Rental Housing Inventory and Needs Assessment

City of Richfield, Minnesota

May 2012

Stantec

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Executive Summary

INTRODUCTION

This report is a detailed inventory of the City of Richfield's rental housing stock. It was prepared in response to changing housing conditions brought on by the recent recession in which longstanding patterns of increasing home ownership rates and home value appreciation gave way to unforeseen trends in home value depreciation and home foreclosures. The result was a major shift in demand from homeownership to renting.

Recognizing that these new patterns of housing tenure will greatly impact Richfield's housing stock, the Richfield Housing and Redevelopment Authority (HRA) decided to conduct a detailed inventory of the rental portion of its housing stock to better understand its current condition and how best to position the City for future growth and change. Significant portions of this study are an update to a detailed inventory of both owned and rented housing conducted in 2004.

DATA SOURCES

The majority of data presented in this report comes from the US Census. Although the US Census is an invaluable resource, it does not always capture the type of information needed for a thorough rental inventory. Therefore, where appropriate, data was also collected from a number of other primary and secondary sources including the City of Richfield, Hennepin County Tax Assessor, fieldwork conducted by Stantec, Housing Link, apartment websites, Twin City Senior Housing Guide, and Marquette Advisors.

CHARACTERISTICS OF RENTAL HOUSING STOCK

Richfield's rental housing stock was analyzed based on a number of variables including structure type, unit type, year built, current rents, vacancy, affordability, and recent gains/losses. To help understand how Richfield's rental stock stacks up against other comparable communities, additional data was collected and analyzed for a number of peer communities and compared against Richfield's current situation. The following are key findings from this analysis. The body of the report includes more detailed findings along with tables, charts, and maps.

- The number of rented single-family homes in Richfield has significantly increased over the last eight to 10 years
- Over two-thirds of Richfield's rental units have one bedroom, which is a very high proportion of one bedroom units
- Almost all (97%) of the subsidized units in Richfield have one bedroom
- There is only one subsidized, general-occupancy two-bedroom unit in Richfield, which essentially means there are no units available in Richfield to very low-income families with children
- Over 75% of Richfield's rental housing stock was built in the 1960s. No other peer community has such a large proportion of its rental housing built in one decade, much less a decade that occurred more than 40 years ago.
- Less than 10% of the City's rental stock was built within the last 10 years
- Due to Richfield's large proportion of older, one-bedroom units, the overall average rent is below $800. However, when compared to older rental stock throughout the Metro Area, Richfield's rents are comparable.

- Modern amenities and features such as Fitness center, walk-in closets, and in-unit washer/dryers are found in only a small number of properties. This is not surprising since these features only began to be regularly included in apartment construction within the last 10 to 15 years.
- Although Richfield has rents that are, on average, below the Metro Area average and well below their peer communities, nearly 70% of the City's rental stock, including almost all of its two and three-bedroom units, would not be affordable to households with annual incomes below $28,000.
- Richfield has very few subsidized units; less than 1% of its general occupancy (non-senior) rental stock is subsidized. In contrast, its peer communities have an average of 6.4% of their rental stock as subsidized units

CHARACTERISTICS OF RENTER HOUSEHOLDS

The renter household base of Richfield was also analyzed to better understand the nature of changing housing needs among typical renter populations. Variables analyzed included age of households, household size, household type, length of residence, income, and rent burden. These data were also collected and analyzed for Richfield's peer communities. Below are key findings of the analysis. The body of the report includes more detailed findings supported with tables and charts.

- Renter households in Richfield increased by 311 (6.4%) between 2000 and 2010, while owner households decreased by -566 (-5.6%)
- The profile of renter households in Richfield is aging rapidly.
- The age profile of Richfield renters is very similar to that of the Metro Area, despite a rental housing stock that skews heavily toward one-bedroom units
- There are over 200 renter households in Richfield with four or more persons living in units with two bedrooms or less
- Relative to its peer communities, Richfield has a large proportion of renter households with three or more persons. This is evidence that Richfield's rental housing stock has very few if any empty bedrooms, whereas many of its peer communities have a significant number of empty bedrooms.
- Nearly 28% of Richfield's renter households have children. This is a higher proportion than the Metro Area and one of the highest among its peer communities.
- Richfield's rental stock is accommodating more and more households with children, even though much of the rental stock was not built to be marketed to families with children. Between 2000 and 2010, the number of renter households with children increased by 460. During that same time, renter households without children decreased by -159.
- Richfield has 2,749 renter households with annual incomes below $35,000. This is 53% of all renter households.
- Among older low-income households, homeownership is far more prevalent, which suggests that as these homeowners transition to rental housing, they will require units with affordable rents.
- For Richfield's largest age group of renters, those 25 to 34, the median household income is about $36,000, which is well below the Metro Area median for this age group and near the bottom of its peer communities.
- Increases in Richfield's renter and owner incomes tended to lag behind its peer communities between 2000 and 2010. Richfield had the second lowest rate of increase among its renters and the third lowest rate of increase among its owners.
- 45% of Richfield's renter households have incomes below $35,000 and spend more than 30% of their income toward housing. This is higher than the Metro Area rate and one of the highest rates among its peer communities.

SOCIO-ECONOMIC TRENDS

Forecasted population, household, and employment growth from the Metropolitan Council and the Minnesota State Demographer was analyzed to gauge the impact future growth trends will have on the demand for rental housing in Richfield. Below are important findings. Tables displaying forecasted growth for Richfield and its peer communities are included in the body of the report.

- According to the Metropolitan Council, Richfield's population is expected to increase about 10% in both the 2010s and the 2020s, which is a sharp change from recent decades when decreasing household size resulted in overall declines in population
- The Metropolitan Council also forecasts that Richfield will add approximately 1,500 new households each decade
- Richfield is not expected to capture a significant share of the area's employment growth over the next 20 years. However, the adjacent communities of Bloomington and Edina are expected to add nearly 20,000 jobs in the 2010s and another 13,000 jobs in the 2020s. Many of the people hired for those new jobs would certainly consider Richfield as a possible location for housing if there is adequate supply and choice for them to choose from.

HOUSING CONDITIONS

Due to the quantitative focus of the analysis, qualitative data was collected as well in the form of property manager interviews and a windshield survey in order to provide some additional perspective and context to the facts and figures presented in previous sections.

PROPERTY MANAGER INTERVIEWS

The property manager interviews were intended to gain insight and feedback about important issues and concerns regarding the marketability of their properties and the potential role the City could play in assisting them to keep their properties as marketable as possible. A list of relevant comments is provided in the body of the report. Below is a summary of the important findings from the interviews.

- Managers have generally favorable views of how the City is rental housing issues and needs
- The rental market is very strong right now (low vacancies)
- Properties near high-traffics streets need more pedestrian crossings
- Many managers are challenged by language and cultural barriers; would like to see City-sponsored "how-to" classes on appliance usage, housekeeping basics, etc.
- Managers generally have a low awareness of grants or other programs to help with rehabilitation/modernization

WINDSHIELD SURVEY

Northwest Richfield: the biggest opportunity to help maintain marketability of the apartments in this neighborhood would be to continue improving the pedestrian connections along Penn Avenue so that the businesses along the corridor can continue to serve as an amenity for nearby apartment residents.

Northcentral Richfield: centered on the intersection of Lyndale Avenue and West 66th Street, this neighborhood has over 800 rental units with the widest range of types and ages; old, new, senior, general-occupancy, low-rise, and high-rise. Lots of nearby amenities and recent redevelopment will continue to enhance the marketability of this neighborhood.

Northeast Richfield: rental stock consists mostly of smaller buildings scattered along East 66th Street. For the most part, these properties have varying degrees of maintenance and upkeep. However, there is no major concentration of buildings in any one block or intersection. Therefore, it would be difficult to strategically employ area-wide public investments in the hopes of attracting significant new private investment. Therefore, any public intervention needed to improve the rental housing stock will likely need to occur on a project-by-project basis.

Southeast Richfield: with over 1,000 apartment units, southeast Richfield has the second largest concentration of rental units in the City. However, nearly all of the units are situated along either I-494 or Highway 77. The decentralized nature of ownership among properties along Highway 77 make the area susceptible to a downward trend toward disinvestment if a handful of properties begin to exhibit clear signs of deferred maintenance. The apartments along I-494 are much larger and have more amenities and are often professionally managed, though they are challenged by sound issues and numerous barriers to pedestrian movement.

Southcentral Richfield: the rental stock in this area is mostly contained in two large, apartment developments: Mainstreet Village and Lynwood Gardens. The biggest benefit to maintaining the condition of the rental stock in this neighborhood will be to continue building upon the recent changes that have occurred at 77th and Lyndale Avenue, such as better streetscape and pedestrian connections, which have served to attract a new mix of businesses to the area.

Southwest Richfield: this area has the largest concentration of apartments with over 1,300 units. Much of the stock is located in three large apartment complexes, though there are a number of smaller buildings located along Oliver and Penn Avenue just north of 76th Street. The larger apartment complexes are in relatively good condition with visible signs of regular maintenance. The best opportunity to enhance the marketability of these properties will be to either create better pedestrian connections across 76th or to help property owners integrate more amenities within their developments.

GAP ANALYSIS (NEEDS ASSESSMENT)

Based on the preceding sections that addressed the condition of the current rental stock and renter household base, a gap analysis was prepared to identify where need was strongest. The following is a summary of the main findings.

1. Two- and Three-Bedroom Units

Richfield is sorely lacking in two- and three-bedroom rental units. Although one-bedroom units are an important unit type that remains in strong demand (unlike studio units), most newer apartment projects now have a unit mix that is more evenly balanced or even tilted toward more two-bedroom and larger units. Therefore, in order for Richfield to diversify its supply of rental housing it should look for ways to increase the number of two-bedroom units either through new construction or perhaps rehabilitation of existing units.

2. Newer Properties with Modern Amenities and Features

Richfield has only one general-occupancy rental property less than 30 years old. It is the only rental property that features a full complement of modern features and amenities including a fitness center, walk-in closets, in-unit washer/dryers, and underground parking. This lack of newer rental options with modern amenities and features is limiting the City's ability to retain longtime residents and attract new, younger residents who want more modern rental housing, particularly young professionals who work along I-494 or in Downtown Minneapolis.

3. Subsidized Units Appropriate for Families

Although the City has a large supply of older, affordably priced market rate units, many of which accept Section 8 vouchers, there is a limited supply of two- and three-bedroom units that would be appropriate for families, especially units that are restricted to very low-income households. As a matter of fact, the study revealed that Richfield does not have any project-based, subsidized units with two- or more bedrooms available to families.

4. Senior Housing (All Types)

Although Richfield is experiencing an influx of younger families into both its owner-occupied and rental housing stock, there remains a substantial number of older households living in single-family residences throughout the City who would like to stay in the community, but either can't afford the transition into market rate senior housing or there is not units available among the existing supply. The problem is most acute for older households in need of subsidized or at least affordable senior housing. However, subsidized senior housing is not the only type of senior housing needed. Given the fact that the oldest members of the baby boom generation are beginning to retire, they represent the first wave of a group that will swell the demand for senior housing of all types for years to come. The challenge moving forward will not be in identifying the need, that will be apparent, but in designing housing styles and types that appeal to a new generation of older adults.

Impact of New Rental Development

A review of pending and proposed rental projects was performed to gauge the impact new development may have on the ability of Richfield to meet its rental housing needs. The following is a brief summary of the number of projects and units currently in the development pipeline in Richfield, Bloomington, and Edina.

- Within Richfield, there have been several recent proposals for new rental housing, one of which is currently under construction. If all three were to be constructed, it would total close to 300 new units with a mix of both market rate and affordable rents.
- In Bloomington, there are three active projects, two of which are under construction, totaling more than 750 units. In Edina, there are currently two proposals for new apartments, which combined would be more than 460 units.

The potential impact of these new developments on Richfield's ability to accommodate new rental housing will be temporary and short-term in nature. Real estate development is cyclical. The current wave of development will eventually saturate the market. However, when one looks at the condition of Richfield's supply of rental housing, it is clear that the strategies required to address current and future needs have to be long term, perhaps spanning several real estate cycles.

Metropolitan Council Affordable Housing Requirements

The Metropolitan Council incentivizes the production of new affordable housing throughout the metro area through participation in the Livable Communities Act (LCA), a program that sponsors $15 million in grants to eligible communities each year. The primary requirement for eligibility is the establishment of affordable and life-cycle housing goals. The most current goals for Richfield for 2011 through 2020 are 497 to 765 new affordable units. These units are not required to be income-restricted, but they must meet affordability goals in which rents do not exceed certain income-based thresholds.

For purposes of the LCA program, the Metropolitan Council defines affordable housing in a report titled *Determining Affordable Housing Need in the Twin Cities 2011-2020* as the following: a housing unit is affordable if it is priced at or below 30% of gross income of a household earning 60% of the Twin Cities median family income ($50,340 in 2012 for a family of four). The 60% income threshold is determined by the U.S. Department of Housing and Urban Development (HUD) and is the cutoff for tax-credit housing development, the main program for new affordable rental housing construction nationwide.

HOUSING STRATEGIES

Potential strategies were identified that could assist the City in addressing its rental housing needs. The strategies span everything from regulatory policies to financing programs and were culled from a variety of sources including the Minnesota Housing Finance Agency (MHFA), Urban Land Institute, PolicyLink.org, HousingPolicy.org, and several other affordable/rental housing advocacy groups. Descriptions of the strategies are detailed in the body of the report.

Introduction

PURPOSE OF STUDY

In 2004, the City of Richfield's Housing and Redevelopment Authority (HRA) prepared a detailed inventory of the City's owned and rented housing stock. The report was titled *Richfield's Housing Assets: Opportunity at Every Door*. It included in-depth analysis of housing data from the 2000 US Census, Hennepin County property tax records, and the City of Richfield. Many of the findings included in the study were instrumental in guiding HRA housing strategies over the next several years, particularly with respect to single-family homeownership and improvement programs.

When the Recession hit in 2008, the for-sale housing market radically changed as longstanding patterns of increasing home ownership rates and home value appreciation gave way to unforeseen trends in home value depreciation and home foreclosures. The result was a major shift in demand from homeownership to renting. Recognizing that these new patterns of housing tenure will greatly impact Richfield's housing stock, the HRA decided to update the rental portion of the 2004 inventory to better understand the current condition of their rental stock and how best to position the City for future growth and change.

REPORT FORMAT

This report is broken into six major sections or chapters. The first two sections address characteristics of Richfield's rental housing stock and renter household base. These sections mostly consist of data from the US Census and other relevant secondary sources. It should provide the reader with a solid foundation of objective data with which to assess the City's current rental housing situation. The third section is a brief review of the socio-economic trends affecting the demand for rental housing in Richfield and its neighboring communities.

The fourth section steps beyond the quantitative analysis presented in the first three sections by providing the reader with qualitative data about Richfield's rental stock. It includes a summary of findings from interviews with apartment property managers regarding important issues and concerns as well as results of a windshield survey of neighborhoods where rental housing is most concentrated.

The concluding sections of the report build upon the previous four sections. There is a gap analysis, which is an assessment of the types of rental housing Richfield is in need of in order to provide a full continuum of rental housing choice for its residents. This is followed by the final section which provides a list of suggested tools and policies that will assist the City of Richfield in pursuing its rental housing goals for the future.

DATA RESOURCES

The majority of data presented in this report is secondary data from the US Census, which primarily came from several datasets. The first dataset is the 2010 US Census, which was part of the Census Bureau's decennial counting of all persons and households. The data in this dataset is captured through what had been known until recently as the "short form." Where data was available from this dataset, it was collected and used in the study. More detailed socio-economic data that used to be collected decennially in the form of the "long form" has been replaced by the American Community Survey, which is a rolling 1-, 3-, and 5-year survey of a statistically significant sample of the US population. For this study, the 2006-2010 American Community Survey was used for many variables.

In addition to the US Census, other data sources included the City of Richfield, Hennepin County, Marquette Advisors (Apartment Trends), Twin Cities Senior Housing Guide, Housing Link, and apartment websites. Although these sources generally augmented the US Census data, in many cases they were valuable in either filling in holes not covered by or to corroborate the Census data.

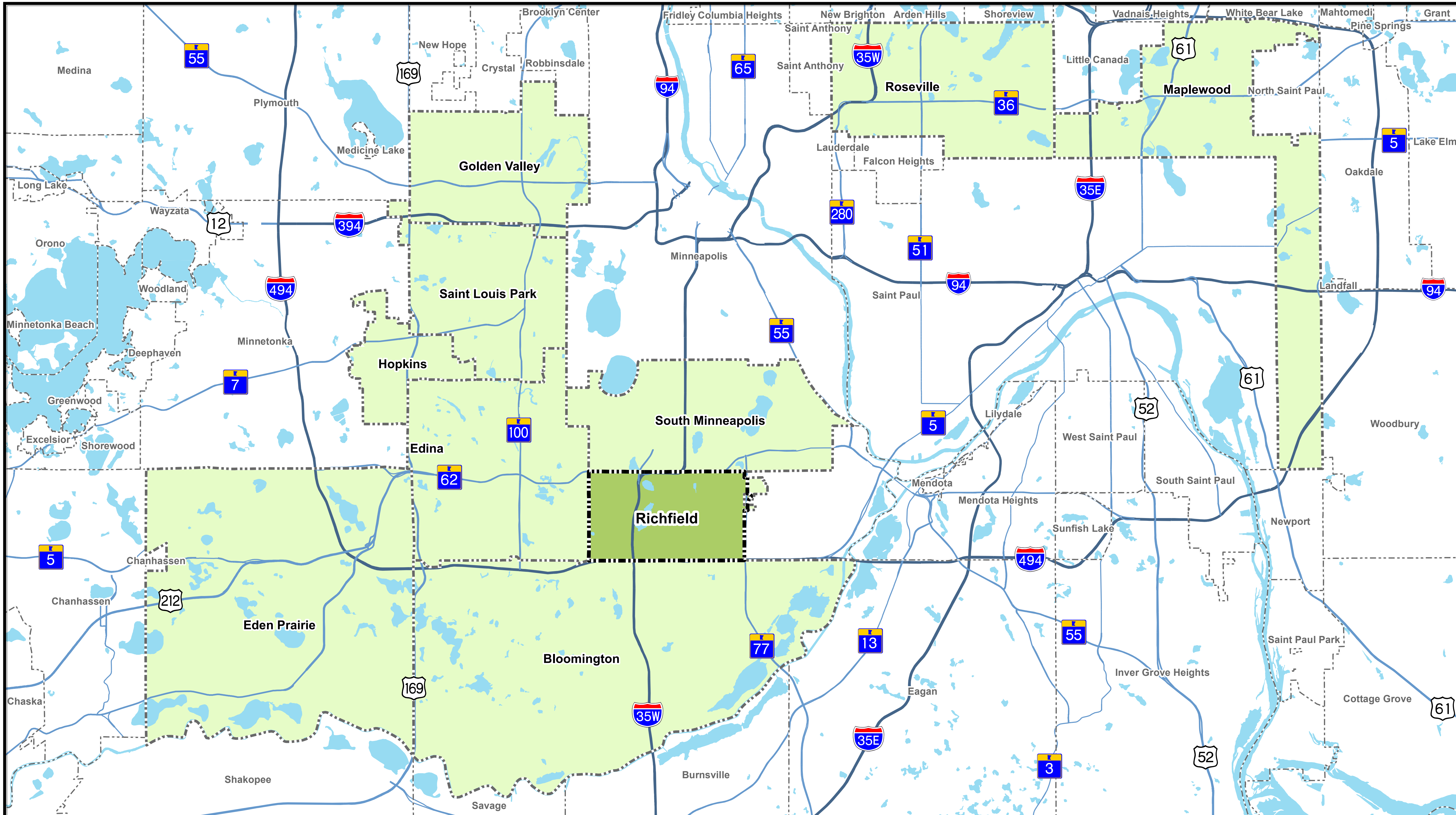
Although Stantec judges these sources to be reliable, it is impossible to authenticate all data. The analyst does not guarantee the data and assumes no liability for any errors in fact, analysis, or judgment. The secondary data used in this study are the most recent available at the time of the report preparation.

The objective of this report is to gather, analyze, and present as many market components as reasonably possible within the time constraints agreed upon. The conclusions contained in this report are based on the best judgments of the analysts; Stantec makes no guarantees or assurances that the projections or conclusions will be realized as stated. It is Stantec's function to provide our best effort in data aggregation, and to express opinions based on our evaluation.

USE OF COMPARISON COMMUNITIES

In many instances throughout this report, data is presented for a list of neighboring and peer communities for comparison purposes. These comparisons help illuminate how Richfield "stacks" up against its neighbors and peers with respect to its rental housing stock. Peer communities are generally considered to be those that developed at the same time Richfield did and share a similar proximity to the central cities of Minneapolis and St. Paul. Presumably, these communities are dealing with similar rental housing and demographic issues as Richfield.

The map on the following page displays where these communities are located in relation to Richfield.



Richfield Peer Communities

City of Richfield, Minnesota

N
W E
S

0 2 4 Miles

- Interstate Highway
- US Trunk Highway
- State Trunk Highway
- City of Richfield
- Peer_Communities
- Open Water

April 2, 2012

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Characteristics of Rental Housing Stock

STRUCTURE TYPE

Structure type refers to the number of units in a building. It is important to track structure type because of the differences between larger and smaller buildings. For example, larger buildings often have more amenities available to residents due to their economies of scale. Their size often makes it financially feasible for their owners to have them professionally managed, which can aid in property upkeep, tenant screening, and troubleshooting. In contrast, smaller properties tend to have fewer amenities and may or may not be professionally managed. However, the personal attention given by many "mom and pop" property owners can sometimes far exceed the standards of larger property owners.

Table 1 presents data from three different sources on the total number of rental units in Richfield and their structure type. For comparison purposes, data from a previous year is presented as well to illustrate the kind of change that has taken place in recent years. Although each data set is slightly different due to the timing and methodology of data collection, each one emphasizes two important findings:

- The vast majority of Richfield's rental housing is located in buildings with 5 or more units
- The number of rented single-family homes has significantly increased over the last eight to 10 years

Note about Table 1 Data Sources:
As previously noted the differences among the data sources used in Table 1 are primarily related to timing and methodology. First, the US Census data is from 2000 and 2010, which is slightly older than the City of Richfield data. Second, the 2010 US Census data is a statistical sample of the population, which has a margin of error. This margin of error may also explain some of the differences in the data. Third, the US Census data is self reported, which often introduces some degree of error. Finally, the differences may simply reveal something notable about the City's rental stock, namely that there may be a significant number of rental properties that are not licensed.

Table 1: Richfield Rental Units by Structure Type

US Census Data

	Rental Units	Rental Units	Change 2000-2010	
Structure Type	2000 Census	2010 Census	Number	Percent
1, detached unit	407	727	320	78.6%
1, attached unit	135	275	140	103.7%
2 units	123	125	2	1.6%
3 or 4 units	107	119	12	11.2%
5 or more units	4,411	4,440	29	0.7%
Total Units	5,183	5,686	503	9.7%

Sources: 2000 US Census; US Census, American Community Survey 2006-2010 5-year Estimate

City of Richfield Data

	2004 Rental	2012 Rental	Change 2004-2012	
Structure Type	Licensing	Licensing	Number	Percent
1, detached unit	91	456	365	401.1%
1, attached unit	55	13	-42	-76.4%
2 units	124	187	63	50.8%
3 or 4 units	108	86	-22	-20.4%
5 or more units	4,748	4,710	-38	-0.8%
Total Units	5,126	5,452	326	6.4%

Sources: City of Richfield, Rental Licensing Report January 2012; 2004 Richfield's Housing Assets report
Note: includes licensed units that are part of condominium and cooperative associations

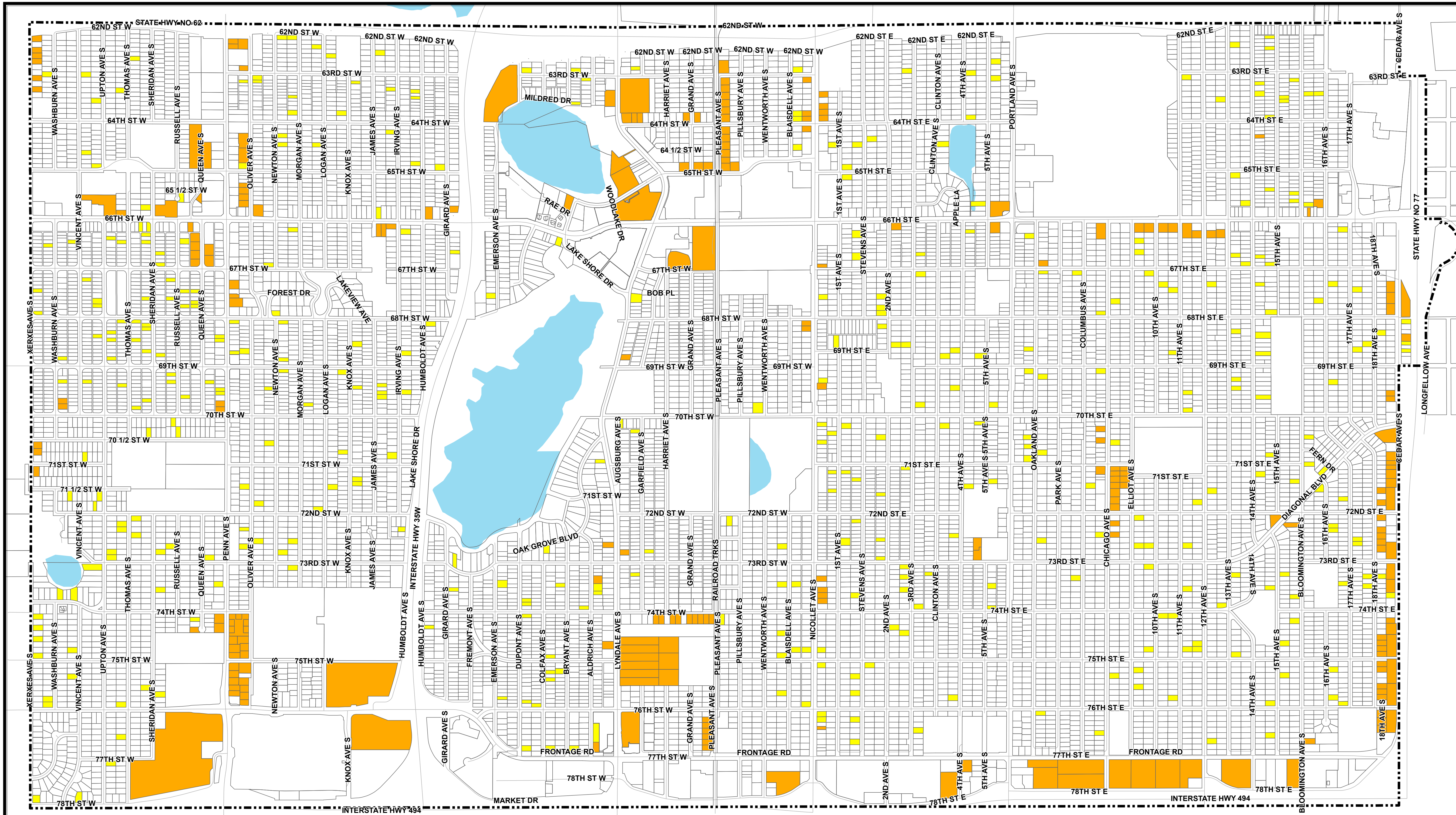
Hennepin County Data

	2004 Non-Homestead	2011 Non-Homestead	Change 2004-2011	
Structure Type	Property	Property	Number	Percent
1, detached unit	333	723	390	117.1%
1, attached unit	3	1	-2	-66.7%
2 units	79	174	95	120.3%
3 or 4 units	N/A	N/A	N/A	N/A
5 or more units	N/A	N/A	N/A	N/A
Total Units	N/A	N/A	N/A	N/A

Sources: Hennepin County Tax Assessor Database; 2004 Richfield's Housing Assets report

The following three maps display where within Richfield licensed and non-homesteaded residential properties are located. These maps help visualize where concentrations of rental housing, both multifamily and single-family, exist within the City.

It should be noted that condominium and cooperative units that are licensed as rental units or have a non-homestead tax status were unable to be mapped because Hennepin County recognizes these units as individual properties. The problem in mapping these units, therefore, comes as a result of having to lay on top of one another units with a different rental status or homestead status. As a result, in the interest of avoiding confusion, it was decided to not map these units.



