

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 newly constructed or rehabilitated and converted to long-term affordability 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 as revised:

This 24th day of April, 2019 by the Richfield City Council.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
City Manager

This 15th day of April, 2019 by the Richfield Housing and Redevelopment Authority.

  
\_\_\_\_\_  
Chair

  
\_\_\_\_\_  
Secretary

This ~~19th~~ Day of ~~April~~ 2019 by the Richfield Economic Development Authority.

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary