofficial practice.

The Bylaws (as suggested), in their entirety, are attached to this report.

RECOMMENDED ACTION:

By motion: Adopt a resolution amending the Bylaws of the Richfield Housing and Redevelopment Authority.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- The HRA staff routinely reviews the HRA Bylaws to ensure that they meet both current practice and the future needs of the HRA.

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

- The amendment clarifies practices to maintain appropriate staggering of terms, a requirement of State Statute.
- The amendment better reflects current practice.

C. CRITICAL TIMING ISSUES:

- Designating an official commencement date of terms would have the effect of shortening the terms

of current citizen-Commissioners as follows:

- Commissioner Sandahl's term would expire February 28, 2022 (currently March 2022).
- Commissioner Vrieze Daniels' term would also expire on February 28, 2022 (currently November 2022).
- Commissioner Ohnesorge's term would expire October 31, 2023 (currently November 2023).
- In order to appropriately stagger terms going forward, new 2022 appointments would be made with modified term lengths of 2 years and 4 years. The November 1, 2023 appointment would be for a term of 4.5 years, expiring on February 29, 2028.

D. FINANCIAL IMPACT:

N/A

E. LEGAL CONSIDERATION:

- HRA Legal Counsel helped to create the proposed plan to return to appropriate staggering of terms, and drafted the attached resolution.

ALTERNATIVE RECOMMENDATION(S):

- Do not approve a resolution modifying the HRA Bylaws, or;
- Approve a modified version of the attached resolution modifying the HRA Bylaws to better reflect the direction of the Authority.

PRINCIPAL PARTIES EXPECTED AT MEETING:

None

ATTACHMENTS:

Description	Type
□ Resolution	Resolution Letter
□ Bylaws (as proposed)	Exhibit

HRA RESOLUTION NO.

RESOLUTION AMENDING THE BYLAWS OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF RICHFIELD, MINNESOTA

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (Authority) has established Bylaws; and

WHEREAS, from time to time it is appropriate for the Bylaws to be amended; and

WHEREAS, in accordance with Minnesota State Statutes, the terms of the appointed members of the Housing and Redevelopment Authority (Authority) are to be staggered; and

WHEREAS, the Bylaws of the Authority do not currently include details of appointment terms or the filling of vacancies to ensure staggered terms of its citizen members; and

WHEREAS, the Authority wishes to change the date of their Annual Meeting from January to March; and

WHEREAS, the Authority wishes to identify the Sturgis Standard Code of Parliamentary Procedure as the Rules of Order by which meetings shall be conducted.

NOW, THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota that its bylaws be amended as follows:

Article 1 – Section 5 is amended to read:

Section 5. Composition of Membership. The Composition of Membership of the Authority shall be determined by the Mayor and City Council of the City of Richfield (City Council). Until and unless further amended by the Mayor and City Council, this Composition shall be as follows:

- a. In making appointments to the HRA commission, the Mayor will appoint commissioners with the approval of the City Council and shall designate two positions as ex-officio with voting rights, to be filled by two members of the City Council, which may include the Mayor. The term of office of an ex-officio commission member shall be set to coincide with the member's term as mayor or council member.
- b. The remaining three members of the HRA commission shall be residents of the City of Richfield and appointed by the Mayor with the approval of the City Council. The citizen members shall serve five-year terms commencing on March 1, which shall be staggered with citizen members being appointed on (i) March 1, 2022 for a two year term expiring February 28, 2024; (ii) March 1, 2022 for a four year term expiring February 28, 2026; and (iii) November 1, 2023 for a four and one-half year term expiring on February 29, 2028. Thereafter, all terms of citizen members shall be five years. Each vacancy of a citizen member unexpired term shall be filled for the remainder of the term for which the original appointment was made.
- c. No citizen member of the HRA commission shall be appointed to more than two consecutive terms on the commission.
- d. No citizen member, once appointed, may serve on any city advisory commission, except the Charter Commission, during the term of the HRA appointment.

Article III – Section 1 is amended to read:

Section 1. Annual Meeting. The annual meeting of the Authority shall be held at the regular meeting in March at 7:00 p.m. at the regular meeting place of the Authority.

Article III – Section 5 is amended to read:

Section 5. Rules of Order. The meetings of the Authority shall be governed by the latest printed edition of “Sturgis Standard Code of Parliamentary Procedure.”

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 23rd day of February 2022.

Chair

ATTEST:

Secretary

**BYLAWS OF THE
HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

ARTICLE I – THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the “Housing and Redevelopment Authority in and for the City of Richfield, Minnesota.”

Section 2. Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority.

Section 3. Office of Authority. The offices of the Authority shall be at City Hall in the City of Richfield, Minnesota, but the Authority may hold its meetings at such other place or places as it may designate by resolution.