Licensed Rental Residential Properties

City of Richfield, Minnesota

City Boundary

Licensed Multi-Family Rental Properties

Licensed Single Family Rental Properties

Open Water

0 1,200 2,400 Feet

April 19, 2012

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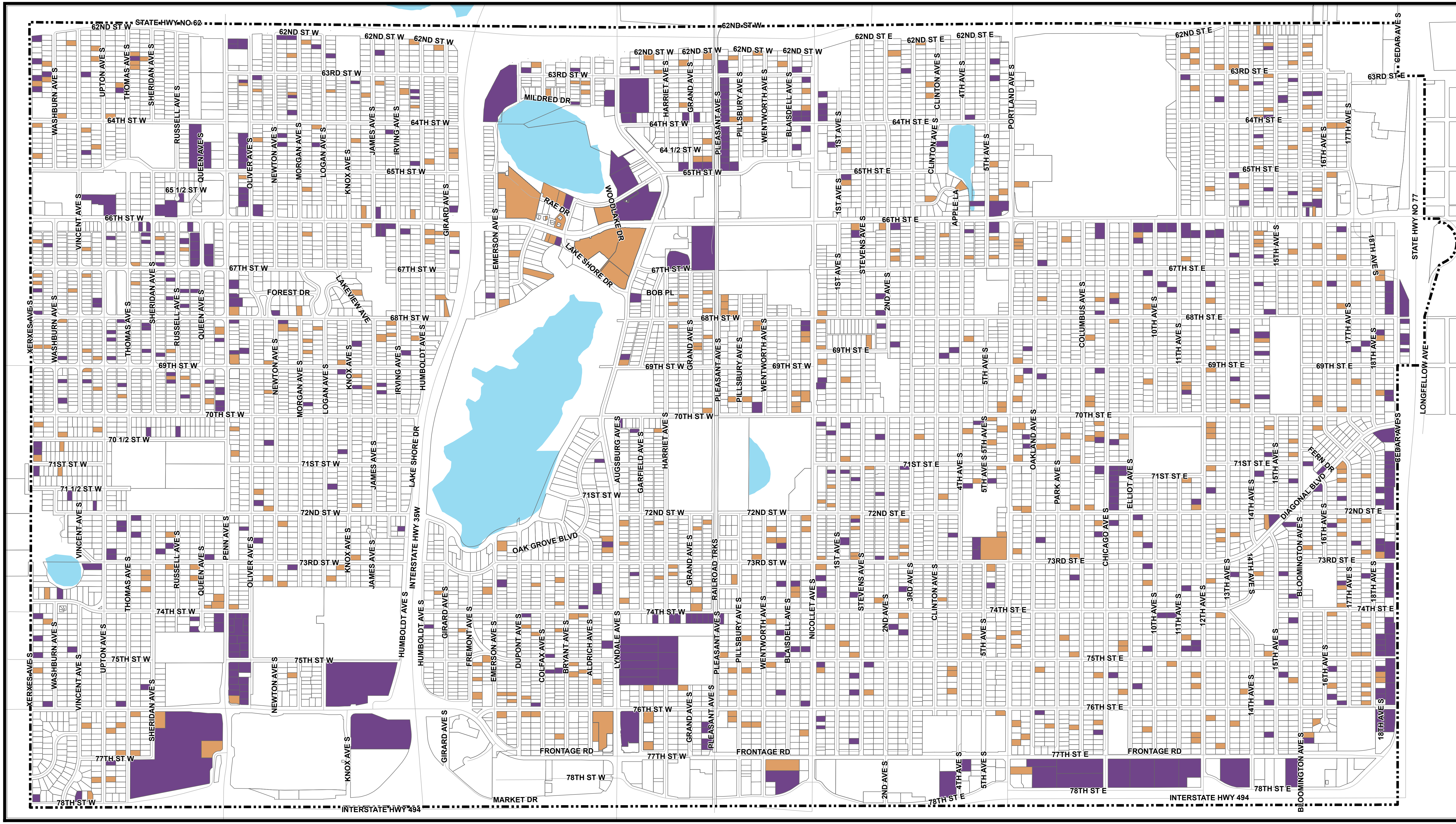

Non-Homestead Residential Properties

City of Richfield, Minnesota

0 1,200 2,400 Feet

City Boundary

Licensed Non-Homestead Residential Rental Properties

Other Non-Homestead Residential Properties

Open Water

April 19, 2012

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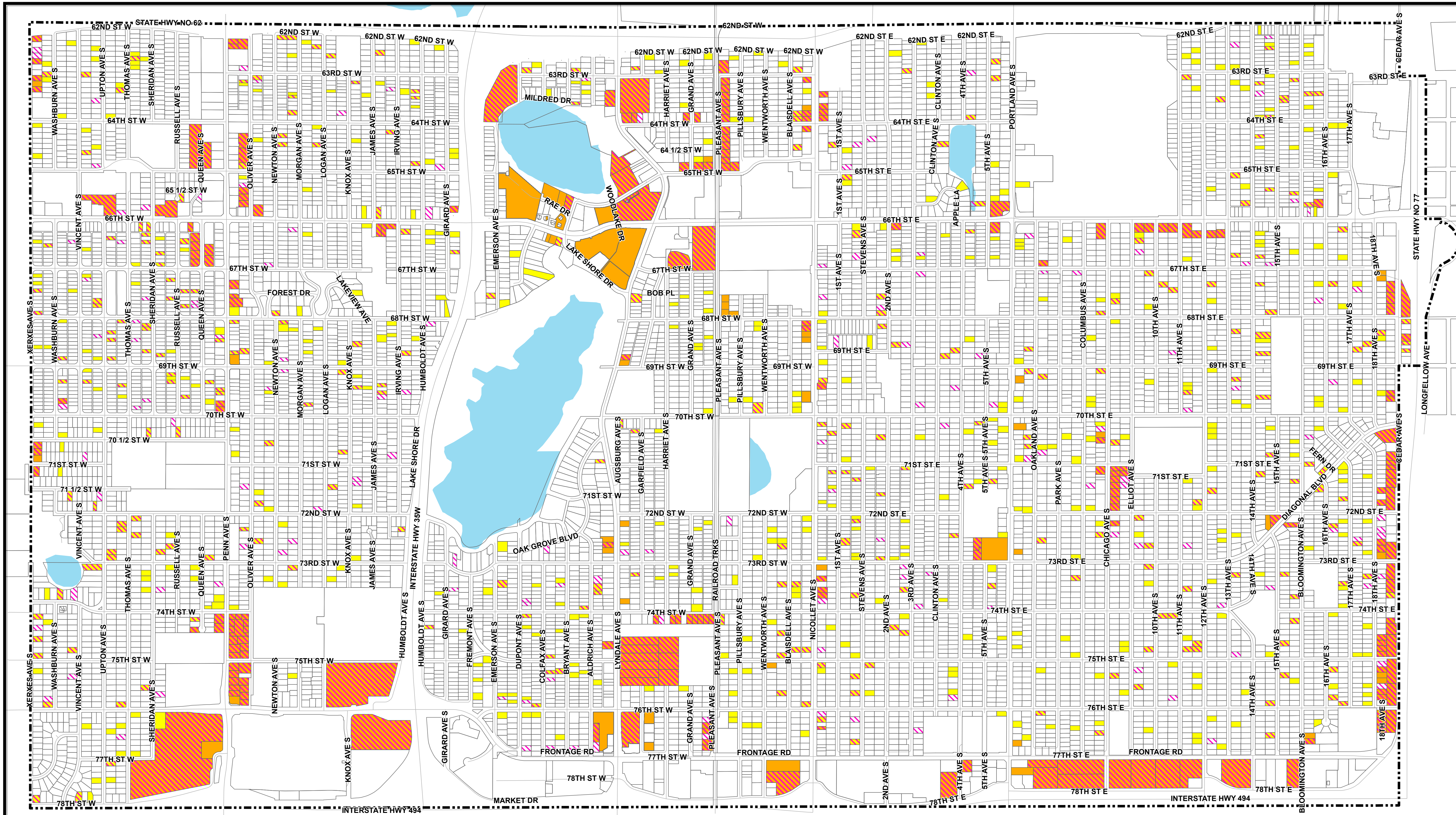

Non-Homestead and Licensed Rental Residential Properties

City of Richfield, Minnesota

N S E W

0 1,200 2,400 Feet

City Boundary

Properties with Rental License

Multi-Family Properties

Non-Homestead Single Family Properties

Open Water

April 19, 2012

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Culled from a variety of sources, Table 2 and Figure 1 provide more detailed data on the structure type of rental properties broken down by age/disability and income restrictions. Income restricted or subsidized properties are any property that restricts tenancy to low-income households (often those earning less than 50% of the area median income, though the percentage can differ based on the subsidizing program) and in return receives grants, tax-credits, or other subsidies that help cover any debt, maintenance, or operating costs. It should also be noted that Table 2 does not include data on condominium or cooperative units that are rented since information such as rent and number of bedrooms is too difficult to collect. Furthermore, these units are much more likely to drop out of the rental market as soon as the for-sale market improves. The most important findings from Table 2 are:

- There is a roughly equal distribution of rental units among small, medium, and large building types
- Nearly all of the restricted (i.e., senior) housing in Richfield is located in large buildings (50+ units)

Table 2: Richfield Rental Units by Structure Type (Properties with 3 or More Units)

Number of Units

Sturcture Type		General Occupancy		Restricted (Age or Disabled)	
(i.e., Buildings with…)	Total Units	Market Rate	Subsidized	Market Rate	Subsidized
3 or 4 units	86	86			
5 to 9 units	208	208			
10 to 19 units	1,396	1,349		36	11
20 to 49 units	1,360	1,330			30
50 or more units	1,680	1,121		409	150
Total Units	4,730	4,094	0	445	191

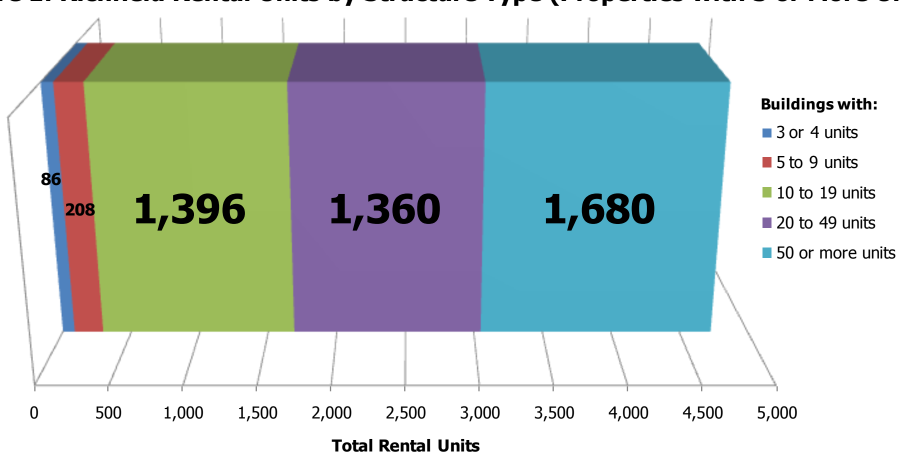
Percentage of Units

Sturcture Type		General Occupancy		Restricted (Age or Disabled)	
(i.e., Buildings with…)	Total Units	Market Rate	Subsidized	Market Rate	Subsidized
3 or 4 units	1.8%	2.1%			
5 to 9 units	4.4%	5.1%			
10 to 19 units	29.5%	33.0%		8.1%	5.8%
20 to 49 units	28.8%	32.5%			15.7%
50 or more units	35.5%	27.4%		91.9%	78.5%
Total Units	100.0%	100.0%	0.0%	100.0%	100.0%

Sources: City of Richfield, Rental Licensing Report January 2012; Housing Link; apartment websites; Rent in Richfield Report (1999)

Note: does not include units that are part of condominium or cooperative associations

Figure 1: Richfield Rental Units by Structure Type (Properties with 3 or More Units)



Sources: City of Richfield, Rental Licensing Report January 2012; apartment websites; Rent in Richfield Report (1999)

A note about subsidized housing and Section 8 vouchers: Table 2, and several subsequent tables, present data on the number of subsidized units in Richfield. For purposes of this study, subsidized housing is defined as rental housing that has a financial subsidy attached to a specific property that restricts tenancy to low- or moderate-income households.

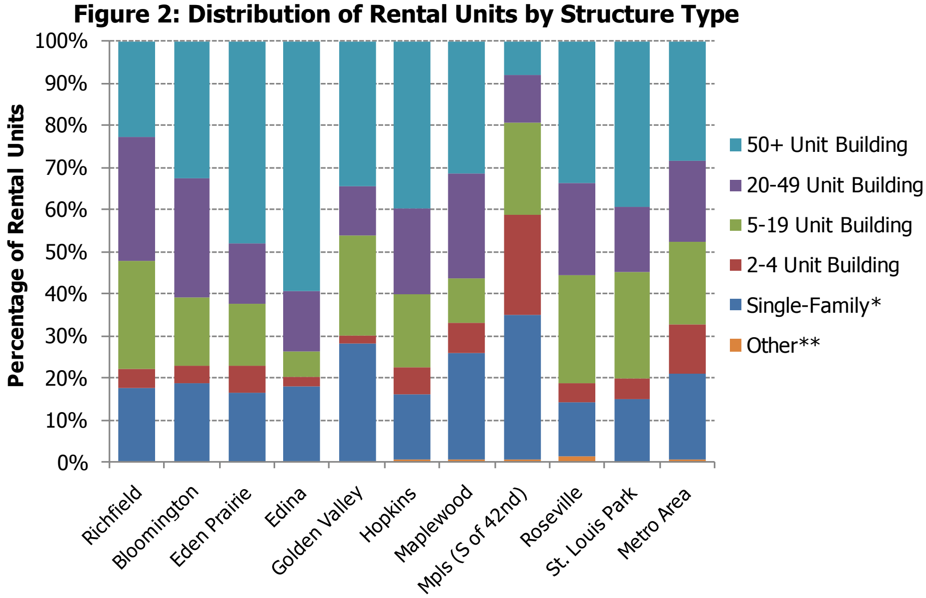
Section 8 vouchers, in contrast, are a form of rental assistance that is tied to a household and not a property. Vouchers provide greater housing choice for low-income households by allowing them to choose among market rate properties that are qualified to accept such vouchers. Households with a Section 8 voucher are not required to locate within a specific community. Therefore, data on Section 8 vouchers are not included in the analysis of Richfield's rental housing stock because they are not tied to a specific property. This is an important distinction because even though Richfield may have a number of rental properties that accept Section 8 vouchers, these properties are not obligated to accept households with Section 8 vouchers. These properties, therefore, are at risk of losing their "affordable" status should the owner increase rents or simply prefer renting to households without a voucher.

As a point of clarification, the Richfield HRA has a contract with the Department of Housing and Urban Development (HUD) to administer up to 233 Section 8 vouchers. Typically, Richfield has between 250 and 300 households that receive Section 8 vouchers. Thus, the number of households that "port in" to Richfield from other administrating divisions slightly outnumbers those that "port out" to other communities. Currently, there are 205 households on the Richfield HRA waiting list for Section 8 vouchers. The Richfield HRA also funds and administers another rental assistance program called Kids@Home to help support families with children in Richfield schools. As of April 2012, there are 27 households that partake in the Kids@Home program.

STRUCTURE TYPE: COMMUNITY COMPARISON

According to Figure 2, Richfield has a greater proportion of rental units in buildings with 5 to 49 units than compared to its peer communities. However, its structure type profile is very similar to the rental housing stock of the entire metro area.

Figure 2: Distribution of Rental Units by Structure Type



* Includes detached and attached single-family units
** Includes mobile homes, houseboats, and other "non-permanent" structures
Source: US Census, 2006-2010 American Community Survey

UNIT TYPE

Unit type (i.e., number of bedrooms) is important to track because it relates closely to the kinds of households that can be accommodated by a community's rental stock. For example, studios and one-bedroom units are best for small households, such as singles or couples without children. However, roommate situations or families with children generally require two or more bedrooms. Table 3 and Figures 3 and 4 present data on the number of Richfield rental units by bedroom size broken down by affordability and age restriction. Relevant findings from these data are:

- Over two-thirds of Richfield's rental units have one bedroom, which is a very high proportion of one bedroom units
- Almost all (97%) of the subsidized units in Richfield have one bedroom
- There are no subsidized, general-occupancy units in Richfield, which essentially means there are no units available in Richfield to very low-income households, especially families with children

Table 3: Richfield Rental Units by Bedroom Size (Properties with 3 or More Units)

Number of Units

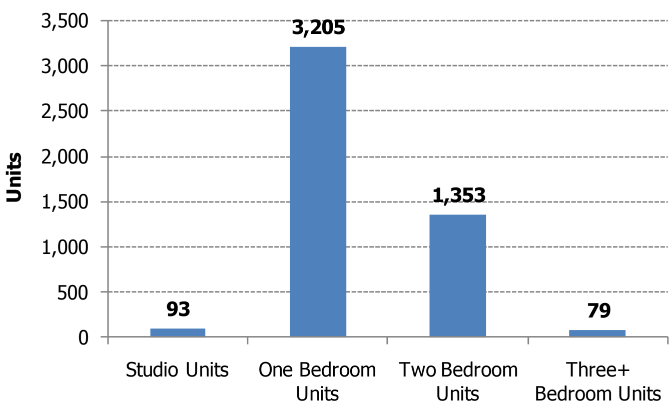
Unit Type	Total Units	General Occupancy		Restricted (Age or Disabled)	
		Market Rate	Subsidized	Market Rate	Subsidized
Studio Units	93	60		33	
One Bedroom Units	3,205	2,754		267	184
Two Bedroom Units	1,353	1,201		145	7
Three+ Bedroom Units	79	79			
Total Units	4,730	4,094	0	445	191

Percentage of Units

Unit Type	Total Units	General Occupancy		Restricted (Age or Disabled)	
		Market Rate	Subsidized	Market Rate	Subsidized
Studio Units	2.0%	1.5%		7.4%	
One Bedroom Units	67.8%	67.3%		60.0%	96.3%
Two Bedroom Units	28.6%	29.3%		32.6%	3.7%
Three+ Bedroom Units	1.7%	1.9%			
Total Units	100.0%	100.0%	0.0%	100.0%	100.0%

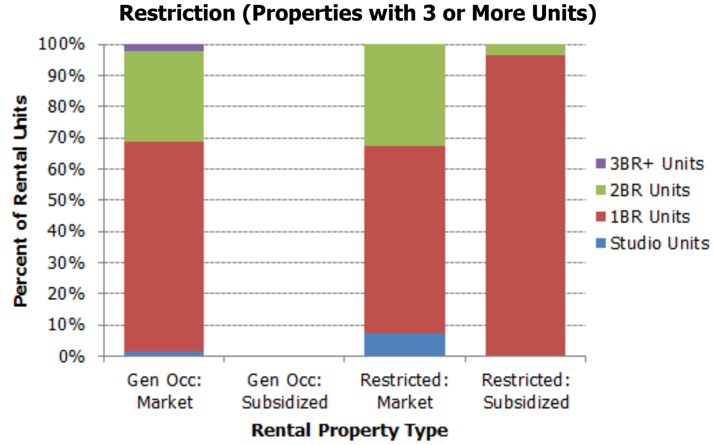
Sources: City of Richfield, Rental Licensing Report January 2012; Housing Link; apartment websites; Rent in Richfield Report (1999)

Figure 3: Rental Units by Bedroom Size (Properties with 3 or More Units)



Sources: City of Richfield, Rental Licensing Report January 2012; apartment websites; Rent in Richfield Report (1999)

Figure 4: Distribution of Bedroom Types by Affordability and Age Restriction (Properties with 3 or More Units)



Sources: City of Richfield, Rental Licensing Report January 2012; Housing Link; apartment websites; Rent in Richfield Report (1999)

Recognizing that the recent foreclosure crisis has resulted in a sharp increase in the number of rented single-family homes, additional data was secured from Hennepin County to better understand the unit type breakdown of single-family and duplex rental units, which is summarized in Table 3A. Please note that the data in Table 3A does not correspond directly with the data in Table 1. These data include non-homesteaded single-family and duplex units that are licensed under the City of Richfield's rental licensure program. It does not include homesteaded properties that are licensed by the City of Richfield. These properties typically consist of families that rent to other family members or to boarders. The following are important findings from the table:

- The vast majority of single-family and duplex units that are rented have two or more bedrooms
- Roughly 80% of the rented single-family homes have three or more bedrooms

Table 3A: Rented Single-Family and Duplex Units by Bedroom Size

Number of Units

Unit Type	Total Units	Single-Family	Duplex
Studio Units	0	0	0
One Bedroom Units	11	5	6
Two Bedroom Units	174	61	113
Three Bedroom Units	237	184	53
Four Bedroom Units	73	73	0
Five+ Bedroom Units	12	12	0
Total Units	507	335	172

Percentage of Units

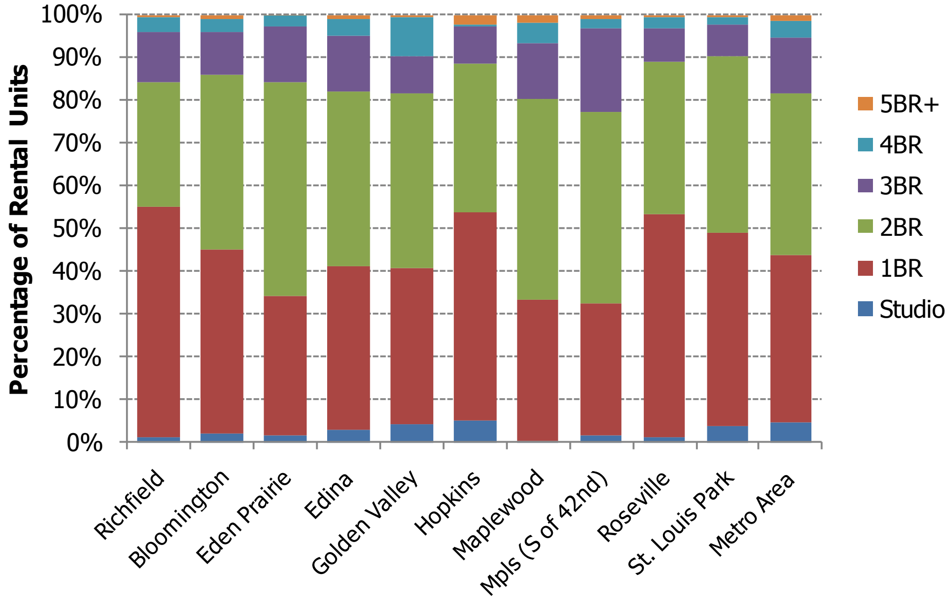
Unit Type	Total Units	Single-Family	Duplex
Studio Units	0.0%	0.0%	0.0%
One Bedroom Units	2.2%	1.5%	3.5%
Two Bedroom Units	34.3%	18.2%	65.7%
Three Bedroom Units	46.7%	54.9%	30.8%
Four Bedroom Units	14.4%	21.8%	0.0%
Five+ Bedroom Units	2.4%	3.6%	0.0%
Total Units	100.0%	100.0%	100.0%

Sources: Hennepin County Tax Assessor Database; City of Richfield, Rental Licensing Report January 2012

UNIT TYPE: COMMUNITY COMPARISON

According data from the US Census (Figure 5), which includes single-family as well as multifamily properties, Richfield has the highest proportion of one bedroom units among its peer communities. Therefore, when market conditions increase demand for larger unit types, Richfield's rental housing stock is not as well positioned to capture that demand relative to its peer communities.

Figure 5: Distribution of Rental Units* by Unit Type



* Covers all rental units, including attached and detached single-family units
Source: US Census, 2006-2010 American Community Survey

YEAR BUILT

Year built is an important indicator of the condition and marketability of rental properties. Most properties that are more 30 years old will start to exhibit significant wear and tear and require major re-investment in order to keep them up-to-code and energy efficient. Moreover, older properties generally need regular updating in order to keep pace with the tastes and preferences of modern day renters. Table 4 and Figures 6 and 7 present data on the year rental units were constructed broken down by affordability and age restriction. The following are key findings concerning the age of Richfield's rental stock:

- Over 75% of Richfield's rental housing stock was built in the 1960s
- Less than 10% of the City's rental stock was built within the last 10 years
- Market rate senior housing has the newest rental stock with more than 50% of the units being built within the last 10 years

Table 4: Richfield Rental Units by Year Built (Properties with 3 or More Units)

Number of Units

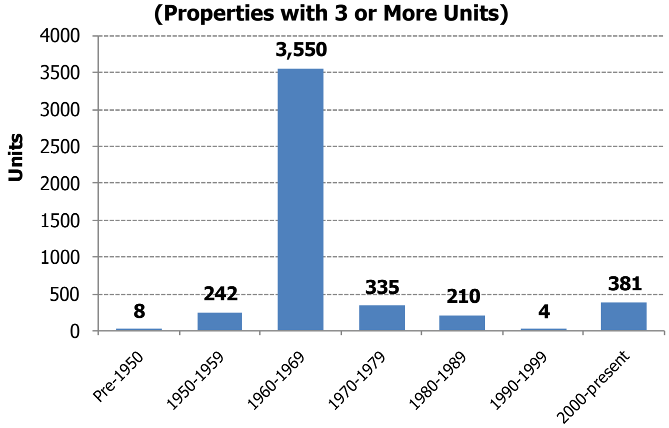
Year		General Occupancy		Restricted (Age or Disabled)	
Constructed	Total Units	Market Rate	Subsidized	Market Rate	Subsidized
2000-present	381	138		243	
1990-1999	4	4			
1980-1989	210			180	30
1970-1979	335	185			150
1960-1969	3,550	3,517		22	11
1950-1959	242	242			
Pre-1950	8	8			
Total	4,730	4,094	0	445	191

Percentage of Units

Year		General Occupancy		Restricted (Age or Disabled)	
Constructed	Total Units	Market Rate	Subsidized	Market Rate	Subsidized
2000-present	8.1%	3.4%		54.6%	
1990-1999	0.1%	0.1%			
1980-1989	4.4%			40.4%	15.7%
1970-1979	7.1%	4.5%			78.5%
1960-1969	75.1%	85.9%		4.9%	5.8%
1950-1959	5.1%	5.9%			
Pre-1950	0.2%	0.2%			
Total	100.0%	100.0%	0.0%	100.0%	100.0%

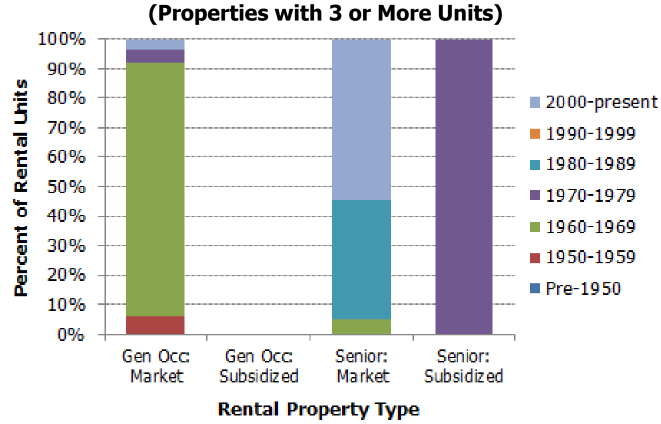
Sources: City of Richfield, Rental Licensing Report January 2012; Hennepin County Tax Assessor Database

Figure 6: Richfield Rental Units by Year Built (Properties with 3 or More Units)



Sources: City of Richfield, Rental Licensing Report January 2012; Hennepin County Tax Assessor Database

Figure 7: Distribution of Richfield Rental Units by Year Built (Properties with 3 or More Units)

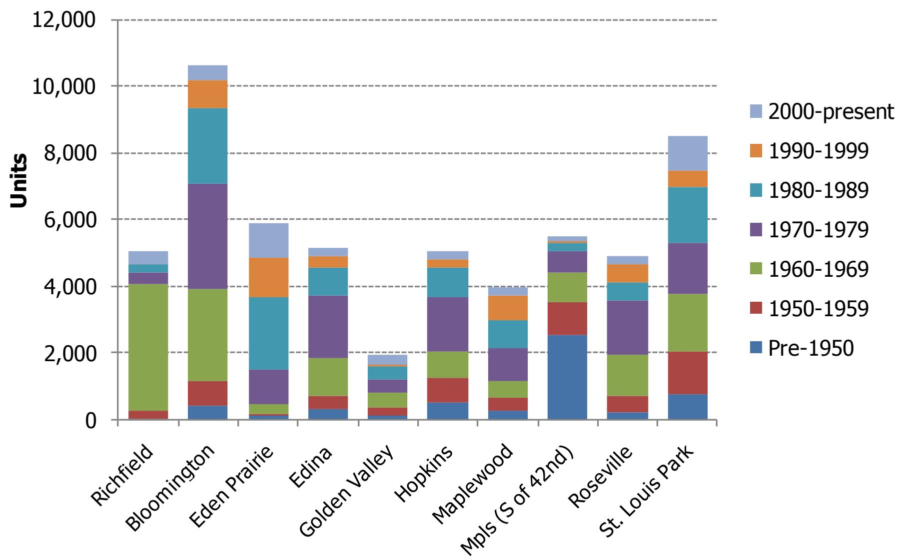


Sources: City of Richfield, Rental Licensing Report January 2012; Hennepin County Tax Assessor Database

YEAR BUILT: COMMUNITY COMPARISON

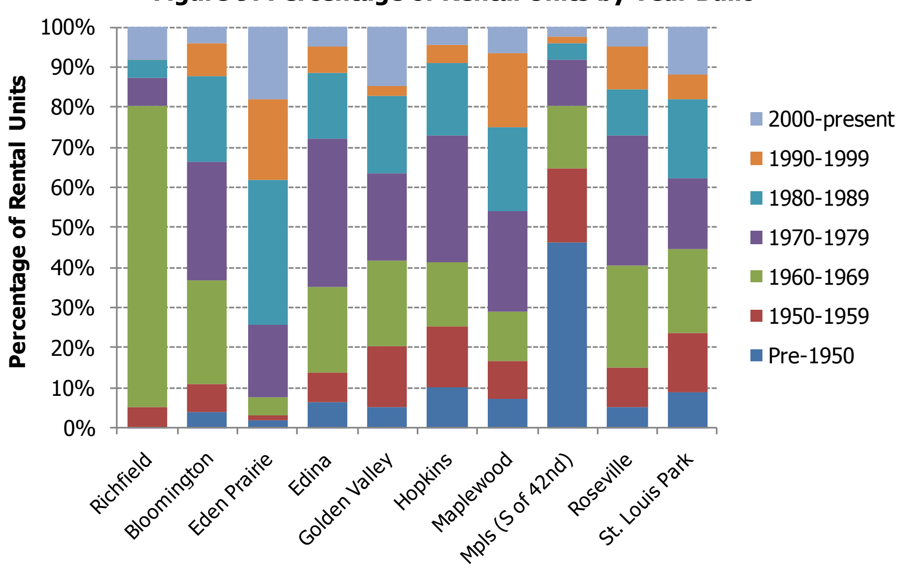
According to Figures 8 and 9, Richfield's rental housing stock is dominated by units built in the 1960s. No other peer community has such a large proportion of its rental housing built in one decade, much less a decade that occurred more than 40 years ago. Some of this is attributable to the fact that Richfield was developed rapidly during the decades immediately following World War II. However, its peer communities also experienced significant development during this time as well. The exceptions are Eden Prairie, which developed more recently, and South Minneapolis, which developed before Richfield. Therefore, it could be concluded that Richfield has not been as effective as its peer communities in integrating rental housing into its redevelopment programming.

Figure 8: Number of Rental Units by Year Built



* Covers all rental units, including attached and detached single-family units
Source: US Census, 2006-2010 American Community Survey

Figure 9: Percentage of Rental Units by Year Built



* Covers all rental units, including attached and detached single-family units
Source: US Census, 2006-2010 American Community Survey

MARKET RATE RENTS

Table 5 and Figures 10 and 11 present data on the number of general-occupancy, market rate rental units by rent ranges broken down by unit type. Rent information was collected from a number of sources and in order to keep comparisons as similar as possible, gross rents were compared, which include estimates for utilities such as heat, electricity, water, and trash removal. Important findings are:

- Due to Richfield's large proportion of older, one-bedroom units, the overall average rent is below $800. When compared to older rental stock in the Metro, Richfield's rents are comparable.
- The average rent for two-bedroom units is $954 and the average for three-bedroom units is $1,249
- Less than 10% of Richfield's rental stock has rents above $1,000 per month

Table 5: Richfield Market Rate Rents by Unit Type (Properties with 3 or More Units)

Number of Units

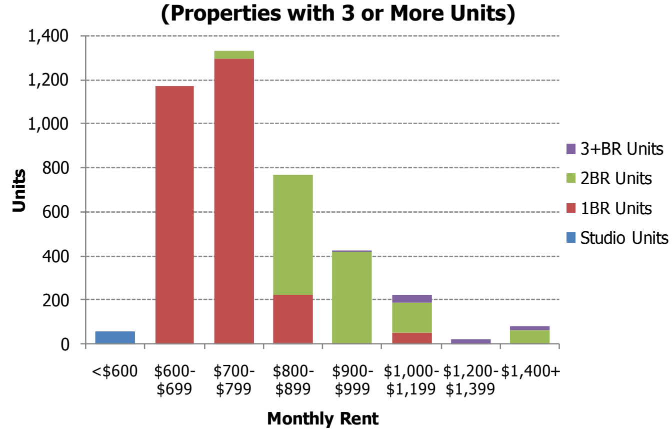
		Market Rate General Occupancy Properties			
Gross Monthly Rent	Total Units	Studio Units	1BR Units	2BR Units	3+BR Units
Less than $600	56	56			
$600-$699	1,171		1,171		
$700-$799	1,330		1,293	37	
$800-$899	770	4	216	550	
$900-$999	419			418	1
$1,000-$1,199	223		52	137	34
$1,200-$1,399	22				22
$1,400 or more	82			60	22
Total	4,073	60	2,732	1,202	79
Average Rent	$784	$603	$745	$954	$1,249

Percentage of Units

		Market Rate General Occupancy Properties			
Gross Monthly Rent	Total Units	Studio Units	1BR Units	2BR Units	3+BR Units
Less than $600	1.4%	93.3%			
$600-$699	28.8%		42.9%		
$700-$799	32.7%		47.3%	3.1%	
$800-$899	18.9%	6.7%	7.9%	45.8%	
$900-$999	10.3%			34.8%	1.3%
$1,000-$1,199	5.5%		1.9%	11.4%	43.0%
$1,200-$1,399	0.5%				27.8%
$1,400 or more	2.0%			5.0%	27.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

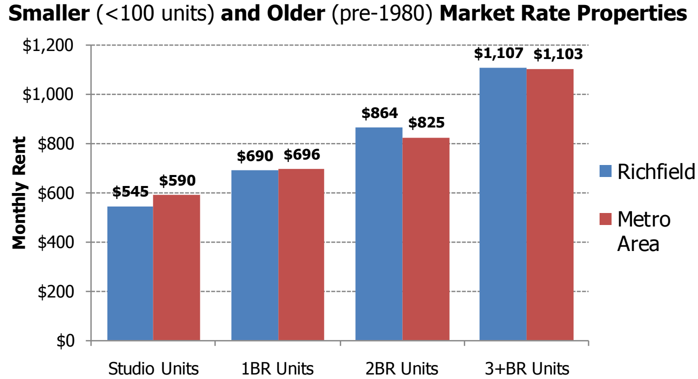
Sources: City of Richfield, rental survey; apartment websites; Marquette Advisors, Apartment Trends 4th Q 2011
Note: Gross monthly rent includes estimates for utilities as follows: studio=$35; 1BR=$55; 2BR=$80; 3BR+=$120

Figure 10: Richfield Market Rate Gross Rents by Unit Type (Properties with 3 or More Units)



Sources: City of Richfield, annual rental survey; apartment websites; Marquette Advisors, Apartment Trends 4th Q 2011
Note: Gross monthly rent includes estimates for utilities as follows: studio=$35; 1BR=$55; 2BR=$80; 3BR+=$120

Figure 11: Average Monthly Quoted Rent by Unit Type for Smaller (<100 units) **and Older** (pre-1980) **Market Rate Properties**

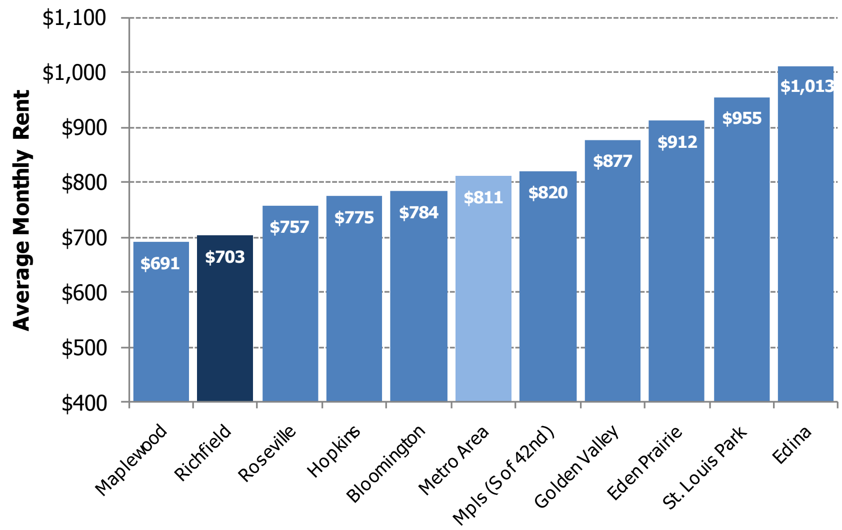


Sources: City of Richfield, annual rental survey; apartment websites; Marquette Advisors, Apartment Trends 4th Quarter 2011
Note: Rents are quoted rents and have not been adjusted to include utilities if not already included in rent

MARKET RATE RENTS: COMMUNITY COMPARISON

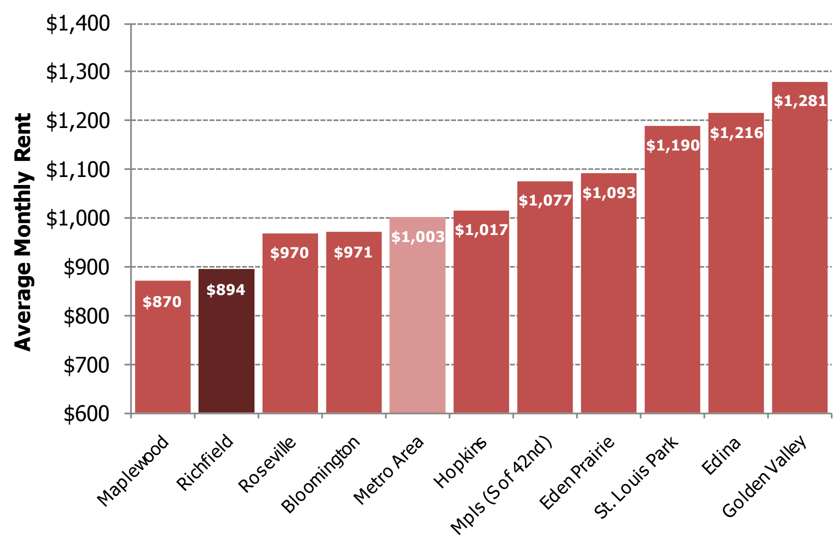
Figures 12 and 13 display the average market rate rent for one- and two-bedroom units in Richfield and its peer communities. In both unit types, Richfield's market rate rent is the second lowest of the communities shown. As mentioned previously, Richfield's relatively low average rent compared to its peer communities is likely due to the fact that so many of its units are more than 40 years old and there are very few newer upscale properties to help raise the overall average rent.

Figure 12: Average Market Rate Quoted Rent for One-Bedroom Apartment



Sources: Marquette Advisors, Apartment Trends 4th Quarter 2011
Note: Rents are quoted rents and have not been adjusted to include utilities if not already included in rent

Figure 13: Average Market Rate Quoted Rent for Two-Bedroom Apartment



Sources: Marquette Advisors, Apartment Trends 4th Quarter 2011
Note: Rents are quoted rents and have not been adjusted to include utilities if not already included in rent

AMENITIES AND FEATURES

Apartment amenities and features desired by renters change over time. What was a key feature that helped market a property 40 years ago may not be as important of a marketing feature today. Table 6 and Figure 14 display some of the common features and amenities desired by today's rental market and prevalence of these features among Richfield's rental stock broken down by price range. Below are key findings from the data:

- Higher rent units tend to have more features and amenities. For example, 100% of the units with rent above $1,400 per month have each of the features and amenities included in Table 6. In contrast, less than 2% of the units with rents below $700 per month have any of the features and amenities in Table 6.
- Pool is the most common amenity with over 50% of the rental units having access to a pool
- Fitness center, walk-in closets, and in-unit washer/dryers are found in only a small number of properties. This is not surprising since these features only began to be regularly included in apartment construction within the last 10 to 15 years.

Table 6: Apartment Amenities and Features by Rent Range
(Market Rate Properties with 3 or More Units)

Number of Units

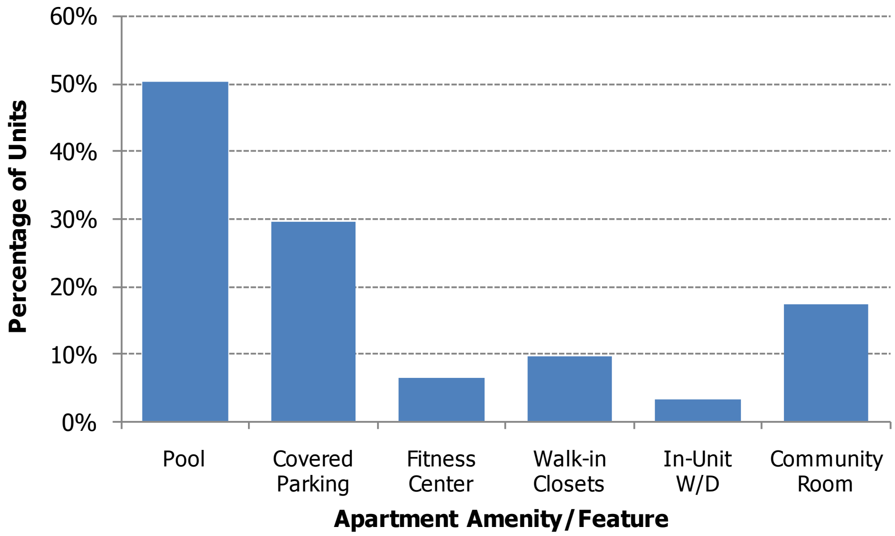
		Amenity/Feature					
Average Gross Monthly Rent	Total Units	Pool	Covered Parking	Fitness Center	Walk-in Closets	In-Unit W/D	Community Room
Less than $600	56						
$600-$699	1,171	23	23		23		
$700-$799	1,330	1,026	230				
$800-$899	770	258	206		96		206
$900-$999	419	419	419	90			276
$1,000-$1,199	223	223	223	90	172	56	146
$1,200-$1,399	22	22	22		22		
$1,400 or more	82	82	82	82	82	82	82
Total	4,073	2,053	1,205	262	395	138	710

Percentage of Units

		Amenity/Feature					
Average Gross Monthly Rent	Total Units	Pool	Covered Parking	Fitness Center	Walk-in Closets	In-Unit W/D	Community Room
Less than $600	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
$600-$699	100.0%	2.0%	2.0%	0.0%	2.0%	0.0%	0.0%
$700-$799	100.0%	77.1%	17.3%	0.0%	0.0%	0.0%	0.0%
$800-$899	100.0%	33.5%	26.8%	0.0%	12.5%	0.0%	26.8%
$900-$999	100.0%	100.0%	100.0%	21.5%	0.0%	0.0%	65.9%
$1,000-$1,199	100.0%	100.0%	100.0%	40.4%	77.1%	25.1%	65.5%
$1,200-$1,399	100.0%	100.0%	100.0%	0.0%	100.0%	0.0%	0.0%
$1,400 or more	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	100.0%	50.4%	29.6%	6.4%	9.7%	3.4%	17.4%

Sources: City of Richfield, annual rental survey; apartment websites; Marquette Advisors, Apartment Trends 4th Q 2011
Note: Gross monthly rent includes estimates for utilities as follows: studio=$35; 1BR=$55; 2BR=$80; 3BR+=$120

Figure 14: Presence of Select Apartment Amenities and Features among Richfield's Market Rate Rental Housing Stock (Properties with 3 or More Units)



Sources: apartment websites; Stantec fieldwork

RENT HISTORY

Table 7 and Figure 15 display the overall rent of market rate units in Richfield and Metro Area from 2001 to 2011. Over the 10-year span, the average monthly rent in Richfield increased $19 or 2.5%. Smaller unit types, studios and one-bedroom units fared somewhat better increasing 4.4% and 3.1% while larger unit types, two- and three-bedroom units, actually experienced a slight decline in rent. This is in contrast to the Metro Area which had an overall increase of nearly 11% in rent during this time. Some of this can be explained by the fact that the Metro Area rent would include all the newer properties built during this time, which almost always skew toward the top of the market causing the overall average rent to increase even if there were no appreciable inflation. Richfield, however, did not have any new apartment buildings open between 2001 and 2011 (Oaks on Pleasant opened in 2000). Therefore, any increases in the overall average rent are almost entirely due to inflationary effects on existing units.

Table 7: Average Market Rate Rent by Unit Type 2001 to 2011

Richfield — *'01-'11 Change*

Number of Bedrooms	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	$	%
Studio Units	$591	$579	$586	$581	$531	$582	$593	$593	$604	$622	$617	$26	4.4%
One Bedroom Units	$682	$658	$649	$641	$636	$639	$658	$679	$672	$684	$703	$21	3.1%
Two Bedroom Units	$895	$888	$879	$863	$874	$853	$862	$904	$912	$885	$894	-$1	-0.1%
Three+ Bedroom Units	$1,261	$1,222	$1,193	$1,179	$1,186	$1,187	$1,197	$1,222	$1,210	$1,210	$1,249	-$12	-1.0%
All Units	$763	$739	$730	$720	$722	$716	$749	$761	$777	$769	$782	$19	2.5%

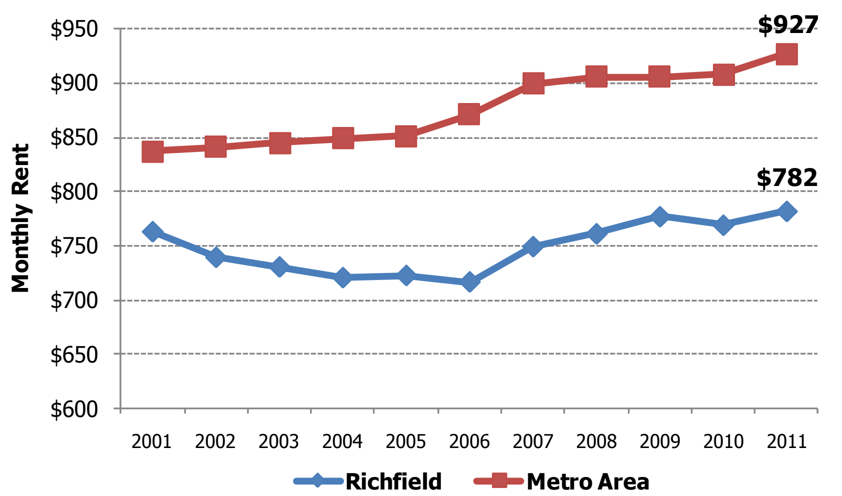
Metro Area — *'01-'11 Change*

Number of Bedrooms	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	$	%
Studio Units	$569	$578	$555	$583	$595	$605	$628	$649	$671	$664	$685	$116	20.4%
One Bedroom Units	$733	$734	$734	$733	$735	$751	$778	$788	$789	$787	$811	$78	10.6%
Two Bedroom Units	$913	$918	$926	$927	$928	$947	$976	$982	$980	$985	$1,003	$90	9.9%
Three+ Bedroom Units	$1,218	$1,217	$1,219	$1,230	$1,224	$1,255	$1,285	$1,271	$1,274	$1,268	$1,291	$73	6.0%
All Units	$837	$841	$845	$849	$851	$871	$899	$906	$906	$908	$927	$90	10.8%

Source: Marquette Advisors, Apartment Trends Report 4th Quarter 2001 thru 4th Quarter 2011

Note: Rents are quoted rents and have not been adjusted to include utilities if not already included in rent

Figure 15: Average Market Rate Rent for All Rental Units 2001 to 2011



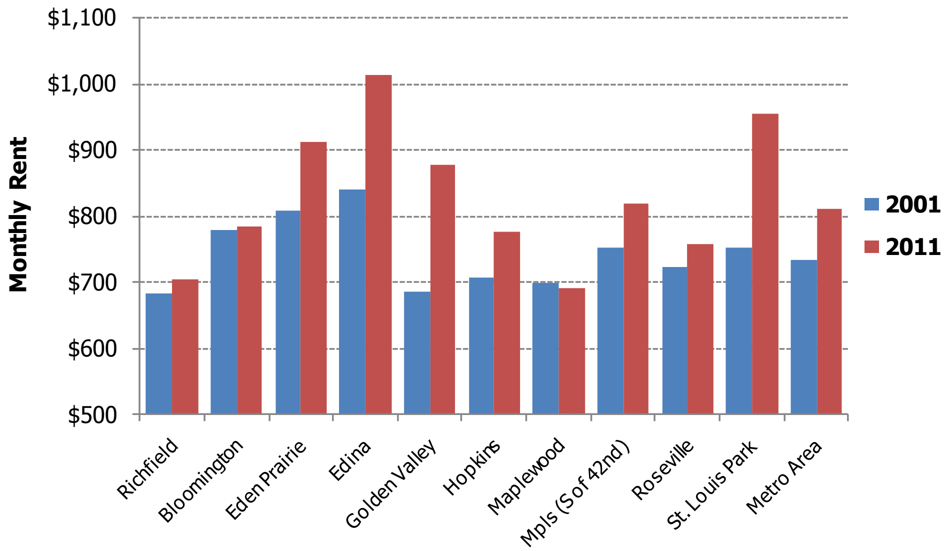
Source: Marquette Advisors, Apartment Trends Report 4th Quarter 2001 thru 4th Quarter 2011

Note: Rents are quoted rents and have not been adjusted to include utilities if not already included in rent

Rent History: Community Comparison

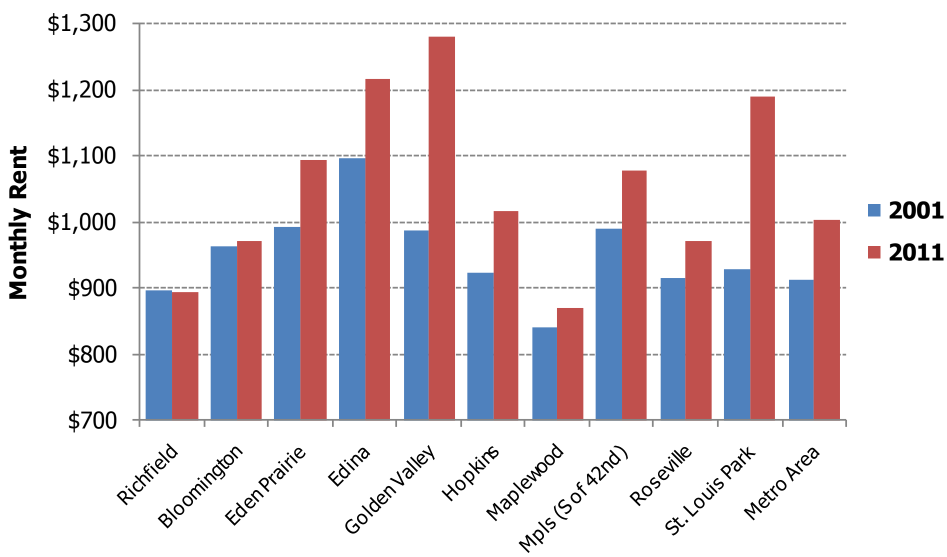
Figures 16 and 17 compare the change in average rent from 2001 to 2011 for one- and two-bedroom apartments in Richfield and each of its peer communities. From the figures, it is apparent that Richfield did not have the same rent increases as many of its peer communities. However, not all peer communities experienced the kinds of rate increases as Edina, Golden Valley, or St. Louis Park. Communities such as Bloomington, Maplewood, and Roseville also experienced rent increases far below the metro average, which suggests that these communities were undergoing similar market effects as Richfield.

Figure 16: Average One-Bedroom Rent in 2001 and 2011



Source: Marquette Advisors, Apartment Trends Report 4th Quarter 2001 thru 4th Quarter 2011
Note: Rents are quoted rents and have not been adjusted to include utilities if not already included in rent

Figure 17: Average Two-Bedroom Rent in 2001 and 2011



Source: Marquette Advisors, Apartment Trends Report 4th Quarter 2001 thru 4th Quarter 2011
Note: Rents are quoted rents and have not been adjusted to include utilities if not already included in rent

VACANCY HISTORY

Table 8 and Figure 18 show vacancy history of market rate units by unit type from 2001 to 2011 for Richfield and the Metro Area. Although Richfield's vacancy history over the last 10 years has been somewhat more volatile (due to a smaller universe of units) than the Metro Area experience, it has generally followed the metro area trend in which vacancy rates moved above 5% in the early part of the decade then declined toward the middle of the decade only to be followed by a sharp rise due to the recession and now settling into a period of historic lows. Below are important findings from the data:

- A healthy rental housing market is characterized by an overall vacancy rate around 5%. This "wiggle" room in the market has several benefits: 1) it helps keep rents from rising too quickly and becoming a burden on households; 2) it helps reduce overcrowding, which can lead to rapid wear-and-tear on units; 3) it allows a certain amount of turnover in a timely manner so that landlords can adequately maintain their properties and make necessary improvements; and 4) a 5% vacancy rate is low enough that it assures adequate cash flow so that landlords have the capital to reinvest. When the vacancy rate drops well below 5%, some landlords will definitely benefit in the short term by raising rents appreciably without losing tenants. However, this is likely to result in overcrowding, creating a huge burden on some households, or pushing other households out of the market altogether by forcing them to search for housing in other communities.
- Units with three or more bedrooms have always seemed to be in high demand in Richfield. Even during periods of an overall soft market, these unit types have never had a vacancy rate above 5.6%. This is likely due to the fact that Richfield has so few three-bedroom units.

Table 8: Vacancy History by Unit Type 2001 to 2011

Richfield

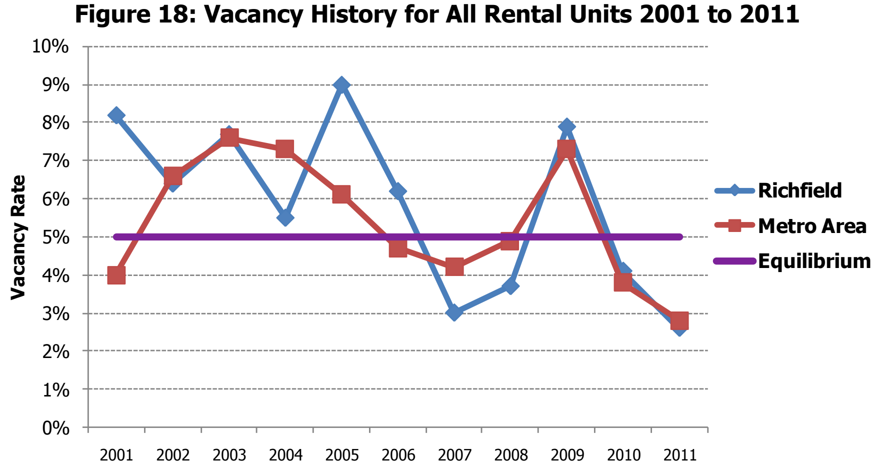
Number of Bedrooms	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Studio Units	18.2%	0.0%	6.7%	6.7%	5.0%	6.7%	0.0%	13.3%	20.0%	14.3%	0.0%
One Bedroom Units	8.3%	5.6%	8.4%	6.2%	10.5%	6.3%	3.9%	1.4%	8.5%	4.5%	2.4%
Two Bedroom Units	8.2%	8.1%	6.3%	4.0%	6.6%	6.6%	1.7%	2.5%	7.0%	3.5%	3.4%
Three+ Bedroom Units	4.2%	5.6%	5.6%	2.8%	0.0%	1.4%	2.3%	0.0%	2.8%	0.0%	0.0%
All Units	8.2%	6.4%	7.7%	5.5%	9.0%	6.2%	3.0%	3.7%	7.9%	4.1%	2.6%

Metro Area

Number of Bedrooms	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Studio Units	2.7%	5.7%	6.7%	6.7%	5.3%	3.4%	4.1%	4.4%	6.5%	4.3%	2.2%
One Bedroom Units	4.2%	6.0%	7.3%	6.2%	5.2%	3.9%	3.7%	4.3%	7.0%	3.7%	2.6%
Two Bedroom Units	3.9%	7.2%	8.2%	8.2%	6.8%	5.1%	4.4%	5.3%	7.4%	3.9%	3.0%
Three+ Bedroom Units	4.2%	7.4%	6.6%	9.0%	8.6%	7.5%	5.6%	5.5%	7.0%	4.0%	3.3%
All Units	4.0%	6.6%	7.6%	7.3%	6.1%	4.7%	4.2%	4.9%	7.3%	3.8%	2.8%

Source: Marquette Advisors, Apartment Trends Report 4th Quarter 2001 thru 4th Quarter 2011

Figure 18: Vacancy History for All Rental Units 2001 to 2011



Source: Marquette Advisors, Apartment Trends Report 4th Quarter 2001 thru 4th Quarter 2011

AFFORDABILITY

Table 9 and Figure 19 builds upon data in Table 5 and Figure 10 by presenting rent breakdowns with the corresponding income and wages needed to afford those rents. Although Richfield has rents that are, on average, below the Metro Area average and well below their peer communities, nearly 70% of the City's rental stock, including almost all of its two and three-bedroom units, would not be affordable to households with annual incomes below $28,000. If annual incomes were translated to hourly wages, this would mean 70% of the City's rental units are not affordable to those with wages below $13.46, which is nearly double the Federal level for minimum wage ($7.25).

Affordability, as defined here, is based on the assumption that housing costs should not be more than 30% of gross income to allow for other household needs, such as food, clothing, and healthcare. For example, if monthly housing costs (i.e., gross rent) are $750 per month this would translate to an annual cost ($750 x 12 months) of $9,000. Therefore, if a household should be spending no more than 30% of their income on housing, they would need an annual income of at least $30,000 to afford such a rent.