Section 4. Official Newspaper. The official newspaper shall be the official newspaper designated by the City as its official newspaper each year.

Section 5. Composition of Membership. The Composition of Membership of the Authority shall be determined by the Mayor and City Council of the City of Richfield (City Council). Until and unless further amended by the Mayor and City Council, this Composition shall be as follows:

- a. In making appointments to the HRA commission, the Mayor will appoint commissioners with the approval of the City Council and shall designate two positions as ex-officio with voting rights, to be filled by two members of the City Council, which may include the Mayor. The term of office of an ex-officio commission member shall be set to coincide with the member's term as mayor or council member.
- b. The remaining three members of the HRA commission shall be residents of the City of Richfield and appointed by the Mayor with the approval of the City Council. The citizen members shall serve five-year terms commencing on March 1, which shall be staggered with citizen members being appointed on (i) March 1, 2022 for a two year term expiring February 28, 2024; (ii) March 1, 2022 for a four year term expiring February 28, 2026; and (iii) November 1, 2023 for a four and one-half year term expiring on February 29, 2028. Thereafter, all terms of citizen members shall be five years. Each vacancy of a citizen member unexpired term shall be filled for the remainder of the term for which the original appointment was made.
- c. No citizen member of the HRA commission shall be appointed to more than two consecutive terms on the commission.
- d. No citizen member, once appointed, may serve on any city advisory commission, except the Charter Commission, during the term of the HRA appointment.

ARTICLE II – OFFICERS

Section 1. Officers. The officers of the Authority shall be a Chairperson, a Vice-Chairperson, and a Secretary.

Section 2. Chairperson. The Chairperson shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Authority, the Chairperson shall sign all contracts, deeds, resolutions and other instruments made by the Authority. At each meeting the Chairperson shall submit such recommendations and information he or she may consider proper concerning the business, affairs and policies of the Authority.

Section 3. Vice-Chairperson. The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson; and in case of the resignation or death of the Chairperson, the Vice-Chairperson shall perform such duties as are imposed on the Chairperson until such time as the Authority shall select a new Chairperson.

Section 4. Secretary. The Secretary shall perform the duties of a Secretary for the Authority. The Secretary shall perform the duties as the Chairperson in cases where both the Chairperson and Vice-Chairperson are absent or incapacitated.

Section 5. Executive Director. The Authority shall employ an Executive Director who shall have general supervision over the administration of its business and affairs, subject to the direction of the Authority. He or she shall be charged with the management of the housing and redevelopment projects of the Authority. Regardless of who is appointed, the City Manager of the City of Richfield shall have ultimate authority in recommending an annual levy and budget. The Executive Director may designate an acting Executive Director during periods when he or she is absent or incapacitated.

Section 6. Other Administrative Officers. The Authority may designate an assistant to the Secretary who shall keep the records of the Authority, shall act as recorder of the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incidental to his office. He or she shall keep in safe custody the seal of the Authority and shall have power to affix such seal to all contracts and instruments authorized to be executed by the Authority.

The Authority may designate a Treasurer who shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such bank or banks as the Authority may select. The Executive Director and Treasurer shall sign all orders and checks for the payment of money and shall pay out and disburse such moneys under the direction of the Authority. Except as otherwise authorized by resolution of the Authority, all such orders and checks shall also be countersigned by the Chairperson. The Treasurer shall keep regular books of accounts showing receipts and expenditures and shall render to the Authority, at each regular meeting (or more often when requested), an account of his transactions and also of the financial condition

of the Authority. He or she shall give such bond for the faithful performance of his duties as the Authority may determine

ARTICLE III – MEETINGS

Section 1. Annual Meeting. The annual meeting of the Authority shall be held at the regular meeting in March at 7:00 p.m. at the regular meeting place of the Authority.

Section 2. Regular Meetings. Monthly meetings shall be held without notice at the regular meeting place of the Authority on the third Monday of each month, at 7:00 p.m. unless the same shall be a legal holiday, in which event said meeting shall be held on the next succeeding secular day.

Section 3. Special Meetings. Special meetings of the Authority may be called by the Chairperson, or two members of the Authority for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered at any time prior to the time of the proposed meeting to each member of the Authority or may be mailed to the business or home address of each member of the Authority at least two (2) days prior to the date of such special meeting. At such special meeting no business shall be considered other than as designated in the call, but if all of the members of the Authority are present at a special meeting, any and all business may be transacted at such special meeting.

Section 4. Quorum. The powers of the Authority shall be vested in the Commissioners thereof in office from time to time. Three Commissioners shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Authority upon a vote of a majority of the Commissioners present.

Section 5. Rules of Order. The meetings of the Authority shall be governed by the latest printed edition of "Sturgis Standard Code of Parliamentary Procedure."

Section 6. Order of Business. At the regular meetings of the Authority the following shall be the order of business:

1. Call to Order/Noting of Attendance
2. Open Forum
3. Approval of Minutes of Previous Meeting(s)
4. Presentations
5. Approval of Agenda
6. Consent Agenda
7. Public Hearings
8. Resolutions
9. Other Business
10. HRA Discussion Items
11. Executive Director's Report
12. Approval of Claims
13. Adjournment

All resolutions shall be in writing and shall be copied in the journal of the proceedings of the Authority.

Section 7. Manner of Voting. The voting on all questions coming before the Authority shall be made verbally and the yeas and nays shall be entered upon the minutes of such meeting.

Section 8. Combining Administrative Offices: Compensation. The compensation of the Executive Director and other personnel of the Authority shall be determined by the Authority. Any two or more administrative offices may be combined.

Section 9. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Authority or the Bylaws or rules and regulations of the Authority.

Section 10. Election of Appointment. The first Chairperson shall, pursuant to this appointment, serve in the capacity of Chairperson until the expiration of his term of office as Commissioner. The Vice-Chairperson, Secretary and, except in the case of the First Chairperson, the Chairperson shall be elected at the annual meeting of the Authority from among the Commissioners of the Authority, and shall hold office for one year or until their successors are elected and qualified.

The Executive Director shall be appointed by the Authority. Any person appointed to fill the office of Executive Director or any vacancy therein, shall have such term as the Authority fixes, but no Commissioner of the Authority shall be eligible for this office.

Section 11. Vacancies. Should the office of Chairperson, Vice-Chairperson or Secretary become vacant, the Authority shall elect a successor from its membership at the next regular meeting, and such election shall be for the unexpired term of said office.

Section 12. Additional Personnel. The Authority may from time to time employ or contract for such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by the Municipal Housing and Redevelopment Law of Minnesota applicable thereto. Such personnel may be employees of the Authority, employees of other governmental organizations, or independent contractors. The selection and compensation of such personnel shall be determined by the Authority subject to the laws of the State of Minnesota.

ARTICLE IV – AMENDMENTS

Section 1. Amendments to Bylaws. The Bylaws of the Authority shall be amended only with the approval of at least three of the members of the Authority at a regular or a special meeting.

Amended 04/21/80
Amended 01/21/86

Amended	12/15/86
Amended	08/18/03
Amended	02/18/14
Amended	09/17/18
Amended	01/15/19
Amended	01/21/20
Amended	02/23/22

**BYLAWS OF THE
HOUSING AND REDEVELOPMENT AUTHORITY
OF RICHFIELD, MINNESOTA**

ARTICLE I – THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the “Housing and Redevelopment Authority of Richfield, Minnesota”.

Section 2. Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority.

Section 3. Office of Authority. The offices of the Authority shall be at City Hall in the City of Richfield, Minnesota, but the Authority may hold its meetings at such other place or places as it may designate by resolution.

Section 4. Official Newspaper. The official newspaper shall be the official newspaper designated by the City as its official newspaper each year.

Section 5. Composition of Membership. The Composition of Membership of the Authority shall be determined by the Mayor and City Council of the City of Richfield (City Council). Until and unless further amended by the Mayor and City Council, this Composition shall be as follows:

- a. In making appointments to the HRA commission, the Mayor and City Council shall designate two positions as ex-officio with voting rights, to be filled by two members of the City Council, which may include the Mayor. The term of office of an ex-officio commission member shall be set to coincide with the member's term as mayor or council member.
- b. The remaining three members of the HRA commission shall be residents of the City of Richfield and appointed in the manner required by law. The citizen members shall serve five-year terms, which shall be staggered.
- c. No citizen member of the HRA commission shall be appointed to more than two consecutive terms on the commission.
- d. No citizen member, once appointed, may serve on any city advisory commission, except the Charter Commission, during the term of the HRA appointment.

ARTICLE II – OFFICERS

Section 1. Officers. The officers of the Authority shall be a Chairperson, a Vice-Chairperson, and a Secretary.

Section 2. Chairperson. The Chairperson shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Authority, the Chairperson shall sign all contracts, deeds, resolutions and other instruments made by the Authority. At each meeting the Chairperson shall submit such recommendations and information he or she may consider proper concerning the business, affairs and policies of the Authority.

Section 3. Vice-Chairperson. The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson; and in case of the resignation or death of the Chairperson, the Vice-Chairperson shall perform such duties as are imposed on the Chairperson until such time as the Authority shall select a new Chairperson.

Section 4. Secretary. The Secretary shall perform the duties of a Secretary for the Authority. The Secretary shall perform the duties as the Chairperson in cases where both the Chairperson and Vice-Chairperson are absent or incapacitated.