Table 9: General Occupancy Rental Units by Income Affordability and Unit Type
(Properties with 3 or More Units)

Number of Units

Gross Monthly Rent	Minimum Annual Income Needed to Afford Rent[1]	Minimum Hourly Wage Needed (40hr/week)[2]	Total Units	General Occupancy Properties			
				Studio Units	1BR Units	2BR Units	3+BR Units
Less than $500	N/A[3]	N/A[3]	11	0	10	1	0
Less than $600	$24,000	$11.54	67	56	10	1	0
Less than $700	$28,000	$13.46	1,238	56	1,181	1	0
Less than $800	$32,000	$15.38	2,568	56	2,474	38	0
Less than $900	$36,000	$17.31	3,338	60	2,690	588	0
Less than $1,000	$40,000	$19.23	3,757	60	2,690	1,006	1
Less than $1,200	$48,000	$23.08	3,980	60	2,742	1,143	35
Less than $1,400	$56,000	$26.92	4,002	60	2,742	1,143	57
No rent limit	$64,000	$30.77	4,084	60	2,742	1,203	79

Percentage of Units

Gross Monthly Rent	Minimum Annual Income Needed to Afford Rent[1]	Minimum Hourly Wage Needed (40hr/week)[2]	Total Units	General Occupancy Properties			
				Studio Units	1BR Units	2BR Units	3+BR Units
Less than $500	N/A[3]	N/A[3]	0.3%	0.0%	0.4%	0.1%	0.0%
Less than $600	$24,000	$11.54	1.6%	93.3%	0.4%	0.1%	0.0%
Less than $700	$28,000	$13.46	30.3%	93.3%	43.1%	0.1%	0.0%
Less than $800	$32,000	$15.38	62.9%	93.3%	90.2%	3.2%	0.0%
Less than $900	$36,000	$17.31	81.7%	100.0%	98.1%	48.9%	0.0%
Less than $1,000	$40,000	$19.23	92.0%	100.0%	98.1%	83.6%	1.3%
Less than $1,200	$48,000	$23.08	97.5%	100.0%	100.0%	95.0%	44.3%
Less than $1,400	$56,000	$26.92	98.0%	100.0%	100.0%	95.0%	72.2%
No rent limit	$64,000	$30.77	100.0%	100.0%	100.0%	100.0%	100.0%

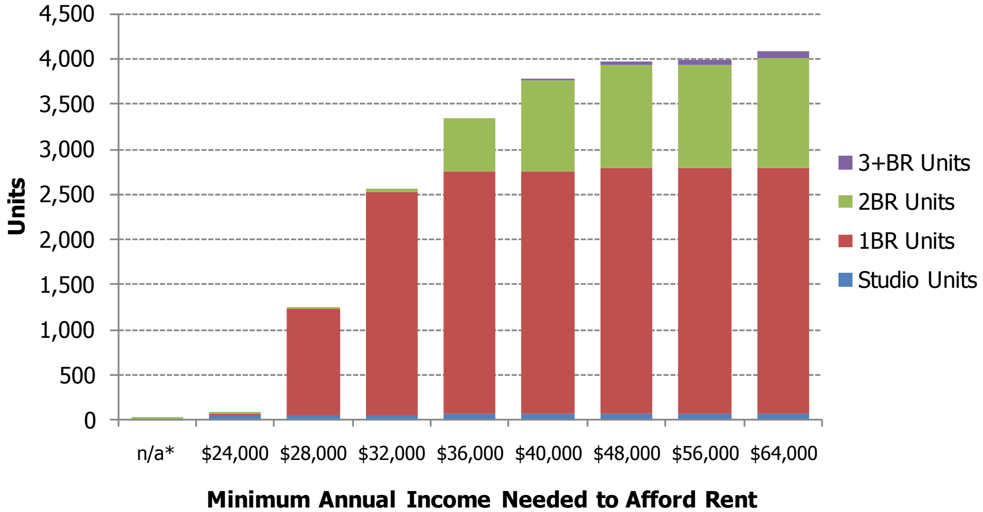
[1] Income levels are based on the assumption that housing costs should not be more than 30% of gross income to allow for other household needs, such as food, clothing, and healthcare. For example, if monthly housing costs (i.e., gross rent) are $750 per month this would translate to an annual cost ($750 x 12) of $9,000. Therefore, if a household should be spending no more than 30% of their income on housing, this would mean they need an annual income of at $30,000 to afford rent.

[2] This is a translation of annual income into hourly wages, which is calculated as annual income divided by the number of hours worked per year (2,080) based on a standard work week (40 hours).

[3] The only units available to households who could not pay more than $500 in rent are subsidized units, which typically allow sliding fee scales based on income. Therefore, these units are indicated in the table as not requiring an income or wage threshold.

Sources: City of Richfield, annual rental survey; apartment websites; Marquette Advisors, Apartment Trends 4th Quarter 2011
Note: Gross monthly rent includes estimates for utilities as follows: studio=$35; 1BR=$55; 2BR=$80; 3BR+=$120

Figure 19: General Occupancy Rental Units by Income Affordability and Unit Type (Properties with 3 or More Units)



Sources: City of Richfield, annual rental survey; apartment websites; Marquette Advisors, Apartment Trends 4th Q 2011
* Units in this category are subsidized units and do not require an income or wage threshold for affordability.

AFFORDABILITY: COMMUNITY COMPARISON

Table 9A displays the number and percentage of rental units that are affordable in Richfield and its peer communities based on income thresholds defined by the Met Council as very low, low, moderate, and middle income. The data in Table 9A is entirely from the US Census. This is important to note because this particular data set from the US Census is self-reported and is from 2010. Therefore, it may differ from rent data previously presented in this report. Furthermore, this data set would also include senior housing units, which typically have higher rents because of the provision of services that are often included in the rent. The following are key findings from the table:

- Slightly less than 9% of Richfield's rental units are affordable to 2-person households with incomes below 30% of the area median income. This is below the Metro Area percentage of 14.6%. The only other peer communities with a lower percentage are Eden Prairie (5.4%) and St. Louis Park (7.0%).
- Due largely to its concentration of older, one-bedroom units, however, Richfield has a relatively high proportion (70%) of rental units that are affordable to 2-person households with incomes at or below 50% of the area median income. The Metro Area rate is 59%, and the closest peer community is Roseville with 65%.

Table 9A: Number of Rental Units by Income Affordability Categories

Number of Units

Income Categories[1]	Maximum Rent for 2-Person Household[2]	Number of Units at or Below Qualifying Rent										
		Richfield	Bloom-ington	Eden Prairie	Edina	Golden Valley	Hopkins	Maple-wood	Mpls (S of 42nd)	Roseville	St. Louis Park	Metro Area
Very Low Income (<30% of AMI)	$504 or less	424	962	320	462	341	691	341	600	594	581	45,531
Low Income (<50% of AMI)	$840 or less	3,414	5,263	1,681	1,299	897	2,832	2,267	2,882	3,111	4,019	182,036
Moderate Income (<80% of AMI)	$1,343 or less	4,443	9,607	5,115	3,969	1,431	4,466	3,662	5,209	4,300	7,228	281,809
Middle Income (<100% of AMI)	$2,098 or less	4,878	10,208	5,788	4,756	1,644	4,965	3,842	5,638	4,638	8,138	307,025
High Income (100% or more of AMI)	No Rent Limit	4,898	10,293	5,921	5,004	1,808	5,007	3,842	5,668	4,791	8,264	311,393

Percentage of Units

Income Categories[1]	Maximum Rent for 2-Person Household[2]	Percentage of Units at or Below Qualifying Rent										
		Richfield	Bloom-ington	Eden Prairie	Edina	Golden Valley	Hopkins	Maple-wood	Mpls (S of 42nd)	Roseville	St. Louis Park	Metro Area
Very Low Income (<30% of AMI)	$504 or less	8.7%	9.3%	5.4%	9.2%	18.9%	13.8%	8.9%	10.6%	12.4%	7.0%	14.6%
Low Income (<50% of AMI)	$840 or less	69.7%	51.1%	28.4%	26.0%	49.6%	56.6%	59.0%	50.8%	64.9%	48.6%	58.5%
Moderate Income (<80% of AMI)	$1,343 or less	90.7%	93.3%	86.4%	79.3%	79.2%	89.2%	95.3%	91.9%	89.8%	87.5%	90.5%
Middle Income (<100% of AMI)	$2,098 or less	99.6%	99.2%	97.8%	95.0%	90.9%	99.2%	100.0%	99.5%	96.8%	98.5%	98.6%
High Income (100% or more of AMI)	No Rent Limit	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

[1] Income categories are based on affordability defnitions from the Met Council/MHFA. AMI = area median income. The 2012 AMI for the Twin Cities Metro Area is $67,120 for a 2-person household and $83,900 for a 4-person household.

[2] Rent is based on the assumption that households should not be paying more than 30% of adjusted gross income for housing. Therefore, for a 2-person household with an income of $33,560, which is approximately 50% of AMI, they should be paying no more than $840 in rent because that would be 30% of adjusted gross income ($33,560 x 30% = $10,068 / 12months = $840).

Source: US Census, American Community Survey 2006-2010

SUBSIDIZED RENTAL UNITS

Richfield has three rental properties (with three or more units) that are classified as subsidized in which the building owner restricts residency to low-income households in return for grants, tax-credits, or other subsidies that help cover debt and operating costs due to the lack of income generated by rent from tenants. According to Housing Link, a non-profit that tracks the availability and production of subsidized housing, the following is a list of Richfield's subsidized properties:

- Richfeld Towers (7717 Chicago Ave) – 150 units (Age 62+)
- Robert Will Community Housing (6345 Pleasant) – 11 units (Disabled residents only)
- Sheridan Court (2500 66th St W) – 30 units (Disabled residents only)
- Red Fox Run (11 E 68th St) – 5 units
- Tasks Unlimited Lodges (6733 Lyndale) - 4 units
- Two scattered sites, no address provided

Red Fox Run, Tasks Unlimited Lodges, and the two scattered sites are not included in the analysis because they are single-family homes, duplexes, or group homes.

Table 10 and Figures 20 and 21 present data on subsidized rental units in Richfield and its peer communities. Richfield has very few subsidized units; less than 1% of its general occupancy (non-senior) rental stock is subsidized. In contrast, Maplewood has over 500 subsidized units accounting for more than 15% of its general occupancy rental stock. If Richfield were to increase the number of its subsidized units to meet the average of its peer communities (6.4%), it would need to add nearly 300 units.

Table 10: Subsidized Rental Units by Peer Community (Properties with 3 or More Units)

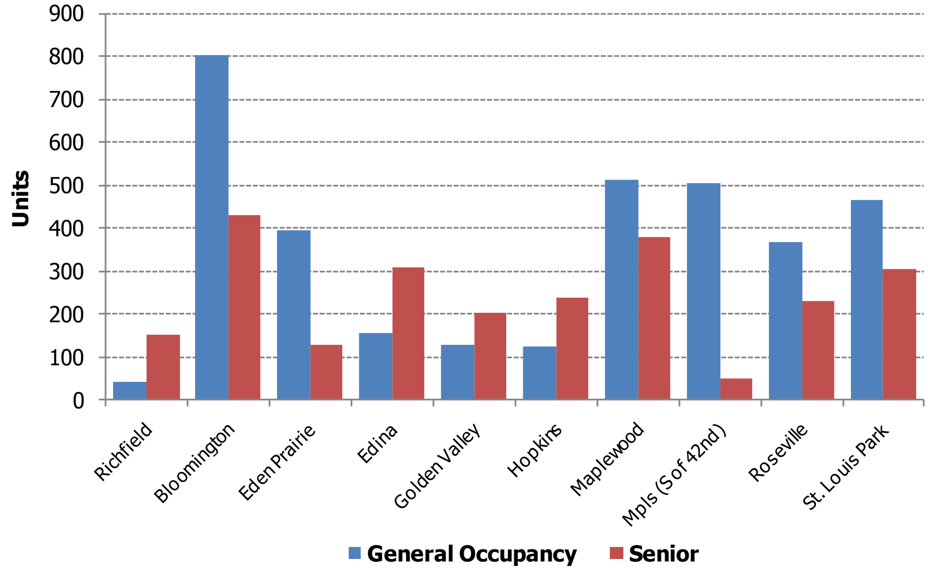
	General-Occupancy (non-senior)			Senior (age-restricted)		
Community	Subsidized Units	Total Units	% Sub.	Subsidized Units	Total Units	% Sub.
Richfield	41	4,857	0.8%	150	595	25.2%
Bloomington	803	10,946	7.3%	432	998	43.3%
Eden Prairie	395	5,932	6.7%	128	675	19.0%
Edina	154	4,803	3.2%	308	1,187	25.9%
Golden Valley	127	1,553	8.2%	202	620	32.6%
Hopkins	125	4,952	2.5%	237	519	45.7%
Maplewood	514	3,394	15.1%	379	894	42.4%
Mpls (S of 42nd)	505	5,543	9.1%	50	50	100.0%
Roseville	367	4,393	8.4%	230	907	25.4%
St. Louis Park	467	8,637	5.4%	304	830	36.6%
Total	3,498	55,010	6.4%	2,420	7,275	33.3%

* To be considered subsidized housing, the property must have a subsidy attached to it, such as HUD Sections 232 or 42 (Low-Income Housing Tax Credits) and restrict tenancy based on household income. Also, transitional forms of housing, such as homeless or emergency shelters, are not considered subsidized housing. Properties that accept Section 8 vouchers are not considered subsidized if they can rent the same unit to a non-"income qualified" household.

Sources: Housing Link; Twin Cities Senior Housing Guide; US Census, 2006-2010 American Community Survey

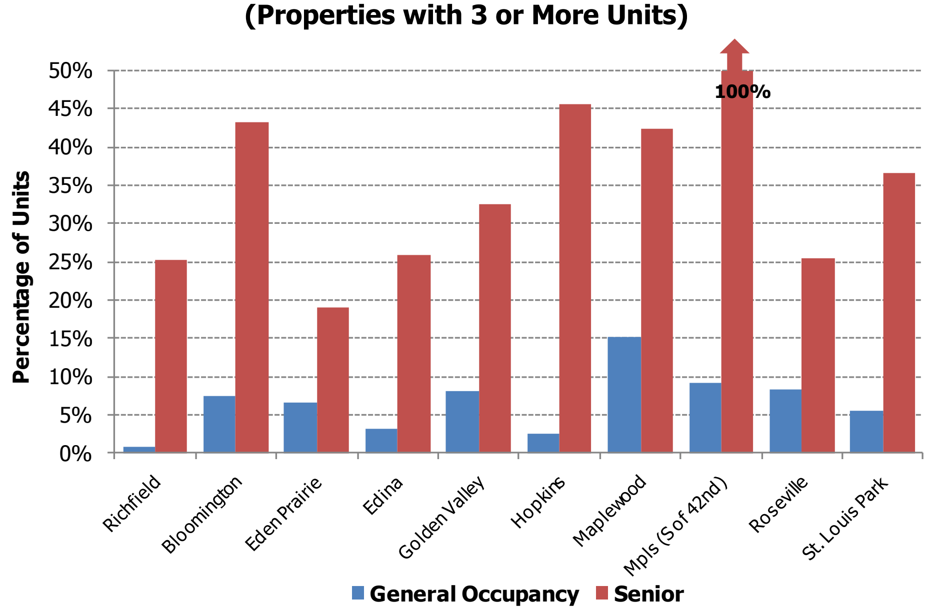
As a point of clarification, the conclusions drawn from Table 10 are not meant to indicate an optimal or desired amount of subsidized housing for Richfield. Instead, they are presented here to illustrate how Richfield compares with its peer communities in the provision of subsidized housing. Ultimately, the desired amount of subsidized housing within a community is a policy decision that rests with local leaders. With that being said, though, the Metropolitan Council has put in place a program for incentivizing the construction of new affordable housing by apportioning a goal for the number of new units to be constructed in each community through 2020. For Richfield, the Metropolitan Council has set this goal between 497 and 765 new affordable units through 2020. Additional discussion of the Metropolitan Council's program for incentivizing construction of affordable housing units is in a following section of this report.

Figure 20: Subsidized Rental Units by Peer Community (Properties with 3 or More Units)



Sources: Housing Link; Twin Cities Senior Housing Guide; US Census, 2006-2010 American Community Survey

Figure 21: Prevalence of Subsidized Rental Units by Peer Community (Properties with 3 or More Units)



Sources: Housing Link; Twin Cities Senior Housing Guide; US Census, 2006-2010 American Community Survey

MARKET RATE SENIOR HOUSING

Richfield has three market rate senior housing rental properties offering a full range of services: Village Shores, Mainstreet Village, and the Pines. Table 11 presents data on the number of market rate senior units broken down by unit type. Table 11 also indicates whether the rental property provides a level of service geared toward a population that is active and independent versus those requiring assisted living services. Senior housing has evolved considerably over the last 30 years into a highly diversified set of living arrangements that provide varying levels of service. Rental rates at properties that cater to residents needing the highest level of service short of a nursing home can be extremely expensive. As evidenced in the table below, some units can exceed $3,500 per month. Much of this expense, however, is related to the provision of services, such as food, housekeeping, and personal care.

Table 11: Market Rate Senior Housing Units by Rent Range

Number of Units

	Gross Monthly Rent	Total Units	Studio Units	1BR Units	2BR Units
Independent Living	Less than $1,000	0			
	$1,250-$1,499	132		132	
	$1,500-$1,749	99		39	60
	$1,750-$1,999	65			65
Assisted Living	$2,000-$2,499	4	4		
	$2,500-$2,999	15	15		
	$3,000-$3,499	31	10	21	
	$3,500 or more	59		59	
	Total	405	29	251	125

Percentage of Units

	Gross Monthly Rent	Total Units	Studio Units	1BR Units	2BR Units
Independent Living	Less than $1,000	0.0%			
	$1,250-$1,499	32.6%		52.6%	
	$1,500-$1,749	24.4%		15.5%	48.0%
	$1,750-$1,999	16.0%			52.0%
Assisted Living	$2,000-$2,499	1.0%	13.8%		
	$2,500-$2,999	3.7%	51.7%		
	$3,000-$3,499	7.7%	34.5%	8.4%	
	$3,500 or more	14.6%		23.5%	
	Total	100.0%	100.0%	100.0%	100.0%

Sources: Twin Cities Senior Housing Guide; apartment websites

RENTAL HOUSING CONSTRUCTION/DEMOLITION

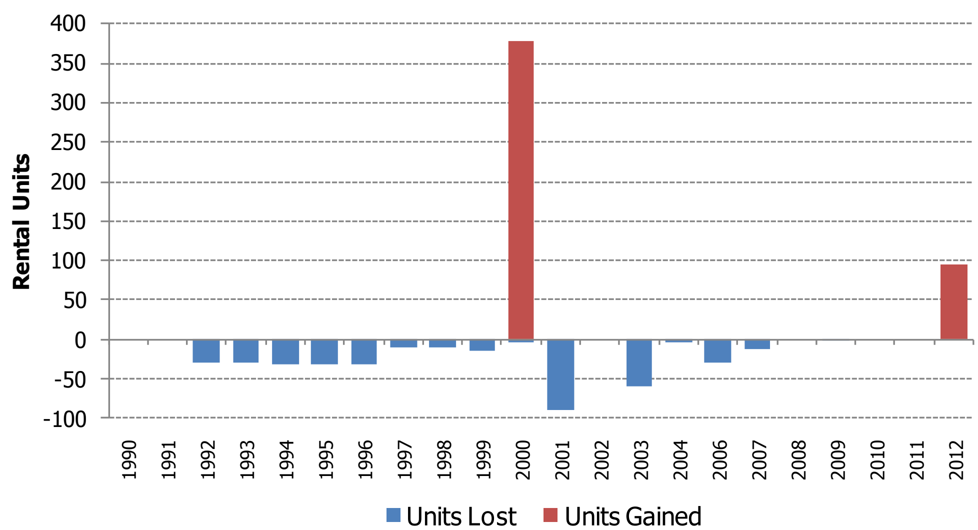
Since 1990 Richfield has had a net gain of 82 rental units. During that time, though, numerous redevelopment projects in various locations have resulted in the demolition of nearly 400 rental units. Balancing out the demolitions, however, has been the construction of new rental units, most of which occurred in 2000. Currently, the Lyndale Plaza project is under construction and when completed will be the City's first rental project in 12 years.

Table 12: Rental Housing Units Constructed/Demolished 1990 to 2012

Year	Rental Units Lost	Rental Units Gained	Net Change	Redevelopment Projects
1990	0	0	0	
1991	0	0	0	
1992	29	0	-29	77th St expansion
1993	29	0	-29	77th St expansion
1994	32	0	-32	New Ford Town; Shops at Lyndale & Meridian Crossings
1995	32	0	-32	New Ford Town; Shops at Lyndale & Meridian Crossings
1996	31	0	-31	New Ford Town; Shops at Lyndale & Meridian Crossings
1997	11	0	-11	Shops at Lyndale & Meridian Crossings
1998	11	0	-11	Shops at Lyndale & Meridian Crossings
1999	15	0	-15	Shops at Lyndale & Meridian Crossings; Interstate 35W expansion
2000	4	377	373	Woodlake Centre; Lyndale Gateway East; 66th St Bridge at Cedar Ave
2001	89	0	-89	Interchange West (Best Buy)
2002	0	0	0	
2003	60	0	-60	18th Ave south of 66th St & Cedar Ave
2004	3	0	-3	Lyndale Gateway West (Kensington Park)
2006	30	0	-30	Crosstown expansion; Cedar Point Commons
2007	12	0	-12	Cedar Point Commons
2008	0	0	0	
2009	1	0	-1	Municipal Center
2010	0	0	0	
2011	0	0	0	
2012	0	94	94	Lyndale Plaza
Total	389	471	82	

Source: City of Richfield

Figure 22: Rental Housing Units Constructed/Demolished 1990 to 2012



Source: City of Richfield

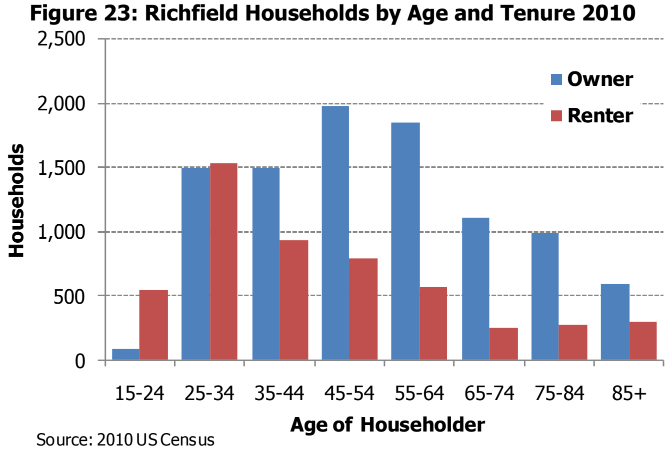
Characteristics of Renter Households

AGE OF HOUSEHOLDS

Householder age is a key determinant of whether one rents or owns their housing. Renting is more prevalent among younger and older households. Younger households typically rent their housing because they do not have enough savings to afford homeownership or because they have yet to start families and want the flexibility to easily relocate for better work opportunities. Older households often transition from owning to renting because they desire a more maintenance-free lifestyle due to aging or splitting their time between two homes while in retirement. Table 13 and Figures 23 through 25 present data on the age breakdown of owner and renter households. Tracking the change in tenure is important because the rental stock of the City is mostly stagnant, while the demographics are much more fluid. Below are important considerations of the data:

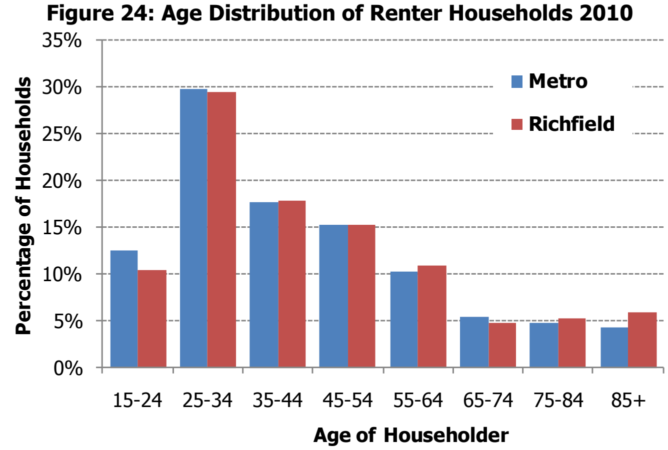
- Renter households in Richfield increased by 311 (6.4%) between 2000 and 2010, while owner households decreased by -566 (-5.6%). Part of this can be explained by the sharp increase in the number of rented single-family homes in Richfield between 2000 and 2010.
- The profile of renter households in Richfield is aging rapidly. For example, the number of renter households under 25 and age 35 to 44 declined significantly in the last 10 years, while all other age groups increased, especially the groups 55 to 64 and over age 85, which saw major increases in the number of renters. Some of that growth can be explained by the impact of the Baby Boom generation and lengthening life spans. However, when one looks at the "split" between renters and owners within each age group, every age group over 35 increased its share of renters between 2000 and 2010, which indicates that renting is becoming more prevalent among older age groups.
- The age profile of Richfield renters is very similar to that of the Metro Area, which suggests that despite a rental housing stock that skews heavily toward one-bedroom units, the household base of the City appears to match the broader, regional profile. Some peer communities, however, do deviate notably from the Metro Area profile. Edina and Golden Valley, for example, have much older renter households than the Metro Area, while St. Louis Park tends to have a much younger renter profile than the Metro Area. This skewing probably is related to the proportion of senior and upscale apartments in each community.

Figure 23: Richfield Households by Age and Tenure 2010



Source: 2010 US Census

Figure 24: Age Distribution of Renter Households 2010



Source: 2000 US Census; 2010 US Census

Table 13: Richfield Households by Age of Householder and Tenure 2000 and 2010

Number of Households

Age of Householder	2000 Owner	2000 Renter	2000 Total	2010 Owner	2010 Renter	2010 Total	Number Change 2000-2010 Owner	Number Change 2000-2010 Renter	Number Change 2000-2010 Total	Percentage Change 2000-2010 Owner	Percentage Change 2000-2010 Renter	Percentage Change 2000-2010 Total
15 to 24 years	117	790	907	86	546	632	-31	-244	-275	-26.5%	-30.9%	-30.3%
25 to 34 years	1,431	1,463	2,894	1,502	1,531	3,033	71	68	139	5.0%	4.6%	4.8%
35 to 44 years	2,228	1,032	3,260	1,499	928	2,427	-729	-104	-833	-32.7%	-10.1%	-25.6%
45 to 54 years	1,971	645	2,616	1,976	793	2,769	5	148	153	0.3%	22.9%	5.8%
55 to 64 years	1,331	329	1,660	1,854	570	2,424	523	241	764	39.3%	73.3%	46.0%
65 to 74 years	1,306	213	1,519	1114	252	1,366	-192	39	-153	-14.7%	18.3%	-10.1%
75 to 84 years	1,484	276	1,760	992	277	1,269	-492	1	-491	-33.2%	0.4%	-27.9%
85 years and over	316	141	457	595	303	898	279	162	441	88.3%	114.9%	96.5%
Total	10,184	4,889	15,073	9,618	5,200	14,818	-566	311	-255	-5.6%	6.4%	-1.7%

Distribution of Age Groups among Owners and Renters

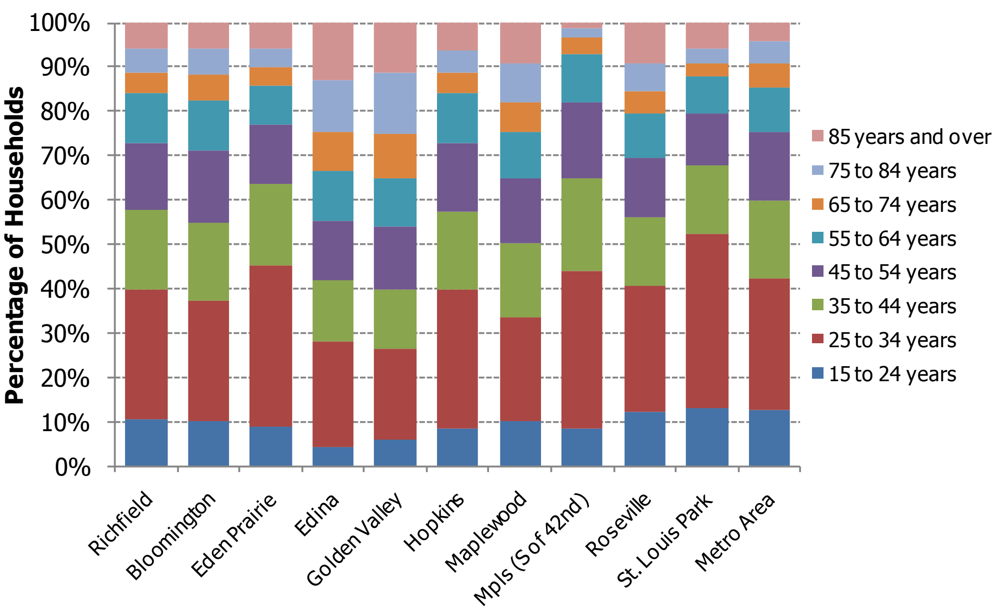
Age of Householder	2000 Owner	2000 Renter	2000 Total	2010 Owner	2010 Renter	2010 Total	Percentage Change 2000-2010 Owner	Percentage Change 2000-2010 Renter	Percentage Change 2000-2010 Total
15 to 24 years	1.1%	16.2%	6.0%	0.9%	10.5%	4.3%	-0.3%	-5.7%	-1.8%
25 to 34 years	14.1%	29.9%	19.2%	15.6%	29.4%	20.5%	1.6%	-0.5%	1.3%
35 to 44 years	21.9%	21.1%	21.6%	15.6%	17.8%	16.4%	-6.3%	-3.3%	-5.2%
45 to 54 years	19.4%	13.2%	17.4%	20.5%	15.3%	18.7%	1.2%	2.1%	1.3%
55 to 64 years	13.1%	6.7%	11.0%	19.3%	11.0%	16.4%	6.2%	4.2%	5.3%
65 to 74 years	12.8%	4.4%	10.1%	11.6%	4.8%	9.2%	-1.2%	0.5%	-0.9%
75 to 84 years	14.6%	5.6%	11.7%	10.3%	5.3%	8.6%	-4.3%	-0.3%	-3.1%
85 years and over	3.1%	2.9%	3.0%	6.2%	5.8%	6.1%	3.1%	2.9%	3.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%

Percentage Split between Owners and Renters within each Age Group

Age of Householder	2000 Owner	2000 Renter	2000 Total	2010 Owner	2010 Renter	2010 Total	Percentage Change 2000-2010 Owner	Percentage Change 2000-2010 Renter	Percentage Change 2000-2010 Total
15 to 24 years	12.9%	87.1%	100.0%	13.6%	86.4%	100.0%	0.7%	-0.7%	0.0%
25 to 34 years	49.4%	50.6%	100.0%	49.5%	50.5%	100.0%	0.1%	-0.1%	0.0%
35 to 44 years	68.3%	31.7%	100.0%	61.8%	38.2%	100.0%	-6.6%	6.6%	0.0%
45 to 54 years	75.3%	24.7%	100.0%	71.4%	28.6%	100.0%	-4.0%	4.0%	0.0%
55 to 64 years	80.2%	19.8%	100.0%	76.5%	23.5%	100.0%	-3.7%	3.7%	0.0%
65 to 74 years	86.0%	14.0%	100.0%	81.6%	18.4%	100.0%	-4.4%	4.4%	0.0%
75 to 84 years	84.3%	15.7%	100.0%	78.2%	21.8%	100.0%	-6.1%	6.1%	0.0%
85 years and over	69.1%	30.9%	100.0%	66.3%	33.7%	100.0%	-2.9%	2.9%	0.0%
Total	67.6%	32.4%	100.0%	64.9%	35.1%	100.0%	-2.7%	2.7%	0.0%

Source: 2000 and 2010 US Census

Figure 25: Age Distribution of Renter Households 2010



Source: 2010 US Census

HOUSEHOLD SIZE

Data on household size can reveal whether there is any overcrowding among a City's rental housing stock. Table 14 and Figures 26 through 29 display data on household size. Key findings from the data follow:

- Over two-thirds of renter households in Richfield consist of one or two persons
- There are 951 renter households in Richfield with four or more persons. Assuming all 656 single-family and duplex rental units (Table 1) have three or more bedrooms, this means 216 renter households with four or more persons are living in units with two bedrooms or less.
- Richfield's profile of renter household size is very similar to that of the Metro Area with nearly an identical proportion of one-person renter households. It was revealed in Figure 5, however, that Richfield has a significantly larger proportion of one-bedroom rental units than the Metro Area. This suggests that there is either a greater incidence of overcrowding in Richfield's rental housing stock or that the Metro Area has a significant number of two-bedroom or larger apartment units occupied by one-person households.
- The proportion of larger households (5+ persons) that rent is much higher in Richfield than the Metro Area. In Richfield, over 38% of these larger households rent, while roughly 26% of Metro Area households of the same size do. Again, this suggests that Richfield's rental stock is accommodating much larger households than other communities, despite its high proportion of one-bedroom units.
- Relative to its peer communities, Richfield has a large proportion of renter households with three or more persons. This is additional evidence that Richfield's rental housing stock has very few if any empty bedrooms, whereas many of its peer communities have a significant number of empty bedrooms.

Table 14: Household Size by Tenure 2010

Richfield

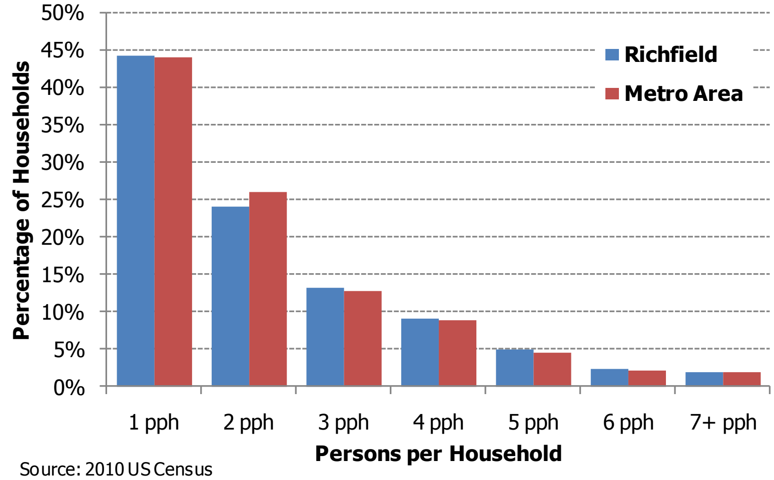
	Number of Households			Tenure Distribution			Tenure Split		
Persons per Household	Owner	Renter	Total	Owner	Renter	Total	Owner	Renter	Total
1-person household	2,776	2,305	5,081	28.9%	44.3%	34.3%	54.6%	45.4%	100.0%
2-person household	3,599	1,255	4,854	37.4%	24.1%	32.8%	74.1%	25.9%	100.0%
3-person household	1,406	689	2,095	14.6%	13.3%	14.1%	67.1%	32.9%	100.0%
4-person household	1,055	470	1,525	11.0%	9.0%	10.3%	69.2%	30.8%	100.0%
5-person household	395	257	652	4.1%	4.9%	4.4%	60.6%	39.4%	100.0%
6-person household	189	121	310	2.0%	2.3%	2.1%	61.0%	39.0%	100.0%
7-or-more-person household	198	103	301	2.1%	2.0%	2.0%	65.8%	34.2%	100.0%
Total	9,618	5,200	14,818	100.0%	100.0%	100.0%	64.9%	35.1%	100.0%

Metro Area

	Number of Households			Tenure Distribution			Tenure Split		
Persons per Household	Owner	Renter	Total	Owner	Renter	Total	Owner	Renter	Total
1-person household	171,241	147,789	319,030	21.9%	44.1%	28.5%	53.7%	46.3%	100.0%
2-person household	280,552	87,139	367,691	35.9%	26.0%	32.9%	76.3%	23.7%	100.0%
3-person household	128,197	42,563	170,760	16.4%	12.7%	15.3%	75.1%	24.9%	100.0%
4-person household	123,219	29,587	152,806	15.7%	8.8%	13.7%	80.6%	19.4%	100.0%
5-person household	50,854	14,883	65,737	6.5%	4.4%	5.9%	77.4%	22.6%	100.0%
6-person household	16,887	6,908	23,795	2.2%	2.1%	2.1%	71.0%	29.0%	100.0%
7-or-more-person household	11,525	6,405	17,930	1.5%	1.9%	1.6%	64.3%	35.7%	100.0%
Total	782,475	335,274	1,117,749	100.0%	100.0%	100.0%	70.0%	30.0%	100.0%

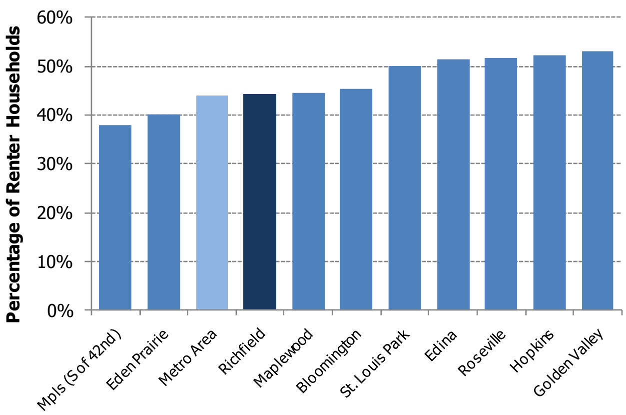
Source: 2010 US Census

Figure 26: Distribution of Renter Households by Size of Household 2010



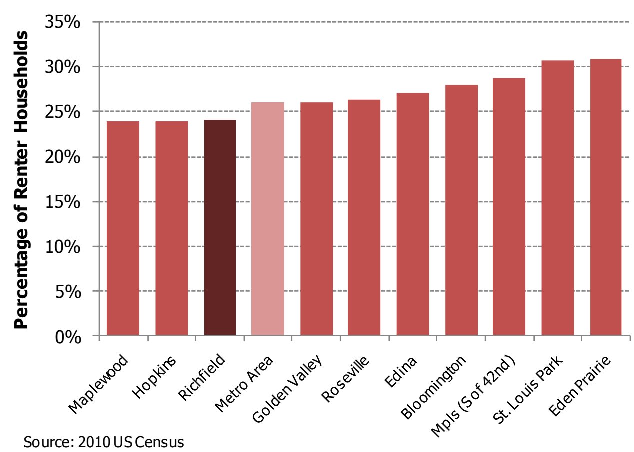
Source: 2010 US Census

Figure 27: 1-Person Renter Households 2010



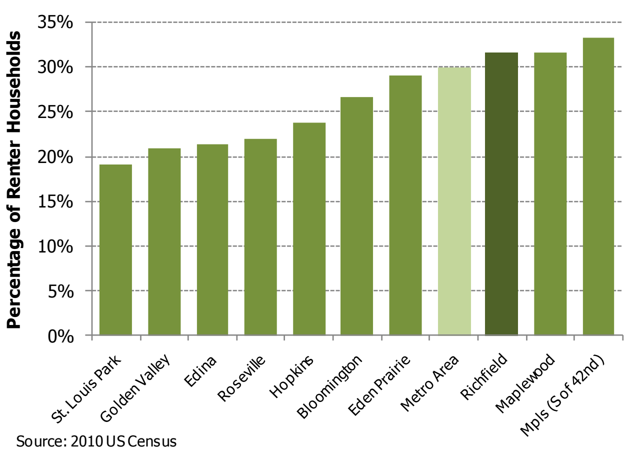
Source: 2010 US Census

Figure 28: 2-Person Renter Households 2010



Source: 2010 US Census

Figure 29: 3 or More-Person Renter Households 2010



Source: 2010 US Census

HOUSEHOLD TYPE

Related to household size is household type. Changes in household type can place pressure on the types of rental units needed in a community. For example, increasing numbers of renter households with children will place greater demand for units with three or more bedrooms, not to mention amenities such as play areas and accessibility to nearby schools. Table 15 and Figures 30 through 32 present data on household type. The following are important findings:

- Nearly 28% of Richfield's renter households have children. This is a higher proportion than the Metro Area rate and one of the highest rates among its peer communities.
- Richfield's rental stock is accommodating more and more households with children, even though much of the rental stock was not built to be marketed to families with children. Between 2000 and 2010, the number of renter households with children increased by 460. During that same time, renter households without children decreased by -159.

Table 15: Richfield Household Types 2000 and 2010

Number of Households

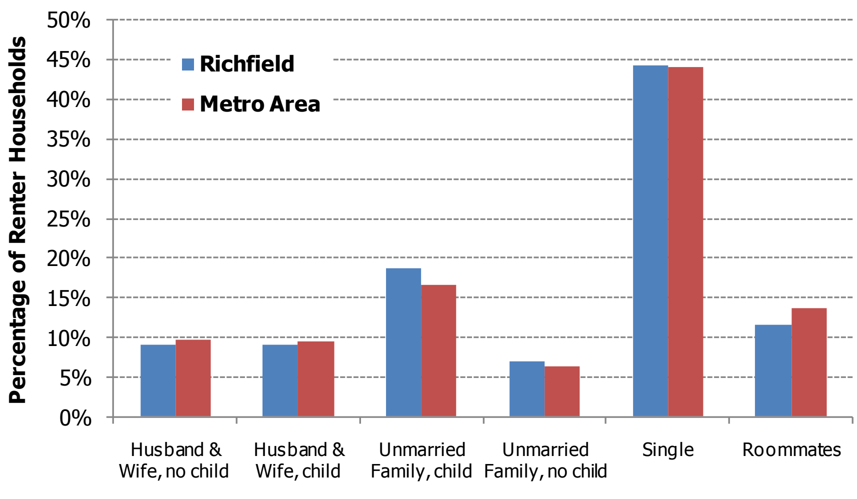
Household Type	2000			2010			Number Chg. 2000-2010			Percentage Chg. 2000-2010		
	Owner	Renter	Total	Owner	Renter	Total	Owner	Renter	Total	Owner	Renter	Total
Husband and Wife no children	3,494	504	3,998	1,910	473	2,383	-1,584	-31	-1,615	-45.3%	-6.2%	-40.4%
Husband and Wife with Children	2,234	358	2,592	3,150	475	3,625	916	117	1,033	41.0%	32.7%	39.9%
Unmarried Family with Children	518	633	1,151	294	976	1,270	-224	343	119	-43.2%	54.2%	10.3%
Unmarried Family no Children	699	319	1,018	775	366	1,141	76	47	123	10.9%	14.7%	12.1%
Non-Family, Single	2,663	2,428	5,091	2,776	2,305	5,081	113	-123	-10	4.2%	-5.1%	-0.2%
Non-Family, Roommates	566	657	1,223	712	605	1,317	146	-52	94	25.8%	-7.9%	7.7%
Total	10,174	4,899	15,073	9,617	5,200	14,817	-557	301	-256	-5.5%	6.1%	-1.7%

Percentage of Households

Household Type	2000			2010			Percentage Chg. 2000-2010		
	Owner	Renter	Total	Owner	Renter	Total	Owner	Renter	Total
Husband and Wife no children	34.3%	10.3%	26.5%	19.9%	9.1%	16.1%	-14.5%	-1.2%	-10.4%
Husband and Wife with Children	22.0%	7.3%	17.2%	32.8%	9.1%	24.5%	10.8%	1.8%	7.3%
Unmarried Family with Children	5.1%	12.9%	7.6%	3.1%	18.8%	8.6%	-2.0%	5.8%	0.9%
Unmarried Family no Children	6.9%	6.5%	6.8%	8.1%	7.0%	7.7%	1.2%	0.5%	0.9%
Non-Family, Single	26.2%	49.6%	33.8%	28.9%	44.3%	34.3%	2.7%	-5.2%	0.5%
Non-Family, Roommates	5.6%	13.4%	8.1%	7.4%	11.6%	8.9%	1.8%	-1.8%	0.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%

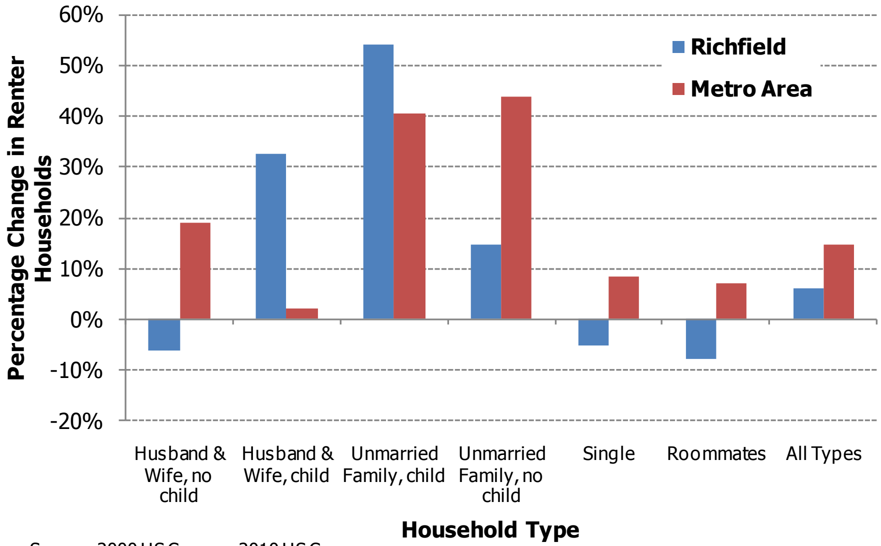
Source: 2000 US Census; 2010 US Census

Figure 30: Distribution of Renter Household by Type of Household 2010



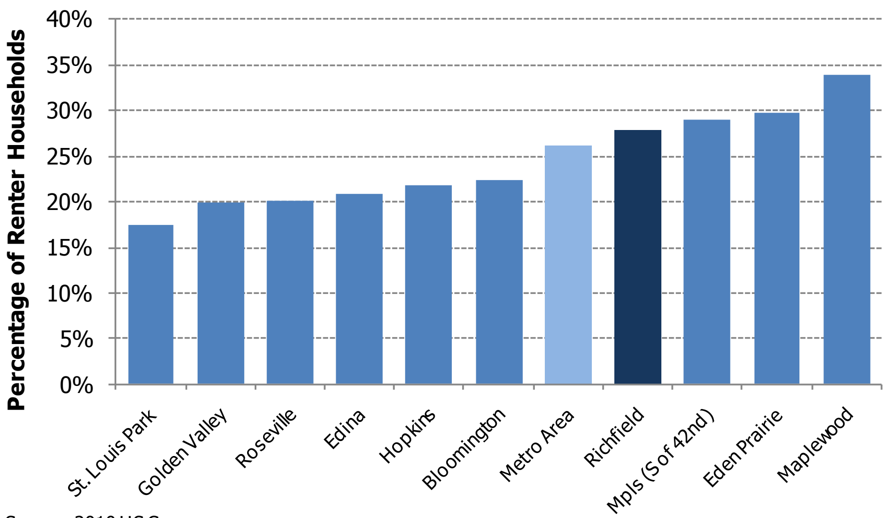
Source: 2010 US Census

Figure 31: Change in Renter Households by Type of Household 2000 to 2010



Source: 2000 US Census; 2010 US Census

Figure 32: Renter Households with Children 2010



Source: 2010 US Census

LENGTH OF RESIDENCE

Length of Residence indicates how much turnover there is the rental stock. Frequent turnover can result in greater wear and tear on the rental stock. It can also be an indicator of community involvement and participation among residents since it is often difficult to get involved in community issues and concerns when your stay is short term. Table 16 and Figures 33 and 34 display data on length of residence for Richfield and Metro Area households as of 2010. Richfield renters tend to have slightly longer lengths of stay than compared to the Metro Area and its peer communities. This is not surprising since Richfield tends to have a slightly higher proportion of renter households with children, who often try to avoid regular moves in order to keep children in the same schools and not disrupt their social networks.

Table 16: Household Length of Residence 2010

Richfield

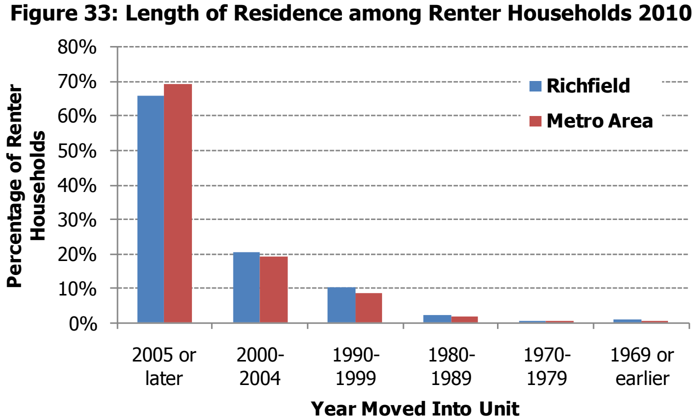
	2010			Tenure Distribution			Tenure Split		
Year Moved Into Unit	Owner	Renter	Total	Owner	Renter	Total	Owner	Renter	Total
Moved in 2005 or later	1,515	3,421	4,936	15.8%	65.8%	33.3%	30.7%	69.3%	100.0%
Moved in 2000 to 2004	2,096	1,057	3,154	21.8%	20.3%	21.3%	66.5%	33.5%	100.0%
Moved in 1990 to 1999	2,384	529	2,913	24.8%	10.2%	19.7%	81.8%	18.2%	100.0%
Moved in 1980 to 1989	1,176	113	1,289	12.2%	2.2%	8.7%	91.2%	8.8%	100.0%
Moved in 1970 to 1979	937	22	958	9.7%	0.4%	6.5%	97.8%	2.2%	100.0%
Moved in 1969 or earlier	1,509	58	1,567	15.7%	1.1%	10.6%	96.3%	3.7%	100.0%
Total	9,617	5,200	14,817	100.0%	100.0%	100.0%	64.9%	35.1%	100.0%

Metro Area

	2010			Tenure Distribution			Tenure Split		
Year Moved Into Unit	Owner	Renter	Total	Owner	Renter	Total	Owner	Renter	Total
Moved in 2005 or later	151,638	232,885	384,522	19.4%	69.5%	34.4%	39.4%	60.6%	100.0%
Moved in 2000 to 2004	198,972	63,866	262,838	25.4%	19.0%	23.5%	75.7%	24.3%	100.0%
Moved in 1990 to 1999	219,428	28,631	248,059	28.0%	8.5%	22.2%	88.5%	11.5%	100.0%
Moved in 1980 to 1989	105,900	6,932	112,832	13.5%	2.1%	10.1%	93.9%	6.1%	100.0%
Moved in 1970 to 1979	56,673	1,800	58,472	7.2%	0.5%	5.2%	96.9%	3.1%	100.0%
Moved in 1969 or earlier	49,865	1,160	51,025	6.4%	0.3%	4.6%	97.7%	2.3%	100.0%
Total	782,475	335,274	1,117,749	100.0%	100.0%	100.0%	70.0%	30.0%	100.0%

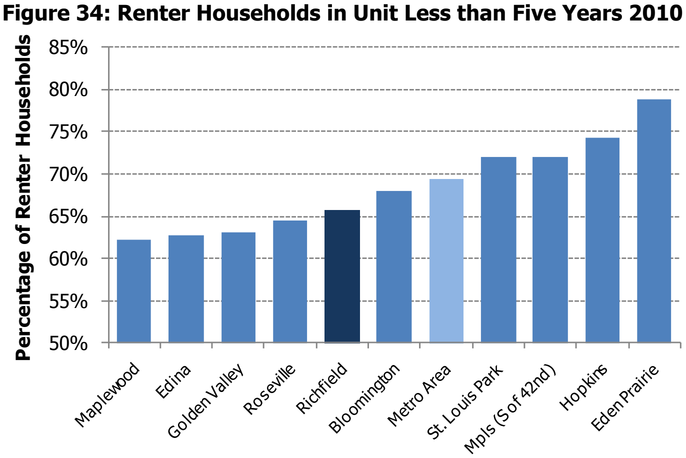
Source: US Census, 2006-2010 American Community Survey

Figure 33: Length of Residence among Renter Households 2010



Source: US Census, 2006-2010 American Community Survey

Figure 34: Renter Households in Unit Less than Five Years 2010



Source: US Census, 2006-2010 American Community Survey

INCOME

Previous sections of this report discussed current rent rates among Richfield's rental stock and the incomes needed to afford those rents without being overly burdened (Table 9). Table 17 provides a detailed breakdown of Richfield households (and its peer communities) by age, income bracket, and tenure. It is important to break down income data to such detail because income levels are closely correlated with age and tenure.

Because homeownership often has a significant financial barrier to entry, rental housing tends to have a larger proportion of lower-income households, though many middle- and higher-income households choose to rent as well. Furthermore, households at the two ends of the age spectrum, younger and older households, often prefer renting because it provides greater flexibility and requires less maintenance. Yet, these same households also have lower incomes because of limited earning potential (i.e., little work experience or retirement).

Key findings regarding income are:

- Richfield has 2,749 renter households with annual incomes below $35,000. This is 53% of all renter households.

- Richfield also has 2,452 owner households with annual incomes below $35,000.

  Although this is only 25% of all owner households, it is roughly equal to the number of low-income renter households. Clearly, this has implications regarding the need for the continuation of homeownership assistance programs, but it could also greatly impact Richfield's rental housing stock. It indicates that there is a substantial number of homeowners who may not be able to continue to financially afford homeownership and could up needing to transition to rental housing if their work or health situation were to change. This is important because many of the mortgage practices of the previous decade, such as no money down programs or liberal income-to-loan ratios, that helped modest-income households achieve homeownership are no longer in place, which leave many of these households with rental housing as their only choice.

- Among younger low-income households, almost everyone rents, and unless incomes for these households increase as they age, they will likely remain renters due to the financial barrier of homeownership.

- Among older low-income households, homeownership is far more prevalent, which suggests that as these homeowners transition to rental housing, they will require units with affordable rents.

- The median household income of Richfield's renters is roughly $33,000. This is several thousand dollars below the Metro Area median and near the bottom of its peer communities.

- For Richfield's largest age group of renters, those 25 to 34, the median household income is about $36,000, which is well below the Metro Area median for this age group and near the bottom of its peer communities.

- For the oldest age group, those 75 and older, the median renter income is about $22,000, which is above the Metro Area median and more in the middle of its peer communities.

Table 17: Annual Household Income by Age of Householder and Tenure 2010

Richfield

Annual Household	Households Under 25			Households Age 25 to 34			Households Age 35 to 44			Households Age 45 to 54			Households Age 55 to 64			Households Age 65 to 74			Households Age 75+			
Income	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	All HHs
Less than $10,000	75	7	82	145	58	203	59	29	88	87	54	141	123	138	261	19	43	62	70	116	186	1,024
$10,000 to $14,999	53	7	60	47	30	78	8	6	14	46	49	94	27	45	72	18	56	74	98	234	332	724
$15,000 to $19,999	23	2	24	125	39	163	93	35	128	75	36	111	34	31	65	39	74	113	84	120	204	808
$20,000 to $24,999	44	4	48	136	55	191	62	31	93	75	47	122	45	51	96	38	84	122	102	170	272	945
$25,000 to $34,999	108	13	121	293	159	452	203	139	342	90	79	170	80	116	197	49	134	183	76	160	236	1,701
$35,000 to $49,999	80	13	93	237	198	435	171	189	360	144	214	358	112	251	363	32	126	158	88	273	362	2,129
$50,000 to $74,999	92	20	112	302	414	716	141	282	423	164	495	659	79	335	414	39	269	307	44	248	292	2,923
$75,000 to $99,999	62	17	79	121	267	388	75	289	364	47	381	428	30	323	353	8	137	145	11	151	162	1,920
$100,000 to $149,999	10	3	13	121	275	396	87	353	440	56	492	548	26	305	330	6	114	120	5	82	88	1,934
$150,000 or more	0	0	0	3	7	10	30	146	176	10	128	138	15	258	273	3	78	81	1	31	33	710
Total	546	86	632	1,531	1,502	3,033	928	1,499	2,427	793	1,976	2,769	570	1,854	2,424	252	1,114	1,366	580	1,587	2,167	14,818

Bloomington

Annual Household	Households Under 25			Households Age 25 to 34			Households Age 35 to 44			Households Age 45 to 54			Households Age 55 to 64			Households Age 65 to 74			Households Age 75+			
Income	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	All HHs
Less than $10,000	168	14	182	182	44	226	94	34	128	103	44	147	109	108	217	41	106	147	130	183	313	1,360
$10,000 to $14,999	21	2	23	147	51	198	63	33	96	57	36	93	81	107	188	47	150	197	198	355	553	1,348
$15,000 to $19,999	171	17	188	95	29	124	93	43	136	83	46	129	78	92	170	68	199	267	155	254	409	1,423
$20,000 to $24,999	120	13	134	102	36	139	87	48	135	74	50	124	83	112	194	55	179	235	155	284	439	1,400
$25,000 to $34,999	135	20	155	523	258	780	297	242	539	248	253	501	146	272	418	141	587	728	239	586	826	3,948
$35,000 to $49,999	220	37	257	578	351	930	349	369	719	402	550	952	238	567	805	138	700	837	230	708	938	5,437
$50,000 to $74,999	202	42	244	713	580	1,293	430	675	1,105	428	937	1,365	314	1,135	1,449	116	847	963	139	633	772	7,190
$75,000 to $99,999	59	15	74	371	442	813	266	752	1,018	204	1,000	1,203	116	927	1,042	36	548	584	47	463	510	5,245
$100,000 to $149,999	46	13	59	253	363	616	161	650	811	147	1,338	1,486	80	1,257	1,337	17	495	512	13	245	258	5,078
$150,000 or more	0	0	0	73	118	191	86	460	547	75	1,328	1,403	24	903	927	3	186	189	5	215	220	3,476
Total	1,143	173	1,316	3,038	2,272	5,310	1,926	3,307	5,233	1,821	5,582	7,403	1,269	5,479	6,748	662	3,997	4,659	1,309	3,927	5,236	35,905

Eden Prairie

Annual Household	Households Under 25			Households Age 25 to 34			Households Age 35 to 44			Households Age 45 to 54			Households Age 55 to 64			Households Age 65 to 74			Households Age 75+			
Income	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	All HHs
Less than $10,000	26	2	27	87	17	105	81	24	105	44	38	81	52	91	143	12	24	36	56	29	85	582
$10,000 to $14,999	10	1	11	111	25	137	29	10	39	18	17	34	40	74	114	5	10	14	160	91	250	599
$15,000 to $19,999	14	0	14	94	-6	89	45	-4	41	29	9	38	37	34	72	22	24	46	120	7	127	426
$20,000 to $24,999	72	14	86	52	38	90	30	42	72	16	44	60	14	61	74	28	140	168	41	81	122	673
$25,000 to $34,999	38	5	44	269	126	395	113	90	202	68	111	179	52	150	202	34	112	146	100	114	215	1,382
$35,000 to $49,999	147	31	178	214	185	398	100	181	281	87	287	374	64	343	407	49	298	347	72	182	254	2,240
$50,000 to $74,999	173	36	210	661	551	1,211	278	480	758	181	570	751	138	714	852	54	313	367	24	58	82	4,231
$75,000 to $99,999	45	11	56	330	366	695	131	357	488	151	752	903	61	480	541	21	188	209	20	78	99	2,991
$100,000 to $149,999	7	2	9	288	455	743	197	1,138	1,335	120	1,404	1,524	59	1,061	1,120	15	293	308	15	141	156	5,195
$150,000 or more	12	4	16	124	228	352	137	1,252	1,389	100	2,261	2,361	32	1,094	1,126	7	245	252	6	108	114	5,610
Total	545	106	651	2,231	1,985	4,216	1,140	3,570	4,710	813	5,492	6,305	549	4,103	4,652	246	1,646	1,892	615	889	1,504	23,930