Section 5. Executive Director. The Authority shall employ an Executive Director who shall have general supervision over the administration of its business and affairs, subject to the direction of the Authority. He or she shall be charged with the management of the housing and redevelopment projects of the Authority. Regardless of who is appointed, the City Manager of the City of Richfield shall have ultimate authority in recommending an annual levy and budget. The Executive Director may designate an acting Executive Director during periods when he or she is absent or incapacitated.

Section 6. Other Administrative Officers. The Authority may designate an assistant to the Secretary who shall keep the records of the Authority, shall act as recorder of the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incidental to his office. He or she shall keep in safe custody the seal of the Authority and shall have power to affix such seal to all contracts and instruments authorized to be executed by the Authority.

The Authority may designate a Treasurer who shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such bank or banks as the Authority may select. The Executive Director and Treasurer shall sign all orders and checks for the payment of money and shall pay out and disburse such moneys under the direction of the Authority. Except as otherwise authorized by resolution of the Authority, all such orders and checks shall also be countersigned by the Chairperson. The Treasurer shall keep regular books of accounts showing receipts and expenditures and shall render to the Authority, at each regular meeting (or more often when requested), an account of his transactions and also of the financial condition of the Authority. He or she shall give such bond for the faithful performance of his duties as the Authority may determine

ARTICLE III – MEETINGS

Section 1. Annual Meeting. The annual meeting of the Authority shall be held on the third Tuesday in January at 7:00 p.m. at the regular meeting place of the Authority.

Section 2. Regular Meetings. Monthly meetings shall be held without notice at the regular meeting place of the Authority on the third Monday of each month, at 7:00 p.m. unless the same shall be a legal holiday, in which event said meeting shall be held on the next succeeding secular day.

Section 3. Special Meetings. Special meetings of the Authority may be called by the Chairperson, or two members of the Authority for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered at any time prior to the time of the proposed meeting to each member of the Authority or may be mailed to the business or home address of each member of the Authority at least two (2) days prior to the date of such special meeting. At such special meeting no business shall be considered other than as designated in the call, but if all of the members of the Authority are present at a special meeting, any and all business may be transacted at such special meeting.

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11. Executive Director's Report
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All resolutions shall be in writing and shall be copied in the journal of the proceedings of the Authority.

Section 6. Manner of Voting. The voting on all questions coming before the Authority shall be made verbally and the yeas and nays shall be entered upon the minutes of such meeting.

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Section 9. Election of Appointment. The first Chairperson shall, pursuant to this appointment, serve in the capacity of Chairperson until the expiration of his term of office as Commissioner. The Vice-Chairperson, Secretary and, except in the case of the First Chairperson, the Chairperson shall be elected at the annual meeting of the Authority from among the Commissioners of the Authority, and shall hold office for one year or until their successors are elected and qualified.

The Executive Director shall be appointed by the Authority. Any person appointed to fill the office of Executive Director or any vacancy therein, shall have such term as the Authority fixes, but no Commissioner of the Authority shall be eligible for this office.

Section 10. Vacancies. Should the office of Chairperson, Vice-Chairperson or Secretary become vacant, the Authority shall elect a successor from its membership at the next regular meeting, and such election shall be for the unexpired term of said office.

Section 11. Additional Personnel. The Authority may from time to time employ or contract for such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by the Municipal Housing and Redevelopment Law of Minnesota applicable thereto. Such personnel may be employees of the Authority, employees of other governmental organizations, or independent contractors. The selection and compensation of such personnel shall be determined by the Authority subject to the laws of the State of Minnesota.

ARTICLE IV – AMENDMENTS

Section 1. Amendments to Bylaws. The Bylaws of the Authority shall be amended only with the approval of at least three of the members of the Authority at a regular or a special meeting.

Amended	04/21/80
Amended	01/21/86
Amended	12/15/86
Amended	08/18/03
Amended	02/18/14
Amended	09/17/18
Amended	01/15/19
Amended	01/21/20

CITY OF RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY
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Name	Elected	Term Expires
Mary B Supple (1) Council Chair	December 2019	January 2, 2023
Lee Ohnesorge Citizen	March 2021	November 12, 2023
Erin Vrieze Daniels (1) Citizen Vice Chair	November 2017	November 20, 2022
Maria Regan Gonzalez (1) Secretary	January 2019	January 2, 2023
Sue Sandahl (1) Citizen	March 2017	March 20, 2022

Executive Director:

Assistant to the Secretary:

- **Minimum of 3 members required for a quorum**

5 year terms; citizen members may serve no more than two consecutive terms.

Getting a signature from Mary B. Supple:

Mary is able to stop at the Municipal Center to sign documents between 4:30 p.m.-5:00 p.m. on her way home from work.

You can also take documents to Mary at work (Richfield Middle School). **Email Mary to schedule a good time to meet.**