Edina

Annual Household	Households Under 25			Households Age 25 to 34			Households Age 35 to 44			Households Age 45 to 54			Households Age 55 to 64			Households Age 65 to 74			Households Age 75+			
Income	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	All HHs
Less than $10,000	0	0	0	72	28	100	17	18	35	51	84	135	61	142	203	11	27	38	120	183	302	813
$10,000 to $14,999	6	1	7	4	1	5	3	2	5	44	50	94	42	70	113	41	74	115	152	156	308	647
$15,000 to $19,999	37	6	43	21	7	28	24	20	44	24	33	57	23	44	67	44	94	138	170	211	381	757
$20,000 to $24,999	36	9	44	15	8	23	20	36	56	9	27	36	13	50	63	21	87	108	99	267	366	696
$25,000 to $34,999	25	5	30	70	34	104	45	64	109	36	82	118	69	211	280	72	238	310	233	488	721	1,672
$35,000 to $49,999	72	18	91	115	66	181	59	114	173	69	208	277	52	212	264	71	309	380	178	504	682	2,046
$50,000 to $74,999	41	9	50	307	152	459	201	306	507	160	380	540	146	473	618	123	428	550	196	434	631	3,356
$75,000 to $99,999	8	2	10	215	139	354	117	295	412	105	418	523	76	399	475	39	217	256	86	323	410	2,440
$100,000 to $149,999	9	3	12	188	146	334	131	507	639	109	711	820	63	533	596	34	311	345	36	224	260	3,005
$150,000 or more	0	0	0	221	215	435	113	987	1,099	76	1,629	1,705	47	1,282	1,328	15	427	442	11	220	230	5,241
Total	234	53	287	1,227	796	2,023	729	2,349	3,078	684	3,620	4,304	591	3,416	4,007	470	2,212	2,682	1,282	3,009	4,291	20,672

Table 17: Annual Household Income by Age of Householder and Tenure 2010 (Continued)

Golden Valley

Annual Household	Households Under 25			Households Age 25 to 34			Households Age 35 to 44			Households Age 45 to 54			Households Age 55 to 64			Households Age 65 to 74			Households Age 75+			
Income	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	All HHs
Less than $10,000	0	0	0	33	7	40	56	15	71	34	12	46	46	45	90	15	10	25	114	55	169	441
$10,000 to $14,999	0	0	0	12	7	19	7	5	12	17	15	32	11	20	30	12	16	29	76	83	159	281
$15,000 to $19,999	0	0	0	0	0	0	0	0	0	4	8	12	3	11	14	16	44	60	40	95	135	221
$20,000 to $24,999	0	0	0	9	11	20	4	8	12	4	9	13	4	16	21	10	30	40	31	80	111	218
$25,000 to $34,999	35	7	42	78	62	140	23	25	47	39	50	89	29	68	97	34	59	92	52	76	128	635
$35,000 to $49,999	10	2	12	71	64	135	56	70	127	68	100	167	34	89	123	51	102	154	110	186	296	1,013
$50,000 to $74,999	0	0	0	83	169	252	42	152	194	38	169	207	36	249	285	28	156	184	44	218	262	1,384
$75,000 to $99,999	28	11	39	49	136	184	35	212	247	42	344	387	23	278	301	21	216	238	21	186	206	1,602
$100,000 to $149,999	40	17	57	43	168	211	23	294	316	21	477	498	10	326	336	5	137	142	3	69	71	1,632
$150,000 or more	0	0	0	25	95	120	18	240	258	18	410	427	11	362	373	4	126	130	3	76	79	1,388
Total	113	37	150	402	720	1,122	263	1,022	1,285	284	1,594	1,878	206	1,464	1,670	197	896	1,093	494	1,124	1,618	8,816

Hopkins

Annual Household	Households Under 25			Households Age 25 to 34			Households Age 35 to 44			Households Age 45 to 54			Households Age 55 to 64			Households Age 65 to 74			Households Age 75+			
Income	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	All HHs
Less than $10,000	40	3	43	137	23	159	23	6	30	38	16	55	105	79	184	34	35	69	45	20	65	604
$10,000 to $14,999	12	0	12	103	6	109	92	9	101	40	8	49	20	10	30	34	25	59	140	30	171	530
$15,000 to $19,999	29	4	33	38	13	51	15	10	25	6	5	12	20	26	46	8	13	20	30	27	57	243
$20,000 to $24,999	13	1	14	45	10	55	25	10	34	53	30	83	19	17	36	46	58	104	82	47	128	455
$25,000 to $34,999	143	8	151	175	19	195	140	25	165	180	55	235	65	40	105	42	36	78	80	25	106	1,035
$35,000 to $49,999	101	12	113	396	102	498	164	73	238	178	114	292	178	181	359	20	27	47	110	71	182	1,728
$50,000 to $74,999	32	5	36	314	110	424	221	142	362	119	106	225	82	109	191	25	42	67	48	43	92	1,397
$75,000 to $99,999	13	3	16	191	96	287	117	118	235	85	118	203	60	115	175	36	86	122	13	18	30	1,068
$100,000 to $149,999	46	13	59	177	129	306	58	101	159	90	217	307	10	31	41	3	11	14	10	24	34	920
$150,000 or more	0	0	0	23	28	50	21	100	122	10	84	94	5	50	55	2	19	21	5	40	45	386
Total	428	50	478	1,598	536	2,134	877	593	1,470	800	754	1,554	562	658	1,220	248	352	600	564	346	910	8,366

Maplewood

Annual Household	Households Under 25			Households Age 25 to 34			Households Age 35 to 44			Households Age 45 to 54			Households Age 55 to 64			Households Age 65 to 74			Households Age 75+			
Income	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	All HHs
Less than $10,000	34	6	40	76	38	114	101	57	158	33	20	53	32	46	78	10	22	32	97	82	180	655
$10,000 to $14,999	40	8	48	116	60	176	42	25	68	54	36	90	53	79	131	13	30	44	121	107	229	785
$15,000 to $19,999	67	15	82	50	32	83	25	18	43	36	30	65	27	48	75	21	56	77	118	127	245	670
$20,000 to $24,999	36	11	48	40	42	82	20	25	45	33	47	80	29	78	107	28	106	133	73	130	203	697
$25,000 to $34,999	44	11	55	233	180	413	103	93	196	64	66	130	91	187	278	75	226	301	147	192	339	1,712
$35,000 to $49,999	124	41	165	146	169	315	138	197	335	132	222	354	91	276	367	62	268	330	103	212	315	2,181
$50,000 to $74,999	47	21	68	193	395	588	116	319	434	151	542	693	78	472	550	35	284	318	54	233	287	2,939
$75,000 to $99,999	7	4	11	60	232	292	50	331	381	40	494	534	18	372	390	5	138	143	10	157	167	1,918
$100,000 to $149,999	0	0	0	19	87	105	53	469	522	34	759	793	12	474	486	3	160	163	4	117	121	2,191
$150,000 or more	8	5	12	6	34	41	15	169	183	10	496	507	3	291	294	1	78	78	0	18	18	1,134
Total	407	122	529	939	1,270	2,209	663	1,702	2,365	588	2,712	3,300	433	2,323	2,756	253	1,367	1,620	728	1,375	2,103	14,882

South Minneapolis (below 42nd St)

Annual Household	Households Under 25			Households Age 25 to 34			Households Age 35 to 44			Households Age 45 to 54			Households Age 55 to 64			Households Age 65 to 74			Households Age 75+			
Income	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	All HHs
Less than $10,000	78	8	86	185	74	259	152	94	246	94	92	186	131	301	432	21	73	94	25	150	174	1,478
$10,000 to $14,999	46	7	53	34	25	59	68	87	155	57	105	162	42	156	199	27	143	170	24	214	238	1,036
$15,000 to $19,999	42	5	47	165	79	244	139	105	244	57	66	122	47	123	170	33	125	158	29	196	226	1,212
$20,000 to $24,999	66	10	77	115	77	192	103	119	222	58	98	156	55	191	246	21	104	125	25	213	238	1,255
$25,000 to $34,999	113	20	133	207	167	375	144	210	354	190	398	588	119	492	611	39	225	264	38	379	417	2,740
$35,000 to $49,999	196	35	230	509	420	929	266	401	667	222	478	700	137	583	720	72	427	499	27	275	302	4,047
$50,000 to $74,999	156	36	191	649	825	1,474	307	895	1,202	293	1,210	1,503	139	1,045	1,184	48	495	543	22	372	393	6,491
$75,000 to $99,999	102	26	128	482	765	1,247	192	853	1,045	153	985	1,137	73	834	907	21	322	343	9	220	229	5,035
$100,000 to $149,999	16	5	21	535	1,216	1,751	118	1,444	1,562	62	1,418	1,481	25	959	984	6	314	320	1	95	96	6,214
$150,000 or more	25	8	33	243	557	800	128	1,631	1,759	52	1,246	1,298	23	913	935	3	154	157	1	96	97	5,080
Total	840	159	999	3,125	4,205	7,330	1,617	5,839	7,456	1,237	6,097	7,334	791	5,597	6,388	291	2,382	2,673	201	2,208	2,409	34,589

Table 17: Annual Household Income by Age of Householder and Tenure 2010 (Continued)

Roseville

Annual Household	Households Under 25			Households Age 25 to 34			Households Age 35 to 44			Households Age 45 to 54			Households Age 55 to 64			Households Age 65 to 74			Households Age 75+			
Income	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	All HHs
Less than $10,000	44	2	46	109	25	134	60	22	82	133	108	242	48	56	104	17	49	66	78	82	161	835
$10,000 to $14,999	70	4	74	87	24	111	18	8	26	35	33	68	19	25	44	16	50	66	114	136	250	639
$15,000 to $19,999	36	3	40	34	17	51	25	24	48	13	25	38	22	52	74	13	65	79	87	194	281	611
$20,000 to $24,999	23	2	25	81	43	124	23	23	46	24	48	72	18	47	66	14	75	90	61	144	205	627
$25,000 to $34,999	84	8	91	154	75	229	73	66	139	102	178	280	87	198	285	54	257	312	139	292	432	1,768
$35,000 to $49,999	133	13	146	335	170	505	168	159	327	104	192	296	106	255	361	54	267	321	127	281	408	2,364
$50,000 to $74,999	96	12	108	286	210	496	137	217	353	114	370	484	95	392	487	37	295	332	69	263	333	2,593
$75,000 to $99,999	61	9	70	126	117	243	106	244	350	40	217	258	32	213	245	19	231	250	50	311	361	1,776
$100,000 to $149,999	29	5	34	138	151	289	95	290	385	63	542	605	38	403	442	14	274	289	13	124	137	2,179
$150,000 or more	0	0	0	24	32	55	35	169	204	14	379	393	12	411	423	1	32	32	4	119	123	1,230
Total	577	58	635	1,373	863	2,236	738	1,222	1,960	643	2,092	2,735	478	2,053	2,531	241	1,596	1,837	742	1,947	2,689	14,623

St. Louis Park

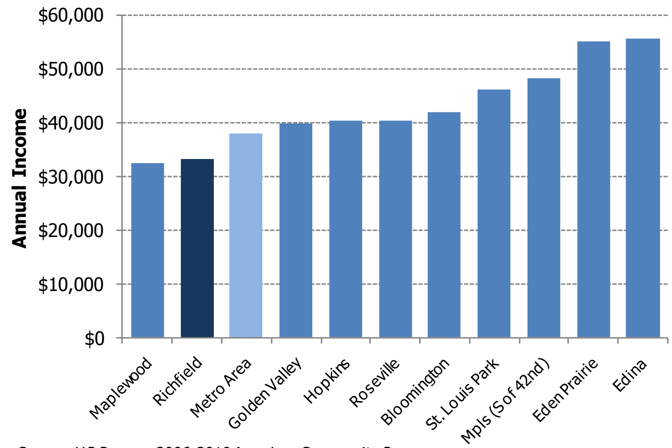
Annual Household	Households Under 25			Households Age 25 to 34			Households Age 35 to 44			Households Age 45 to 54			Households Age 55 to 64			Households Age 65 to 74			Households Age 75+			
Income	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	All HHs
Less than $10,000	27	1	29	133	29	162	100	36	136	53	43	95	75	90	164	30	82	112	105	109	214	912
$10,000 to $14,999	16	1	17	112	40	152	74	46	120	30	36	66	27	44	71	18	64	82	83	120	203	711
$15,000 to $19,999	68	5	73	103	40	142	54	37	91	63	78	142	65	113	178	21	76	97	112	171	283	1,006
$20,000 to $24,999	74	6	79	164	66	229	56	40	95	39	50	89	39	69	107	18	66	84	63	100	163	846
$25,000 to $34,999	256	16	272	416	133	549	168	92	260	144	153	297	89	134	222	52	169	221	171	228	400	2,222
$35,000 to $49,999	203	18	221	623	312	935	277	262	539	179	284	462	131	282	413	45	198	243	108	208	316	3,129
$50,000 to $74,999	263	33	295	731	605	1,336	249	474	723	199	571	770	146	542	688	49	345	394	82	279	361	4,568
$75,000 to $99,999	107	13	120	544	447	991	211	398	609	165	469	634	75	276	351	25	174	199	33	112	145	3,050
$100,000 to $149,999	60	10	70	352	550	902	87	655	742	64	656	720	41	526	567	4	91	95	8	90	98	3,194
$150,000 or more	39	7	46	188	291	479	62	445	506	43	423	466	35	435	470	3	73	76	5	56	61	2,105
Total	1,113	110	1,223	3,365	2,513	5,878	1,338	2,484	3,822	979	2,762	3,741	723	2,509	3,232	265	1,338	1,603	769	1,475	2,244	21,743

Metro Area

Annual Household	Households Under 25			Households Age 25 to 34			Households Age 35 to 44			Households Age 45 to 54			Households Age 55 to 64			Households Age 65 to 74			Households Age 75+			
Income	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total	All HHs
Less than $10,000	7,169	566	7,735	8,417	1,829	10,246	5,577	1,664	7,241	6,043	3,169	9,212	5,581	6,074	11,655	1,741	3,013	4,754	4,674	4,278	8,953	59,795
$10,000 to $14,999	3,361	376	3,737	5,453	1,777	7,230	2,893	1,339	4,231	3,069	2,245	5,314	2,657	3,645	6,303	1,809	3,802	5,611	5,666	6,659	12,324	44,750
$15,000 to $19,999	4,200	545	4,744	5,301	2,064	7,365	2,976	1,679	4,655	2,737	2,356	5,093	2,220	3,439	5,659	1,898	4,428	6,326	4,723	6,320	11,044	44,887
$20,000 to $24,999	3,494	538	4,032	5,761	2,784	8,546	3,082	2,226	5,308	2,773	2,954	5,727	2,105	3,849	5,953	1,727	4,662	6,389	3,408	5,434	8,843	44,798
$25,000 to $34,999	6,222	1,079	7,301	12,851	7,253	20,104	7,124	6,177	13,301	6,479	8,132	14,611	4,660	9,734	14,394	3,326	10,109	13,435	4,902	8,986	13,887	97,034
$35,000 to $49,999	6,885	1,546	8,432	16,911	13,706	30,618	10,170	13,827	23,997	8,805	16,928	25,733	5,843	17,550	23,393	3,406	14,426	17,832	3,805	10,165	13,970	143,975
$50,000 to $74,999	6,668	1,922	8,589	20,614	24,803	45,417	12,128	28,701	40,828	10,589	35,989	46,577	6,121	30,764	36,885	2,743	18,870	21,613	2,438	11,038	13,476	213,386
$75,000 to $99,999	2,488	863	3,351	12,028	20,353	32,381	7,146	30,280	37,426	5,547	36,728	42,276	2,650	25,018	27,669	868	10,976	11,843	760	6,517	7,276	162,222
$100,000 to $149,999	979	380	1,359	8,898	19,102	28,000	5,502	39,638	45,139	3,784	51,350	55,134	1,737	32,927	34,664	360	9,038	9,398	261	4,525	4,786	178,481
$150,000 or more	323	133	455	3,483	8,563	12,046	2,706	29,148	31,854	1,552	42,554	44,106	780	29,594	30,375	121	6,024	6,144	96	3,346	3,442	128,422
Total	41,789	7,947	49,736	99,716	102,236	201,952	59,303	154,678	213,981	51,379	202,404	253,783	34,355	162,595	196,950	17,998	85,347	103,345	30,734	67,268	98,002	1,117,749

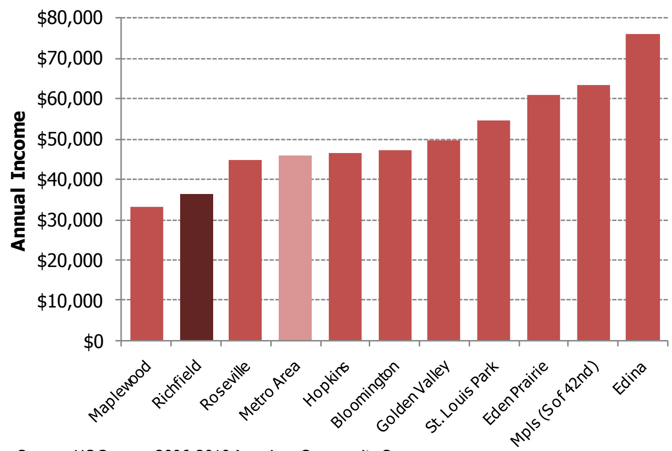
Sources: US Census, 2006-2010 American Community Survey; Stantec

Figure 35: Median Household Income, All Renters 2010



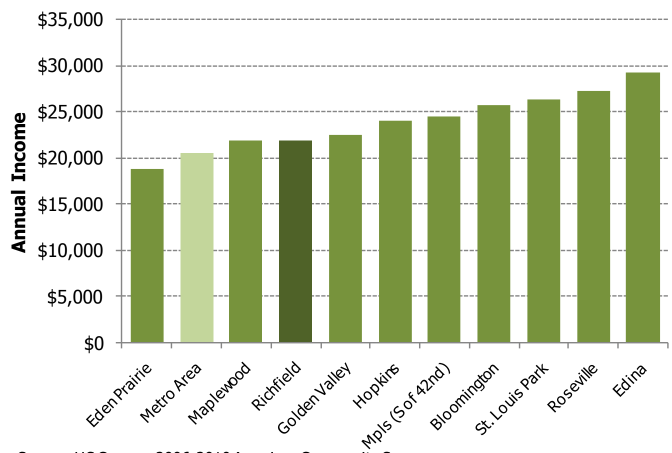
Source: US Census, 2006-2010 American Community Survey

Figure 36: Median Household Income, Renters Age 25-34 2010



Source: US Census, 2006-2010 American Community Survey

Figure 37: Median Household Income, Renters Age 75+2010



Source: US Census, 2006-2010 American Community Survey

It should be noted that the recent bust in the for-sale housing market and the resultant foreclosure crisis has had immediate impacts on the rental market by dramatically increasing the number of rented single-family homes. However, there is the potential for some long-term impacts as well, which are related to the attitudes and perceptions of homeownership.

A theory is emerging that long-held beliefs in the economic stability of homeownership may be eroding among younger households, particularly among those who typically would become first time homeowners in the next several years. The theory holds that the longer the for-sale market experiences weak price appreciation (it has been six years since the housing crash began), younger generations may not see the value of homeownership in the same way as previous generations did. Furthermore, with persistently high unemployment rates, younger generations may question investing in a housing situation as permanent as homeownership because of the potential that they may need to relocate for work opportunities.

Therefore, if the for-sale market does not improve significantly over the next several years, these attitudes may strengthen resulting in an increasing number of lifestyle renters who may choose to continue to rent in lieu of homeownership. Table 18 presents data that tries to better understand the effect of more "lifestyle" renters. It displays the change in median incomes for renter and owner households between 2000 and 2010. The following are important findings from the table:

- The median income of Richfield renters increased nearly 13% in the last decade, while the median income of owner households increased 11%. Metro-wide, the rate of change among renters was 25%, while among owners it was only 18%. This lends some corroboration to the theory laid out above that as younger renter households gain more work experience and higher incomes they may be remaining renters at higher rates than previous decades. If this trend continues, there will be need to create more rental options targeted to affluent households.
- Increases in Richfield's renter and owner incomes tended to lag behind its peer communities between 2000 and 2010. Richfield had the second lowest rate of increase among its renters and the third lowest rate of increase among its owners.

Table 18: Median Household Income 2000 and 2010

Renter Households

			2000-2010 Change	
Community	2000	2010	$	%
Bloomington	$35,542	$41,912	$6,370	17.9%
Eden Prairie	$49,489	$55,260	$5,771	11.7%
Edina	$36,814	$55,611	$18,797	51.1%
Golden Valley	$31,995	$39,981	$7,986	25.0%
Hopkins	$33,185	$40,520	$7,335	22.1%
Maplewood	$28,383	$32,639	$4,256	15.0%
Mpls (S of 42nd)	$37,628	$48,226	$10,598	28.2%
Richfield	$29,572	$33,335	$3,763	12.7%
Roseville	$32,039	$40,530	$8,491	26.5%
St. Louis Park	$33,915	$46,121	$12,206	36.0%
Metro Area	$30,480	$38,106	$7,626	25.0%

Owner Households

			2000-2010 Change	
Community	2000	2010	$	%
Bloomington	$65,713	$71,646	$5,933	9.0%
Eden Prairie	$91,633	$108,795	$17,162	18.7%
Edina	$81,043	$92,552	$11,509	14.2%
Golden Valley	$71,289	$88,593	$17,304	24.3%
Hopkins	$54,040	$64,071	$10,031	18.6%
Maplewood	$60,712	$68,927	$8,215	13.5%
Mpls (S of 42nd)	$64,335	$80,098	$15,763	24.5%
Richfield	$57,120	$63,233	$6,113	10.7%
Roseville	$64,736	$65,868	$1,132	1.7%
St. Louis Park	$60,411	$71,511	$11,100	18.4%
Metro Area	$66,430	$78,025	$11,595	17.5%

All Households

			2000-2010 Change	
Community	2000	2010	$	%
Bloomington	$56,057	$60,558	$4,501	8.0%
Eden Prairie	$79,334	$90,313	$10,979	13.8%
Edina	$67,361	$78,586	$11,225	16.7%
Golden Valley	$63,694	$78,355	$14,661	23.0%
Hopkins	$39,386	$46,424	$7,038	17.9%
Maplewood	$52,086	$56,303	$4,217	8.1%
Mpls (S of 42nd)	$58,423	$71,281	$12,858	22.0%
Richfield	$46,098	$50,676	$4,578	9.9%
Roseville	$51,516	$54,507	$2,991	5.8%
St. Louis Park	$49,525	$61,195	$11,670	23.6%
Metro Area	$55,128	$64,485	$9,357	17.0%

Source: 2000 US Census; 2006-2010 American Community Survey

RENT BURDEN

Rent burden is the proportion of household income spent toward housing and utilities. When lower income households spend more than 30% of their income toward rent and utilities this burden is considered excessive because it begins to limit the money available for other essentials such as food, clothing, transportation, and healthcare. Table 19 presents the number and percentage of Richfield renter households broken down by annual income and percentage of income spent on housing. Important findings include the following:

- 45% of Richfield's renter households have incomes below $35,000 and spend more than 30% of their income toward housing. This is higher than the Metro Area rate and one of the highest rates among its peer communities.

Table 19: Rent Burden of Richfield Renter Households by Household Income 2010

Number of Households

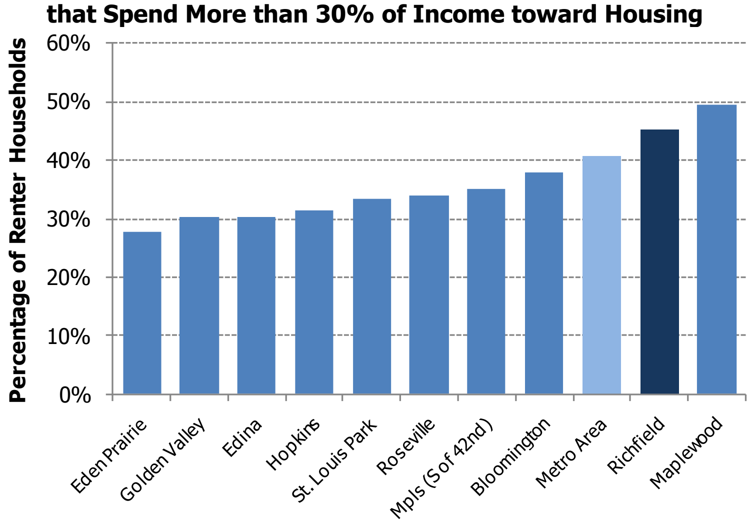
Housing Costs as a Percentage of Household Income	Annual Household Income							Total Households
	Less than $10,000	$10,000-$19,999	$20,000-$34,999	$35,000-$49,999	$50,000-$74,999	$75,000-$99,999	$100,000 or more	
Less than 20.0 percent	0	49	13	166	500	186	153	1,067
20.0 to 24.9 percent	0	21	62	269	62	18	63	495
25.0 to 29.9 percent	0	48	479	119	46	8	0	700
30.0 to 34.9 percent	50	21	316	43	58	0	0	488
35.0 percent or more	582	722	598	229	17	0	0	2,148
Not computed	0	39	22	32	46	0	33	172
Total	632	900	1,490	858	729	212	249	5,070

Percentage of Households

Housing Costs as a Percentage of Household Income	Annual Household Income							Total Households
	Less than $10,000	$10,000-$19,999	$20,000-$34,999	$35,000-$49,999	$50,000-$74,999	$75,000-$99,999	$100,000 or more	
Less than 20.0 percent	0.0%	5.4%	0.9%	19.3%	68.6%	87.7%	61.4%	21.0%
20.0 to 24.9 percent	0.0%	2.3%	4.2%	31.4%	8.5%	8.5%	25.3%	9.8%
25.0 to 29.9 percent	0.0%	5.3%	32.1%	13.9%	6.3%	3.8%	0.0%	13.8%
30.0 to 34.9 percent	7.9%	2.3%	21.2%	5.0%	8.0%	0.0%	0.0%	9.6%
35.0 percent or more	92.1%	80.2%	40.1%	26.7%	2.3%	0.0%	0.0%	42.4%
Not computed	0.0%	4.3%	1.5%	3.7%	6.3%	0.0%	13.3%	3.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: US Census, 2006-2010 American Community Survey

Figure 38: Percentage of Low-Income (<$35,000) Renter Households that Spend More than 30% of Income toward Housing



Source: US Census, 2006-2010 American Community Survey

Socio-Economic Trends

Previous sections addressed the current and recent demographic situation for Richfield and its peer communities. This section presents data of several key forecasts that will affect the demand for rental housing in the future.

POPULATION AND HOUSEHOLD FORECAST

Tables 20 and 21 present data on the forecasted population and household growth of Richfield and its peer communities. Richfield and its peer communities are fully developed, which helps explain why their forecasted growth rates do not equal that of the entire Metro Area. The Metro Area figures include both fully developed communities as well as those communities with large tracts of vacant land that can accommodate large scale residential construction. Communities with significant amounts of new residential construction are typically the ones that experience the largest population increases.

Although Richfield is fully developed, the Metropolitan Council expects an important amount of population growth to occur over the next 20 years due to redevelopment opportunities of older, underutilized buildings and properties. Although Richfield has been engaging in significant redevelopment over the last 30 years, the Metropolitan Council anticipates that with a rapidly aging population, higher energy costs, and an enhanced transit system, that redevelopment will become even more feasible in the coming decades.

This can be seen in Table 20 where Richfield's population is expected to increase about 10% in both the 2010s and the 2020s, which is a sharp change from recent decades when decreasing household size resulted in overall declines in population. According to Table 21, which displays forecasted household growth, this population growth will equate to approximately 1,500 new households each decade.

In order to accommodate this new household growth, substantial amounts of new multifamily housing will need to be built because the economics of replacing non-residential uses with single-family housing is not realistic. As noted previously in this report, in all likelihood much of this new multifamily housing will probably be in the form of rental housing. It should be noted that if substantial numbers of new housing units are not built then the population growth displayed in Table 20 will not occur.

Table 20: Population Growth Trends 2000-2030

			Forecast		Numeric Change			Percentage Change		
Community	2000	2010	2020	2030	2000s	2010s	2020s	2000s	2010s	2020s
Richfield	34,310	35,228	38,800	42,500	918	3,572	3,700	2.7%	10.1%	9.5%
Bloomington	85,172	82,893	86,600	88,600	-2,279	3,707	2,000	-2.7%	4.5%	2.3%
Eden Prairie	54,901	60,797	65,200	72,400	5,896	4,403	7,200	10.7%	7.2%	11.0%
Edina	47,425	47,941	48,500	49,400	516	559	900	1.1%	1.2%	1.9%
Golden Valley	20,281	20,371	20,700	21,700	90	329	1,000	0.4%	1.6%	4.8%
Hopkins	17,367	17,591	18,300	18,600	224	709	300	1.3%	4.0%	1.6%
Maplewood	35,258	38,018	39,000	41,400	2,760	982	2,400	7.8%	2.6%	6.2%
Minneapolis (S of 42nd)	71,219	71,659	75,200	77,100	440	3,541	1,900	0.6%	4.9%	2.5%
Roseville	33,690	33,660	34,700	36,000	-30	1,040	1,300	-0.1%	3.1%	3.7%
St. Louis Park	44,102	45,250	47,600	49,800	1,148	2,350	2,200	2.6%	5.2%	4.6%
Peer Community Total	**443,725**	**453,408**	**474,600**	**497,500**	**9,683**	**21,192**	**22,900**	**2.2%**	**4.7%**	**4.8%**
7-County Metro Area	2,642,056	2,849,567	3,178,567	3,452,567	207,511	329,000	274,000	7.9%	11.5%	8.6%

Sources: US Census; Metropolitan Council; Stantec

Table 21: Household Growth Trends 2000-2030

Community	2000	2010	Forecast 2020	Forecast 2030	Numeric Change 2000s	Numeric Change 2010s	Numeric Change 2020s	Percentage Change 2000s	Percentage Change 2010s	Percentage Change 2020s
Richfield	15,073	14,818	16,300	17,800	-255	1,482	1,500	-1.7%	10.0%	9.2%
Bloomington	36,400	35,905	38,200	39,300	-495	2,295	1,100	-1.4%	6.4%	2.9%
Eden Prairie	20,457	23,930	27,400	31,900	3,473	3,470	4,500	17.0%	14.5%	16.4%
Edina	20,996	20,672	21,100	21,600	-324	428	500	-1.5%	2.1%	2.4%
Golden Valley	8,449	8,816	9,000	9,400	367	184	400	4.3%	2.1%	4.4%
Hopkins	8,359	8,366	8,700	8,900	7	334	200	0.1%	4.0%	2.3%
Maplewood	13,758	14,882	15,900	17,400	1,124	1,018	1,500	8.2%	6.8%	9.4%
Minneapolis (S of 42nd)	31,204	30,458	31,900	32,900	-746	1,442	1,000	-2.4%	4.6%	3.1%
Roseville	14,598	14,623	15,100	15,600	25	477	500	0.2%	3.3%	3.3%
St. Louis Park	20,773	21,743	22,700	23,700	970	957	1,000	4.7%	4.4%	4.4%
Peer Community Total	**190,067**	**194,213**	**206,300**	**218,500**	**4,146**	**12,087**	**12,200**	**2.2%**	**6.2%**	**5.9%**
7-County Metro Area	1,021,454	1,117,749	1,281,749	1,411,749	96,295	164,000	130,000	9.4%	14.7%	10.1%

Sources: US Census; Metropolitan Council; Stantec

EMPLOYMENT FORECAST

Employment growth in Richfield and its neighboring communities will be a key driver of demand for rental housing in the coming decades. According to Table 22, Richfield is not expected to capture a significant share of the area's employment growth over the next 20 years. However, the adjacent communities of Bloomington and Edina are expected to add nearly 20,000 jobs in the 2010s and another 13,000 jobs in the 2020s. Many of the people hired for those new jobs would certainly consider Richfield as possible location for housing if there is adequate supply and choice for them to choose from.

Table 22: Employment Growth Trends 2000-2030

Community	2000	2010	Forecasts 2020	Forecasts 2030	Numeric Change 2000s	Numeric Change 2010s	Numeric Change 2020s	Percentage Change 2000s	Percentage Change 2010s	Percentage Change 2020s
Richfield	11,762	17,100	17,600	18,100	5,338	500	500	45.4%	2.9%	2.8%
Bloomington	104,548	108,100	124,700	135,200	3,552	16,600	10,500	3.4%	15.4%	8.4%
Eden Prairie	51,006	55,000	62,000	65,500	3,994	7,000	3,500	7.8%	12.7%	5.6%
Edina	52,991	52,100	55,000	57,400	-891	2,900	2,400	-1.7%	5.6%	4.4%
Golden Valley	30,142	31,700	33,100	34,500	1,558	1,400	1,400	5.2%	4.4%	4.2%
Hopkins	11,979	13,600	14,800	16,300	1,621	1,200	1,500	13.5%	8.8%	10.1%
Maplewood	29,259	36,600	41,000	44,500	7,341	4,400	3,500	25.1%	12.0%	8.5%
Minneapolis (S of 42nd)	12,031	13,800	11,100	11,500	1,769	-2,700	400	14.7%	-19.6%	3.6%
Roseville	39,211	42,500	44,700	46,100	3,289	2,200	1,400	8.4%	5.2%	3.1%
St. Louis Park	40,696	46,200	50,500	52,500	5,504	4,300	2,000	13.5%	9.3%	4.0%
Peer Community Total	**383,625**	**416,700**	**454,500**	**481,600**	**33,075**	**37,800**	**27,100**	**8.6%**	**9.1%**	**6.0%**
7-County Metro Area	1,606,263	1,816,000	1,990,000	2,126,000	209,737	174,000	136,000	13.1%	9.6%	6.8%

Sources: US Census; Metropolitan Council; Stantec

POPULATION PROJECTIONS BY AGE GROUP

As presented previously, it is important to understand the age breakdown of the population because there is a strong correlation between one's age and the likelihood that they may rent their housing. Although long range age projections are not available at the municipal level, the Minnesota State Demographer recently released projections for the State of Minnesota, which are presented in Table 23.

According to the table, those age groups with a propensity to rent offer up a mixed bag regarding how much growth may occur and subsequently drive demand for more rental housing. Among the older age groups, there clearly is strong growth projected through 2030. This will unquestionably drive demand for senior housing. However, not all seniors who want to rent their housing will want to live in an environment dominated by the provision of personal care services. This will open up opportunities for more upscale rental housing that appeal to older age groups, though not necessarily age-restricted. Generally speaking, the upscale quality of buildings that cater to this group has more to do with better unit finishes and features than a long list of common area amenities.

Among the younger age groups, particularly in the 25 to 34 age, which is typically the largest renting age group, there will be a slight decline in population during the 2020s. Therefore, it will be important to be mindful that numeric growth will not necessarily drive demand in this age group. However, as mentioned previously, this group may be increasingly attracted to renting because of shifting attitudes toward homeownership.

Table 23: Projected Population Growth by Age Group, State of Minnesota 2010 to 2030

				Numeric Change		Percent Change	
Population Age	2010	2020	2030	2010-2020	2020-2030	2010-2020	2020-2030
Under 18 Years	1,283,174	1,390,945	1,468,976	107,771	78,031	8.4%	5.6%
18 to 24 years	502,895	481,495	528,933	-21,400	47,438	-4.3%	9.9%
25 to 34 years	719,226	747,328	738,303	28,102	-9,025	3.9%	-1.2%
35 to 44 years	678,767	740,391	769,172	61,624	28,781	9.1%	3.9%
45 to 54 years	807,154	669,191	730,422	-137,963	61,231	-17.1%	9.2%
55 to 64 years	634,019	772,363	641,276	138,344	-131,087	21.8%	-17.0%
65 to 74 years	356,326	565,154	690,324	208,828	125,170	58.6%	22.1%
75 to 84 years	221,752	279,403	448,616	57,651	169,213	26.0%	60.6%
85 years and over	107,271	125,989	166,283	18,718	40,294	17.4%	32.0%
Total Population	5,310,584	5,772,259	6,182,305	461,675	410,046	8.7%	7.1%

Source: Minnesota State Demographer

Housing Conditions

The previous sections of this report presented a great deal of quantitative data on the condition of Richfield's rental housing stock and renter household base. This section provides some additional context to the condition of the housing stock by providing qualitative data based on interviews with apartment property managers and a windshield survey of the neighborhoods where rental housing is the most concentrated.

PROPERTY MANAGER INTERVIEWS

Stantec interviewed a number of property managers at some of Richfield's largest apartment complexes. The interviews were intended to gain insight and feedback about important issues and concerns regarding the marketability of their properties and the potential role the City could play in assisting them to keep their properties as marketable as possible. The interviews were not meant to be exhaustive or statistically significant. Managers at five different apartment complexes, representing over 1,100 units, were interviewed. Manager and apartment names have been kept confidential. Below are relevant comments from the interviews:

- City is doing a good job supporting rental housing
- Has had experience with city funds- interior and exterior improvements
- Current low vacancy-able to lease quickly
- Additional cross walks in close proximity to the building would be helpful

- No known experience using city funds for improvements
- Has availability at each building-about a 2-3% vacancy rate, no waiting lists
- Both buildings we manage on bus route
- No impediments to maintaining buildings or marketability

- Only 2 vacant units - very low vacancy rates compared to even last summer
- 80% of units are rented by retirees from Richfield wanting to stay in Richfield
- No known experience using city funds for improvements
- Great location - access to Rainbow Foods and medical services (walking distance)
- Nature center is in walking distance
- Low crime
- Could see benefit of streetlight near property-fairly dark in immediate area

- Across the street from Best Buy
- A park across the street is difficult to access - very busy street - crosswalks would be helpful.
- No trails nearby
- No on site playground
- Challenge with language barriers - would love to see city sponsored language classes offered to the rental communities in Richfield. Also needed: "how to" classes on appliances, housekeeping basics, etc.
- Would like city info provided directly to managers so that they can get to the residents (e.g., recreational programs)
- Need City info prepared in a variety of languages
- Police contact is good

- Management does a great job - nicest properties in town in her opinion - put a lot of money into buildings recently

- Low vacancy at this time
- Older building - 1970
- Great access to transit – right at the door
- No outside amenities - closest park is several blocks on a busy street
- Did get one met council grant that was aware of to install energy efficient windows in apartments and furnaces in the townhome units
- Concerned about increase in rental rates
- Concerned about future competition as Richfield has recently approved and is also reviewing additional affordable housing projects - some with a significant number of units. Their buildings are also at an affordable rent (accepts assistance). Fears too much competition from these new affordable buildings would result in vacancies in the future. The older buildings will not be able to compete. Would like to see more money invested in existing rental properties and for the City to do a better job of making existing programs more widely known among the owners and managers.
- Lately they have been also losing people to Burnsville - lower rents for same size apartments. Also, some competition with older parts of Edina. Competition with surrounding communities is a big deal.
- Need more activities for kids, teens and families
- 494 needs a noise wall
- Crime prevention info and contact by police department is great
- Language barriers is an issues - education on housekeeping (pests, general cleaning, humidity), use of appliances, etc would be very helpful. Mentioned a program in Bloomington-SHAPE.

WINDSHIELD SURVEY

A visual inventory of the rental housing stock was performed to gauge the condition of properties in key locations of the City and to identify where additional investment could be focused to improve the marketability of certain districts. Below is a brief summary of the survey by district.

NORTHWEST RICHFIELD

Anchored by the commercial node at Penn Avenue and 66th Street West, this neighborhood is mostly single-family in character, though important concentrations of smaller apartment buildings are situated along Queen Avenue, Oliver Avenue, and portions of 66th Street and Penn Avenue. Most of the single-family homes are well maintained, which has a positive influence on the apartment buildings by making them feel and appear well-maintained as well. Furthermore, the commercial corridor along Penn Avenue has experienced redevelopment recently, which has had a positive influence on the neighborhood by creating a sense of renewal. The Southdale area, which is less than a mile to the west of this neighborhood, also has a very positive effect on rental properties because its large number of jobs is within walking distance or a short bus ride.

The biggest opportunity to help maintain marketability of the apartments in this neighborhood would be to continue improving the pedestrian connections along Penn Avenue so that the businesses along the corridor can continue to serve as an amenity for nearby apartment residents.

NORTHCENTRAL RICHFIELD

This neighborhood is centered on the intersection of Lyndale Avenue and West 66th Street. This area has been the focus of significant redevelopment for nearly 30 years and has seen the development of several high rises, which has resulted in a decidedly urban character. There are over 800 rental units in this area. This neighborhood, by far, has the widest range of properties; old, new, senior, general-occupancy, low-rise, and high-rise. It also has the City's only newer, upscale apartment complex, Oaks on Pleasant, which features many of the amenities (and pricing) found at other newer upscale apartments in the Twin Cities. This area is also well connected with trails to nearby Wood Lake and Richfield Lake and the Hub Shopping Center.

This neighborhood has also been the location of several recent proposals for new apartment development, including Lyndale Commons, which is currently under construction. The energy associated with continued redevelopment of underutilized properties will improve the marketability of the existing, older rental stock by incentivizing owners to make upgrades to their properties. Nonetheless, there are some older buildings that lack many of the amenities desired by today's market, which may require assistance with appliance upgrades, weatherproofing, and cosmetic changes.

NORTHEAST RICHFIELD

East 66th Street between Portland and Cedar Avenues serves as the backbone of this neighborhood. The Cedar Point Commons redevelopment at Cedar and 66th Street resulted in the demolition of several smaller apartment buildings. Therefore, the remaining rental stock consists mostly of smaller buildings scattered along East 66th Street. For the most part, these properties have varying degrees of maintenance and upkeep. However, there is no major concentration of buildings in any one block or intersection. Therefore, it would be difficult to strategically employ area-wide public investments in the hopes of attracting significant new private investment. Therefore, any public intervention needed to improve the rental housing stock will likely need to occur on a project-by-project basis.

SOUTHEAST RICHFIELD

With over 1,000 apartment units, southeast Richfield has the second largest concentration of rental units in the City. However, nearly all of the units are situated along either I-494 or Highway 77.

The apartments along Highway 77 (Cedar Avenue) are mostly, smaller buildings with few amenities and a wide variety of owners and property managers. These properties have varying degrees of maintenance and upkeep. Therefore, due to the decentralized nature of ownership, the area is susceptible to a downward trend toward disinvestment if a handful of properties begin to exhibit clear signs of deferred maintenance. The biggest challenge to the marketability of these apartments is the impact of noise from the highway and the airport, which is just across the highway. As a matter of fact, the perception of airport noise is probably a bigger problem than actual airport noise because most of the buildings face directly toward the airport and without any sound wall or berm prospective renters can't help but consider the impact.

The apartments along I-494 are much larger and have more amenities and are often professionally managed. As a result, these properties tend to have slightly higher rents than those along Highway 77. However, they too suffer from proximity to a major highway and do not have the benefit of sound walls. Moreover, East 77th Street in this part of Richfield has a significant volume of traffic, which, in many ways, serves to severely cut off these properties from nearby shopping and parks. This is especially challenging for residents with school aged children who are challenged by the need to cross busy roadways to get to schools, parks, and stores. Better pedestrian connections and sound improvements would enhance the marketability of these properties.

SOUTHCENTRAL RICHFIELD

The heart of this neighborhood could be considered Lyndale Avenue and West 77th Street because of the major redevelopment that has occurred in the last 10 to 12 years. The rental stock in this area is mostly contained in two large, apartment developments; Mainstreet Village and Lynwood Gardens. Mainstreet Village is a 12 year old senior housing development that is located in a mixed-use building with offices. Lynwood Gardens is a 1960s era complex with just over 300 total units all of which are one-bedroom. In addition to only having one-bedroom units, the square footages of the units at Lynwood Gardens are small for their size being less than 600 square feet. Therefore, the rents at Lynwood Gardens are some of the most modest rents in the market. Despite these marketing challenges, Lynwood Gardens has received some new investment recently, which can be seen in the improvements to the leasing office and signage and overall branding of the property. Regardless, the complex, despite its overall number of units, has few amenities to market to prospective renters.

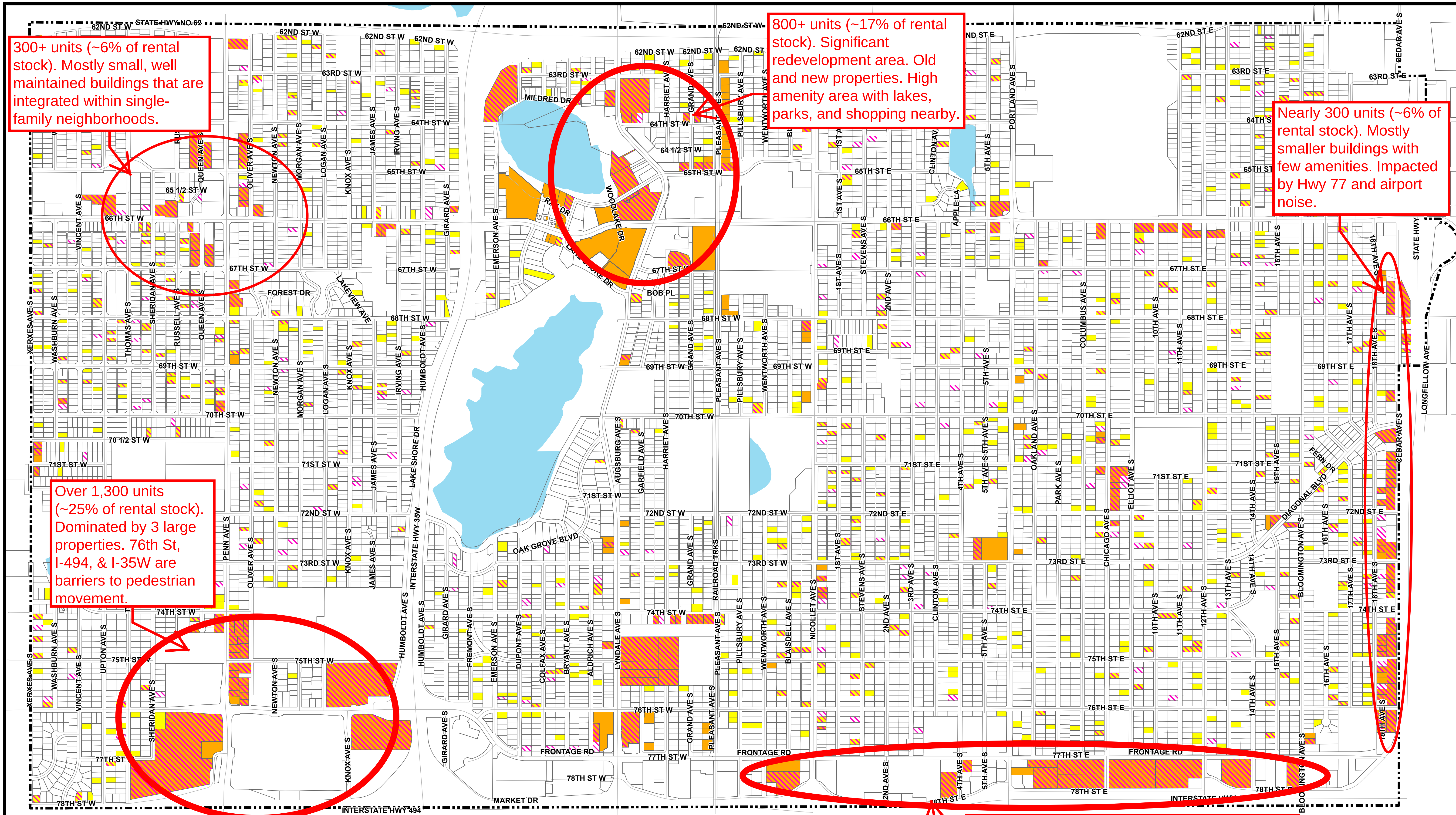
The biggest benefit to maintaining the condition of the rental stock in this neighborhood will be to continue building upon the recent changes that have occurred at 77th and Lyndale Avenue, such as better streetscape and pedestrian connections, which have served to attract a new mix of businesses to the area.

SOUTHWEST RICHFIELD

Most of the apartments in this part of Richfield are concentrated in an area near West 76th Street and Penn Avenue. This area has the largest concentration of apartments with over 1,300 units. Much of the stock is located in three large apartment complexes, though there are a number of smaller buildings located along Oliver and Penn Avenue just north of 76th Street. The larger apartment complexes are in relatively good condition with visible signs of regular maintenance. The area is also influenced by the Best Buy headquarters, which looms large over the Penn Avenue and 76th Street intersection. Although the Best Buy development has changed the physical character of the neighborhood, it has also brought new investment into the neighborhood as well.

The largest of the three big complexes, Crossroads at Penn, consists entirely of one-bedroom apartments, which is a rarity in today's market. Despite the marketing challenge this creates, the property continues to maintain relatively high occupancies, which indicates the overall strength and marketability of its location. The neighborhood has a number of parks, playgrounds and open spaces. However, the volume and speed of traffic along 76th Street cuts off the properties south of 76th from these amenities. Therefore, the best opportunity to enhance the marketability of these properties will be to either create better pedestrian connections across 76th or to help the property owners integrate such amenities within their developments.

It should be noted, though, that due to the influence of the Best Buy development changing the character of this neighborhood, it is likely that some of the apartment properties with visibility to I-494 or I-35W may be targets for redevelopment as well because they are located on larger parcels, consist of building more than 40 years old, and have a challenging unit mix.



Non-Homestead and Licensed Rental Residential Properties

City of Richfield, Minnesota

N W E S

0 1,200 2,400 Feet

City Boundary
Properties with Rental License
Multi-Family Properties
Single Family Properties
Open Water

March 15, 2012

Stantec

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Gap Analysis

Previous sections of the report addressed the current supply of rental housing in Richfield by providing data on the number of units, buildings types, number of bedrooms, amenities, rents, etc. For select data, comparison statistics were provided to allow the reader to better understand how the condition of Richfield's rental stock may compare against communities of a similar age and location within the Metro Area. The gap analysis presented as part of this section translate the findings of the previous sections into areas of potential need.

RENTAL HOUSING NEED

1. Two- and Three-Bedroom Units

Richfield is sorely lacking in two- and three-bedroom rental units. This likely does not come as a surprise to anyone familiar with the rental stock of Richfield. Many of the large apartment complexes that dominate the City's rental housing supply were built in the 1960s at a time when market demand was driven by a young baby boom generation moving out of their parents' homes and forming their own households. Skip forward 45 years and the baby boom generation is now entering retirement. Furthermore, some of the fastest growing household types in Richfield are families, which often require three or more bedrooms. Although one-bedroom units are an important unit type that remains in strong demand (unlike studio units), most newer apartment projects now have a unit mix that is more evenly balanced or even tilted toward more two-bedroom and larger units. Therefore, in order for Richfield to diversify its supply of rental housing it should look for ways to increase the number of two-bedroom units either through new construction or perhaps rehabilitation of existing units.

2. Newer Properties with Modern Amenities and Features

Richfield has only one general-occupancy rental property less than 30 years old. It is the only rental property that features a full complement of modern features and amenities including a fitness center, walk-in closets, in-unit washer/dryers, and underground parking. Furthermore, this same property is almost entirely filled by retirees from Richfield who want to stay in the community but aren't ready for more service-intensive senior housing. This lack of newer rental options with modern amenities and features is limiting the City's ability to retain longtime residents and attract new, younger residents who want more modern rental housing, particularly young professionals who work along I-494 or in Downtown Minneapolis.

It should be noted that amenity-driven rental housing benefits as much by amenities that are imbedded within the property as well as amenities found within the surrounding neighborhood. A pedestrian-oriented environment with connections to nearby shopping, parks, and other uses can be a huge differentiator for upscale properties in a competitive environment. The redevelopment that has occurred at 66th and Lyndale, 66th and Cedar, and Lyndale and 76th are excellent examples of how improvements to the public realm enhance the desirability of an area and would be attractive for prospective renters, especially those with the discretionary income to be selective in where they decide to live.

3. Subsidized Units Appropriate for Families

Although the City has a large supply of older, affordably priced market rate units, many of which accept Section 8 vouchers, there is a limited supply of two- and three-bedroom units that would be appropriate for families, especially units that are restricted to very low-income households. Based on the analysis in the preceding sections, it was discovered that the City does not have any project-based, subsidized units with two- or more bedrooms available to families. Although there probably are a number of scattered site single-family homes that are subsidized, it is unlikely that any large scale expansion of supply could be satisfied through the acquisition of single-family homes. Therefore, the need could be more efficiently met through construction of new, subsidized rental housing. Furthermore, new subsidized housing could be programmed with social services that would help residents make ends meet and transition into market rate housing. Such services might include skills training or education, daycare, access to healthcare, etc.

To put the lack of subsidized housing into context, consider Richfield's peer communities. Among the 11 communities analyzed, the overall percentage of general-occupancy rental housing that is subsidized is 6.4%. In Richfield, the percentage is less than 1%. Therefore, in order for Richfield to simply meet the peer community average, it would need to construct close to 300 new subsidized units.

4. Senior Housing (All Types)

Although Richfield is experiencing an influx of younger families into both its owner-occupied and rental housing stock, there remains a substantial number of older households living in single-family residences throughout the City who would like to stay in the community, but either can't afford the transition into market rate senior housing or there are not units available among the existing supply. The problem is most acute for older households in need of subsidized or at least affordable senior housing. The only subsidized senior housing property is Richfield Towers, which is a 1970s-era building with mostly one-bedroom units. The problem is that subsidized senior housing from this era was designed mostly for single women, which at the time made up the vast majority of need. Although older, single women still dominate the need for subsidized senior housing, there are many more low-income older couples today than there were 35 years ago.

However, subsidized senior housing is not the only type of senior housing needed. Given the fact that the oldest members of the baby boom generation are beginning to retire, they represent the first wave of a group that will swell the demand for senior housing of all types for years to come. The challenge moving forward will not be in identifying the need, that will be apparent, but in designing housing styles and types that appeal to a new generation of older adults. The baby boom generation has profoundly changed the housing market for every life stage it moves through. Older age will be no exception. Their wants and tastes will likely be vastly different than their parent's generation. Although gauging the senior housing needs of the baby boom generation will be difficult, it will also represent a lot of opportunity for positive change.

NEW RENTAL HOUSING DEVELOPMENT IN NEIGHBORING COMMUNITIES

After several years of sluggish growth, rental housing development has begun to significantly increase. The overall rental market has seen vacancy rates drop to historic lows, meanwhile price increases have begun to rise rapidly. Developers are now capitalizing on these positive market fundamentals in a big way. As of April 2012, Finance and Commerce, a Minneapolis-St. Paul-based business periodical, has been reporting that there are approximately 78 active apartment projects in various stages of development throughout the Twin Cities totaling nearly 12,000 units. Most of this development activity has been focused in Minneapolis, though several projects are located within Richfield or nearby in Bloomington and Edina.

- Within Richfield, there have been several recent proposals for new rental housing, one of which is currently under construction. If all three were to be constructed, it would total close to 300 new units with a mix of both market rate and affordable rents.

- In Bloomington, there are three active projects, two of which are under construction, totaling more than 750 units. In Edina, there are currently two proposals for new apartments, which combined would be more than 460 units.

Not all of this proposed development will likely come to fruition. However, even if a proportion of it were to occur it still represents a significant number of new rental units. The potential impacts this may have on Richfield to accommodate new rental housing, however, are only short-term in nature. Real estate development is cyclical. When market fundamentals are ripe, the private sector will capitalize on opportunities until the market becomes saturated. At which point, development will significantly decrease until market fundamentals become positive again. When one looks at the condition of Richfield's supply of rental housing, it is clear that the strategies needed to address needed changes have to be longer term and perhaps span several real estate cycles.

METROPOLITAN COUNCIL AFFORDABLE HOUSING REQUIREMENTS

Stantec contacted the Metropolitan Council regarding Richfield's affordable housing requirements related to their participation in the Livable Communities Act (LCA). According to the Metropolitan Council, there are three requirements of communities to participate in the LCA and be eligible to compete each year for approximately $15 million in grants. The requirements for Richfield are as follows:

1. Richfield must negotiate affordable and life-cycle housing goals with the Met Council. Richfield's goals for 2011 through 2020 are 497 to 765 new affordable units, and 765 to 1,500 new life-cycle housing units. The affordable housing numbers are based upon the city's share of the region's need to add over 51,000 affordable units in the decade, and the life cycle number at the high end is a reflection of the total number of units the City's land use guiding for the decade could allow as new or redevelopment.

2. Richfield must prepare a Housing Action Plan that outlines how the City intends to approach achieving its goals. This plan has been submitted to the Metropolitan Council.

3. Richfield must expend on affordable and life-cycle housing from its own locally generated dollars, usually its local levies, a minimum amount each year called the Affordable and Life-cycle housing Opportunities Amount (ALHOA). This can be an expenditure on housing maintenance and preservation, on subsidy to developers, on local costs associated with revenue bonds or a TIF, etc. Richfield's amount for last year was $85,424.

These are the requirements for LCA participation. Richfield has been a participant since the program started in 1995.

For purposes of the LCA program, the Metropolitan Council defines affordable housing in a report titled *Determining Affordable Housing Need in the Twin Cities 2011-2020* as the following: a housing unit is affordable if it is priced at or below 30% of gross income of a household earning 60% of the Twin Cities median family income ($50,340 in 2012 for a family of four). The 60% income threshold is determined by the U.S. Department of Housing and Urban Development (HUD) and is the cutoff for tax-credit housing development, the main program for new affordable rental housing construction nationwide.

Housing Strategies

This section outlines potential strategies for addressing the rental housing needs identified in the previous section. In many cases, the City may already be utilizing a specific tool or applying a certain policy to address the City's rental housing needs. Therefore, the strategies outlined below are not meant to be prescriptive or to replace any currently used tools or policies. Instead, they are meant to be a source for new ideas and examples of tools and policies that may be appropriate for Richfield as the City meets its future rental housing needs. Below is a list of strategies culled from a variety of sources, including the Minnesota Housing Finance Agency (MHFA), Urban Land Institute, PolicyLink.org, HousingPolicy.org, and several other affordable/rental housing advocacy groups. It should be noted that none of the listed strategies are in any particular order of importance nor is the list exhaustive. It is a starting point for further research and planning.

INCLUSIONARY HOUSING

Designed as a local regulatory tool, inclusionary housing (zoning) requires developers to include a number of affordable homes in new residential developments over a certain size. The number of affordable units to be included in the new developments is based on a percentage of the total number of units in the development (generally 12% - 15%). The cost of providing the affordable units is offset with a density bonus. The affordability level of the designated units can target one income group, such as households earning 50% of the median income, or may serve a range of incomes.

PUBLIC-PRIVATE PARTNERSHIPS

Public-private partnerships are often considered "creative alliances" formed between a government entity and private developers to achieve a common purpose, such as the increase of more rental housing choices. Fully developed communities, such as Richfield, need to rebuild and revitalize older portions of their cities and the public need to monetize underused assets has dramatically changed the rules of redevelopment. Private capital can no longer be relied on to pay the high price of assembling and preparing appropriate sites for redevelopment. Conversely, local governments can no loner bear the full burden of paying the costs of requisite public infrastructure and facilities. True partnerships of the private and public sectors can replace potential confrontation with collaboration and cooperation to achieve shared goals and objectives.

DENSITY BONUSES

Density bonuses are granted for projects in which the developer agrees to include a certain number of affordable housing units or perhaps some other project feature that would enhance the livability of the development, such as improved pedestrian connections between the building and public right-of-way or enhanced architectural treatment of building facades. In the case of ensuring more affordable housing, for every one unit of affordable housing a developer agrees to build, a jurisdiction allows the construction of a greater number of market rate units than would be allowed otherwise. Most often, density bonuses vary from project to project and do not exceed a particular threshold (for instance, 20% of normal density) determined by local officials.

EXPEDITED PERMITTING

Delays during any stage in the development process add to the final costs of new housing. Reducing the costs incurred by developers during the development review process makes multifamily housing projects more attractive. Expedited permitting is a cost-efficient and very effective way of reducing developer costs. Fast-tracking review and permitting of multifamily housing reduces developer costs at no-cost to local jurisdictions.

FEE WAIVERS

To help maintain housing affordability and/or stimulate development in targeted neighborhoods, some communities offer fee reductions for qualifying projects, or waive fees altogether.

PRESERVE THE EXISTING SUPPLY OF AFFORDABLE HOUSING

For many subsidized properties, the underlying contract with the Department of Housing and Community Development (HUD) that enables reduced-rent units to very-low income households often expires in a set number of years (typically, 20 years). Therefore, one of the easiest ways to preserve the existing supply of affordable housing is to track these properties and work with property owners to secure additional funding to help extend the contract before it expires and the property reverts to market rate status.

GREEN BUILDING AND REHABILITATION PRACTICES

Green building and rehabilitation practices, such as weatherproofing and replacement of outmoded heating and cooling systems, can dramatically reduce or control the cost of operating many rental properties by using less energy. These savings can sometimes be passed along in the form of reduced rents to tenants. Furthermore, such building and rehabilitation practices can improve the health conditions for many tenants or enhance the property's marketability to environmentally conscious tenants.

LAND ACQUISITION

In order to meet redevelopment goals, it may be necessary to strategically acquire key sites. Although cities certainly want to be mindful that they don't have too many properties off the tax rolls for too long, sometimes land acquisition is an excellent way to increase developer interest where interest may have been weak because the City signals strong commitment to the project by acquiring land. Control of land is an essential component to the redevelopment process and is best achieved as early in the process as possible in order to mitigate price speculation and to have a strong bargaining chip in the negotiating process with developers.

HOUSING CODE ADJUSTMENTS

The redevelopment of vacant and underutilized buildings is often constrained by antiquated building and housing codes that were designed during a previous era of the City's development. Review and adjustment of such codes may reduce barriers to new development and investment in the City's rental housing stock.

SITE-CLEANUP ASSISTANCE

There are large pools of funding available for site clean up through a number of federal, state, and regional sources. Historically, much of the funding for site clean up was tied to health and safety issues. However, recognizing that contaminated properties have adverse affects that go way beyond immediate health concerns related to exposure, programs through the EPA and others are targeting the economic importance of revitalizing such properties and are making monies available for area-wide planning and the eventual redevelopment of properties into uses that will benefit the local community, such as expanded rental housing options.

Small Area Planning

Small area planning can be an important tool to both identify where additional rental housing could be located within a community but also as a way to build support and acceptance among residents, property owners, and businesses for the change needed to accommodate new rental housing.

Strategic Infrastructure Investments

Sometimes attracting private investment in rental housing can be achieved through strategic infrastructure investments, such as new roads, sidewalks, parks, and utility improvements. These investments can attract private sector interest by simply enhancing the locational value of a given site or sites through better access, aesthetics, or function, or they can signal to the private sector the City's commitment to revitalize a particular area or district.

Zoning Changes

While requests to rezone individual parcels or issue a variance may be successful in allowing individual projects to move forward, securing these approvals can be a lengthy process that often involves a great deal of uncertainty and adds substantially to total development costs. Large-scale rezoning can allow new projects to be built in appropriate areas not currently available for residential development or can increase densities in existing residential areas and may enable sufficient increases in the overall supply of rental housing to accommodate demand and either moderate pricing pressures or create opportunities at appropriate price points.

Strategic Use of Public Land

The opportunities presented by publicly-owned land extend beyond simply allocating vacant land for new housing development or demolishing unused buildings for new construction from the ground up. With a little creativity, housing development opportunities can be found in public sites that are in active use as well as in outdated structures that the community cannot or will not demolish. In high-growth housing markets, communities may wish to consider whether certain sites, such as hospitals, public housing, or schools, have extra land that could be spun off as affordable homes, or whether certain types of locations, such as surface parking lots, or low-density structures, can be redeveloped as a mixed-use property to both fulfill the original use and provide new rental housing. In slow-growth housing markets, communities may wish to consider how the adaptive reuse of historical or culturally-significant buildings for rental housing can help to strengthen the community fabric while also providing more rental housing opportunities.

Facilitate the Reuse of Abandoned, Vacant, and Tax-Delinquent Properties

The tools for reusing disinvested properties generally involve breaking through administrative challenges that can otherwise hinder redevelopment. These challenges may include lengthy and complicated tax foreclosure processes, laws that may make it difficult to reuse properties for affordable housing, and the lack of authority and capacity to take a coordinated and strategic approach to land acquisition and disposition. Communities have overcome these challenges through tax foreclosure reforms, land banks, and shared databases of abandonment indicators. By streamlining the procedures for acquiring and disposing of disinvested properties in a strategic manner that is consistent with local priorities, communities can help alleviate blight, stem neighborhood decline, and expand the availability of quality, affordable homes. Code enforcement and nuisance abatement programs can also be useful for reducing the spread of disinvestment while other properties in the community are being reused or redeveloped.

Housing Trust Funds

Housing trust funds are powerful tools for providing locally targeted and managed assistance for affordable housing. The funds can have a variety of revenue sources, but among the most common are some portion of the local real estate transfer tax, penalties on late payments of real estate taxes and fees on other real estate–related transactions. Each housing trust fund has a governing body that decides how the funds are used. Some support demand-side solutions, such as subsidizing the down payment on a home purchase by low- to moderate-income residents. Housing trust funds are often used to increase the supply of affordable housing, such as providing zero-interest loans or gap financing for affordable housing new construction or rehabilitation.

COMMUNITY LAND TRUSTS

A Community Land Trust is a private nonprofit corporation created to acquire and hold land for the benefit of a community and provide secure affordable access to land and housing for community residents. Land is taken out of the market and separated from its productive use so that the impact of land appreciation is removed, therefore enabling long-term affordable and sustainable local development. Through CLTs, local residents and businesses participate in and take responsibility for planning and delivering redevelopment schemes.

LAND BANKING

A land bank is a public authority created to efficiently hold, manage and develop tax-foreclosed property. Land banks act as a legal and financial mechanism to transform vacant, abandoned and tax-foreclosed property back to productive use. Generally, land banks are funded by local governments' budgets or the management and disposition of tax-foreclosed property. In addition, a land bank is a powerful locational incentive, which encourages redevelopment in older communities that generally have little available land and neighborhoods that have been blighted by an out-migration of residents and businesses. While a land bank provides short-term fiscal benefits, it can also act as a tool for planning long-term community development. Successful land bank programs revitalize blighted neighborhoods and direct reinvestment back into these neighborhoods to support their long-term community vision.

RENTAL HOUSING DESIGN STANDARDS

Design standards can achieve multiple goals. First, design standards can help insure that newly constructed rental properties provide the kinds features and elements that would balance out the City's rental stock instead of contributing to an increasing concentration of similar property types. Second, design standards can help improve the overall quality of the housing stock by introducing higher quality examples of what is expected within the community with respect to rental housing. Third, design standards can help secure critical funding for projects from lenders and housing agencies. In particular, Minnesota Housing, the state agency that helps fund and promote the development of affordable housing throughout the state, has minimum design standards for projects that it finances. Their standards are meant to ensure that rental housing they finance is decent quality, energy efficient, functional, sustainable, and effective in reducing long-term maintenance costs.

MINNESOTA HOUSING (MHFA) PROGRAMS

As the Minnesota state agency that funds and promotes affordable housing, Minnesota Housing plays a central role in assisting the development community to provide quality rental housing. The following attachment is a summary of the programs and their terms Minnesota Housing uses to support greater housing choice throughout the State. Please note that not all of these programs may be applicable or appropriate for projects in the City of Richfield.

Multifamily Housing Resource Summary

	LOW AND MODERATE INCOME RENTAL PROGRAM (LMIR)	FLEXIBLE FINANCING for CAPITAL COSTS (FFCC)	HOUSING TAX CREDIT PROGRAM (HTC)
Financing Type	**Amortizing First Mortgage Loan**	**Deferred Loan**	**Tax Credit**
Program Description	Mortgage funds for new construction/substantial rehabilitation of rental housing or acquisition and rehabilitation of existing rental housing, or refinance/debt-restructure.	Only available with a LMIR Loan. See the LMIR Summary.	Provides Tax Credits to reduce federal income tax liability for qualifying property owners who agree to rent to low and moderate income tenants.
Type of Housing	Rental housing development involving new construction, substantial rehabilitation or acquisition with substantial rehabilitation. Minimum development size twenty units.	Rental housing development involving new construction, substantial rehabilitation or acquisition with substantial rehabilitation. Minimum development size twenty units.	Rental housing development involving new construction, substantial rehabilitation or acquisition with substantial rehabilitation.
Eligible Applicant	Limited dividend or non-profit sponsor	Limited dividend or non-profit sponsor	Non-profit and for-profit sponsor, Partnership, Limited liability entity, and Community Development Organizations
Tenant Income Limits and Eligibility Requirements	40% @ 60% AMI; or 20% @ 50% AMI; and 25% unrestricted; Balance up to 100% AMI	40% @ 60% AMI; or 20% @ 50% AMI; and 25% unrestricted; Balance up to 100% AMI	50% AMI or 60% AMI
Rent Restrictions	40% of Units @ 60% AMI; or 20% of Units @ 50% AMI; and Balance of Units @ Minnesota Housing determined "Market"	40% of Units @ 60% AMI; or 20% of Units @ 50% AMI; and Balance of Units @ Minnesota Housing determined "Market"	40% of Units @ 60% AMI; or 20% of Units @ 50% AMI; Priority for affordable at 50% and 30% AMI
Term	➢ 30 year fully amortizing loan	Tied to LMIR loan with a balloon maturity	30 years for compliance
Interest Rate	➢ 30 Year Fixed Rate. For current rates visit http://www.mnhousing.gov/consumers/rates/index.aspx, under Multifamily Division ➢ Balloon options may be available	0-1% interest rate	N/A
Funding Availability	RFP or open pipeline (based on funding availability)	RFP or open pipeline (based on funding availability)	• Two competitions each year for Minnesota Housing volume cap • Open pipeline for non-competitive 4% tax credits in conjunction with tax-exempt bonds
Agency Limits	$2 million minimum on TE Bond loans, $350,000 minimum for all others	None beyond funding availability, but subject to documented need.	$1,000,000 maximum annual credit limit per development
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Multifamily Housing Resource Summary

	PRESERVATION AFFORDABLE RENTAL INVESTMENT FUND (PARIF)	HOUSING TRUST FUND (HTF) CAPITAL	HOUSING TRUST FUND (HTF) AND ENDING LONG-TERM HOMELESSNESS INITIATIVE FUND (ELHIF) OPERATING SUBSIDY
Financing Type	**Deferred Loan**	**Deferred Loan**	**Grant**
Program Description	Loans for acquisition/rehabilitation, debt restructuring or equity takeout.	Development, construction, acquisition, preservation, and rehabilitation of low-income rental housing. Priority is given for developments serving households experiencing LTH	Operating Subsides are available to fund two forms of operating expenses: • Unique Costs of supportive housing developments that are critical to both the economic viability of the building and households being served. • Revenue Shortfall to reduce the difference between costs of operating and the rents that tenants are charged.
Type of Housing	Existing rental housing with documented risk of losing project-based federal assistance (i.e., Section 8, Section 236 Interest Reduction Contract, Rural Development 515, etc.), as well as existing supportive housing developments.	Emergency shelters, transitional housing, permanent rental, or permanent supportive housing.	Permanent affordable rental housing with Agency capital financing. Funding priority for permanent supportive housing.
Eligible Applicant	Limited dividend and non-profit sponsor (preference to non-profit or local government)	Non-profit, for-profit, limited-dividend entity, cooperative housing corporation, city, joint powers board established by two or more cities, public housing agency, tribal housing corp. or natural person. PSHL developments must be owned by a qualified non-profit, government or tribal entity.	Owner of a housing development that is funded or is applying for a loan from the Agency to develop or rehab affordable or supportive rental housing.
Tenant Income Limits and Eligibility Requirements	Subject to federal guidelines of assistance being preserved; generally 50% - 80% AMI	60% of Twin Cities Metropolitan AMI with a priority for proposals at 30% of Twin Cities Metropolitan AMI. An additional priority for developments serving households experiencing long-term homelessness (LTH).	60% of Twin Cities Metropolitan AMI with a priority for proposals at 30% of Twin Cities Metropolitan AMI. An additional priority for developments serving households experiencing LTH.
Rent Restrictions	Restrictions per the federal assistance being preserved.	Affordable at 60% of Twin Cities AMI with a priority for proposals to the extent that rent paid by tenants does not exceed 30% of 30% of AMI.	Affordable at 60% of Twin Cities AMI with a priority for proposals affordable at 30% of Twin Cities AMI. An additional priority for developments serving households experiencing LTH.
Term	Up to 30 years; or Co-terminus with federal assistance being preserved.	30 years	Up to 2 years.
Interest Rate	0-1% interest rate	0% - 1% interest rate	Not applicable
Funding Availability	RFP and open pipeline (based on funding availability)	No funding currently available	DHS & ELHIF funding available for 2012 RFP
Agency Limits	No set minimum, but subject to documented need.	None beyond funding availability	Up to $500 for singles; $524 for families
For More Info Call	Julie LaSota 651-296-9827 julie.lasota@state.mn.us	Joel Salzer 651-296-9828 joel.salzer@state.mn.us	Susan Haugen 651-296-9848 Susan.haugen@state.mn.us OR Lisa Borja 651-296-9795 Lisa.Borja@state.mn.us

Multifamily Housing Resource Summary

	HOUSING TRUST FUND (HTF) AND ENDING LONG-TERM HOMELESSNESS INITIATIVE FUND (ELHIF) RENTAL ASSISTANCE	ENDING LONG-TERM HOMELESSNESS INITIATIVE FUND (ELHIF)	ECONOMIC DEVELOPMENT AND HOUSING CHALLENGE PROGRAM (EDHC)
Financing Type	**Grant**	**Deferred Loan and Grant**	**Deferred Loan**
Program Description	Rental assistance is available in two forms: • Tenant-based rental assistance program funds • Sponsor-based rental assistance program funds	Funds for tenant and sponsor-based rental assistance, operating subsidies, acquisition, rehabilitation, development or construction for permanent supportive housing for households experiencing long-term homelessness.	Provides loans for housing which will support economic development activities or job creation / retention. Fifty percent of funding must be awarded to proposals with a financial or in-kind contribution from non-state resources.
Type of Housing	Rental housing	Permanent supportive rental housing units deemed for households experiencing long-term homelessness. Refer to the ending long-term homelessness business plan for more information.	Rental housing for new construction, acquisition / rehabilitation of multifamily housing with a minimum of four units.
Eligible Applicant	Non-profit organization, for-profit, limited-dividend entity, cooperative housing corporation, city, joint powers board established by two or more cities, public housing agency, tribal housing corporation or natural person.	Non-profit organizations, for-profit, limited-dividend entity, cooperative housing corporation, city, joint powers board established by two or more cities, public housing agency, tribal housing corporation or natural person.	Non-profit organization, cities, public housing agencies, an Indian tribal housing corporation, a natural person, a private developer, and a joint powers board established by two or more cities.
Tenant Income Limits and Eligibility Requirements	60% of Twin Cities Metropolitan AMI with a priority for proposals at 30% of Twin Cities Metropolitan AMI. An additional priority for proposals serving households experiencing LTH.	60% of Twin Cities Metropolitan AMI with a priority for proposals at 30% of Twin Cities Metropolitan AMI. Tenant must meet the MHFA definition of persons experiencing long-term homelessness.	80% of the greater of statewide or AMI
Rent Restrictions	Affordable at 60% of Twin Cities AMI with a priority for proposals affordable at 30% of Twin Cities AMI. An additional priority for proposals serving households experiencing LTH.	Affordable at 60% of Twin Cities AMI with a priority for proposals affordable at 30% of Twin Cities AMI.	Affordability based on wage levels. May be further restricted based on other sources of funding.
Term	Initial 18-24 months; subject to annual renewal, based on performance and available funds.	Capital: 30 years Operating Subsidy: Up to 10 years RA: Initial 24 months; subject to annual review	30 years
Interest Rate	Not applicable	Capital: 0-1% interest rate Operating Subsidy: n/a-grant Rental Assistance: n/a-grant	0% - 1% interest rate
Funding Availability	No funding currently available	No funding currently available	RFP
Agency Limits	None beyond funding availability	None beyond funding availability	None beyond funding availability
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Multifamily Housing Resource Summary

	[HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM (HOPWA)]	[PUBLICLY OWNED HOUSING PROGRAM]	[501(c)(3) BONDS]
Financing Type	**Deferred Loan and Grant**	**Deferred Loan**	**Deferred Loan**
Program Description	Provides funds to be used in Greater Minnesota for emergency assistance for persons and families living with HIV/AIDS. For additional eligible activities, refer to HOPWA program information at http://www.hudhre.info/	Provides funds for new construction, acquisition, and/or rehabilitation. Reserves, operating expenses, and certain capital costs **cannot** be financed with general obligation bonds.	Development, construction, acquisition, preservation, and rehabilitation of low-income rental housing primarily for long-term homeless households. At least 90% of the units financed with 501(c)(3) Bonds must serve long-term homeless households and those at significant risk of long-term homelessness. The remaining 10% can serve homeless households or those at risk of homelessness.
Type of Housing	Emergency housing assistance	Permanent supportive rental housing for persons experiencing long-term homelessness who have been without a permanent residence for at least 12 months or on at least four occasions in the last three years, transitional housing for low and moderate income households or a publicly owned emergency shelter	Permanent supportive rental housing units deemed for households experiencing long-term homelessness. For more information, please refer to the *Business Plan for Ending Long-Term Homelessness In Minnesota*.
Eligible Applicant	Limited profit and non-profit entity, units of local government, public housing authorities, and/or community based organization.	Local government units as defined in Minnesota Statute, section 462C.02, subdivision 6.	Tax-exempt organizations as defined under Section 501(c)(3) of the Internal Revenue Code. Additionally, governmental entities (excluding the federal government) and Indian Tribes are eligible.
Tenant Income Limits and Eligibility Requirements	80% of AMI, adjusted for family size. Household must include at least one person who is living with HIV/AIDS.	50% of the greater of the statewide or AMI.	60% of Twin Cities Metropolitan AMI with a priority for proposals at 30% of Twin Cities Metropolitan AMI, adjusted for household sizes of five or more.
Rent Restrictions	Not applicable	Affordable to the population served. Maximum rent is 50% of the greater of the statewide or AMI.	Affordable at 60% of Twin Cities AMI with a priority for proposals where rent paid by tenants does not exceed 30% of 30% of the AMI as determined by HUD.
Term	Not applicable	20 years forgivable	30 years
Interest Rate	0% interest rate	0% interest rate	0% interest rate
Funding Availability	Annual	RFP and open pipeline (No funding currently available)	RFP and open pipeline (no funds currently)
Agency Limits	None beyond funding availability	None beyond funding availability	None beyond funding availability
For More Info Call	Elaine Vollbrecht 651-296-9953 elaine.vollbrecht@state.mn.us	Jonathan Stanley 651-284-3178 Jonathan.Stanley@state.mn.us	Jonathan Stanley 651-284-3178 Jonathan.Stanley@state.mn.us

Multifamily Housing Resource Summary

	[RENTAL REHABILITATION LOAN PROGRAM]()	[Rental Rehabilitation Deferred Loan Pilot (RRDL)]()	HOME Affordable Rental Preservation
Financing Type	**Amortizing Loan**	**Deferred Loan**	Deferred Loan
Program Description	Funds for rehabilitation loans for existing rental properties utilizing authorized local lenders.	Provides deferred loans to rehabilitate affordable rental housing through a network of local administrators.	Federal HOME funds for the rehabilitation of existing rental properties.
Type of Housing	Existing rental housing	Existing smaller residential rental housing development outside the 7 county metro area.	Existing rental housing
Eligible Applicant	Private individual, corporation, partnership, non-profit organization and community housing development organization.	Non-profit organization, cities, public housing agencies, an Indian tribal housing corporation, a natural person, a private developer, and a joint powers board established by two or more cities.	Private individual, corporation, partnership, non-profit organization, community housing development organization
Tenant Income Limits and Eligibility Requirements	80% of state wide median income	80% of the greater of statewide or AMI - not adjusted for family size.	At least 90% of HOME units must be occupied by households with annual incomes no greater than 60% of area median income as adjusted for family size (AMI) at the time of occupancy or the time funds are invested, whichever is later.
Rent Restrictions	None	Affordable to workforce - Lesser of 30% of DEED average local wage or 80% AMI at initial occupancy.	On an ongoing basis, at least 20% of households must have incomes not exceeding 50% of AMI; no households may have incomes greater than the low income limit for the household size. At least 20% of units @ LOW HOME Rent Limits; up to 80% of remaining units @ the HIGH HOME Rent Limits.
Term	1 - 15 years	10 years up to the remaining term of current mortgage.	Deferred until the earlier of: 30 years or the occurrence of one or more of the following: • failure of the owner to accept a renewal or extension of federal rental assistance • failure of the federal government to offer to renew or extend federal rental assistance due to actions of the owner or condition of the property • an event of default described in the HOME mortgage or related documents, including the Declaration of Covenants, Conditions and Restrictions (The HOME Declaration). The loan term may be adjusted based on requirements and conditions of the federal assistance or other funding sources.
Interest Rate	6% interest rate	0% interest rate	0% interest rate
Funding Availability	Open pipeline	Funding available from local administrators, Spring 2012	Annual (Open Pipeline and RFP)
Agency Limits	$25,000 for 1 or 2 units; or $10,000/unit up to a maximum of $100,000	$35,000 / unit for 1 or 2 units; or $25,000/unit up to a maximum of $300,000	Minimum HOME investment $1,000 per unit.
For More Info Call	Susan Haugen 651-296-9848 Susan.haugen@state.mn.us OR Lori Speckmeier 651-296-9538 Lori.Speckmeier@state.mn.us	Susan Haugen 651-296-9848 Susan.haugen@state.mn.us OR Lori Speckmeier 651-296-9538 Lori.Speckmeier@state.mn.us	Jonathan Stanley 651-284-3178 Jonathan.stanley@state.mn.us OR Lori Lindberg 651-297-3741 Lori.liindberg@state.mn.us

Multifamily Housing Resource Summary

	[BRIDGES]()	[FAMILY HOMELESSNESS PREVENTION AND ASSISTANCE PROGRAM (FHPAP)]()	NON-PROFIT CAPACITY BUILDING REVOLVING LOAN PROGRAM
Financing Type	**Grant**	**Grant**	**Short Term Pre-Development Loan**
Program Description	Grand providing rental assistance gant for persons with serious mental illness waiting for a permanent housing subsidy.	A flexible grant program designed to assist families, youth, and single adults who are homeless or are at risk of homelessness.	Funds for predevelopment costs in conjunction with the development of low and moderate-income housing.
Type of Housing	Rental housing	Short-term rent, mortgage, and utility assistance with case management to renters and homeowners (existing housing stock).	Low and Moderate income housing
Eligible Applicant	Housing Agencies, Housing and Redevelopment Authorities with an adult mental health initiative as co-applicant.	In the 7-county metro area: a county government. In the non-metro area a county, a group of contiguous counties acting together, or a community based non-profit with sponsoring resolutions from each county board.	Non-profit, tribal council and local units of government.
Tenant Income Limits and Eligibility Requirements	50% of the AMI to households with at least one adult member with serious mental illness.	Families, single adults and youth at imminent risk of losing housing or homeless and lacking sufficient resources to maintain or obtain housing. Eligibility criteria are established locally.	80% of State Median Income
Rent Restrictions	FMR or payment standard	None	N/A
Term	2 year	2 year	2 years or initial loan closing, whichever occurs first
Interest Rate	Not applicable	Not applicable	Set by administrator
Funding Availability	RFP Issued every two years	RFP issued every two years	Available through administrators (MHP, GMHC, LISC Twin Cities and LISC Duluth).
Agency Limits	None beyond funding availability	None beyond funding availability.	Varies by administrator
For More Info Call	Carrie Marsh 651-215-6236 carrie.marsh@state.mn.us OR Elaine Vollbrecht 651-296-9953 elaine.vollbrecht@state.mn.us	Ji-Young Choi 651-296-9839 ji-young.choi@state.mn.us OR Erin Schwarzbauer 651-296-3656 mailto:erin.schwarzbauer@state.mn.us	Julie LaSota 651-296-9827 julie.lasota@state.mn.us

Multifamily Housing Resource Summary

	DEPARTMENT OF HUMAN SERVICES ADULT MENTAL HEALTH DIVISION (HDS-AMHD)	FAMILY HOUSING FUND FAMILY HOUSING FUND WEB SITE	GREATER MN HOUSING FUND GREATER MN WEB SITE
Financing Type	**Grant**	**Deferred Loan**	**Deferred Loan**
Program Description	Housing with Supports for Adults with Serious Mental Illness (HSASMI) - Funds for housing supports (front desk coverage, building maintenance, tenant coordinator, etc.), that cannot be funded through other revenue sources, which increase the range of housing opportunities for adults with serious mental illness.	Funds for the seven-county Twin Cities metropolitan area. Priority will be given to preservation projects, long-term homeless projects, and new construction projects with an emphasis on transit oriented design development. Selection criteria and funding priorities are further defined in the 2012 Funding Partner Program Guide.	Funds for outside the seven-county twin cities metropolitan area. Loans for new construction, preservation of federally assisted developments in high need areas and/or rehabilitation of existing affordable housing units. Rehabilitation developments are also eligible under the supportive housing program.
Type of Housing	See HTF operating subsidy program	New construction, acquisition/rehabilitation of multifamily housing.	Affordable rental housing and supportive housing developments. Funding is targeted for projects that serve families with children.
Eligible Applicant	See HTF operating subsidy program	For-profit, non-profit, cities, housing and redevelopment authorities or limited dividend.	For-profit and non-profit developer and local government agency.
Tenant Income Limits and Eligibility Requirements	Same as HTF Operating Subsidy Program; and, a portion of the supportive housing units must house adults, 18 years or older, who currently have, or at any time during the past year had, a diagnosable mental behavioral or emotional disorder of sufficient duration to meet diagnostic criteria and resulted in functional impairment which substantially interferes with or limits one or more major life activities. Excludes substance use disorders, and developmental disorders, unless they co-occur with another diagnosable serious mental illness.	60% of AMI	~ 80% of Statewide median income. ~For supportive housing, priority given to projects at 60% or less of statewide median income. ~For preservation and rehabilitation projects priority given to projects serving households at 50% or less of statewide median income.
Rent Restrictions	See HTF operating subsidy program	60% of AMI	Affordable to targeted population
Term	1 to 2 years	30 years	Coterminous with first mortgage
Interest Rate	N/A	0% - 1% interest rate	0% -1% interest rate
Funding Availability	RFP and open pipeline	No funding currently available	No funding currently available
Agency Limits	None Beyond Availability	None beyond funding availability	None beyond funding availability
For More Info Call	Gary M. Travis (651)431-2252 Gary.M.Travis@state.mn.us OR Susan Haugen (651)296-9848 susan.haugen@state.mn.us	Angie Skildum 612-375-9644 angie@fhfund.org	Amy McCulloch 651-221-1997 amcculloch@gmhf.com

Minnesota Housing Finance Agency

Multifamily Housing Resource Summary

	LHIA METROPOLITAN COUNCIL MET COUNCIL WEB SITE	SAINT PAUL PUBLIC HOUSING AGENCY (PHA) PROJECT BASED VOUCHER PROGRAM SAINT PAUL PHA WEB SITE	METROPOLITAN HOUSING AND REDEVELOPMENT AUTHORITY (METRO HRA) PROJECT BASED VOUCHER PROGRAM METRO HRA WEB SITE	DEPT. OF EMPLOYMENT AND ECONOMIC DEVELOPMENT (DEED) SMALL CITIES DEVELOPMENT PROGRAM (SCDP) DEED WEB SITE
Financing Type	**Grant**	**Project Based Vouchers**	**Project Based Vouchers**	**Grant**
Program Description	Funds for the seven-county twin cities metropolitan area. Grants may only be awarded to cities, which in turn pass the fund through to assist affordable housing developments.	Section 8 Project -Based Voucher Rental Assistance Program (PBV)	Section 8 Project -Based Voucher Rental Assistance Program (PBV)	Provides financial assistance to assist communities in addressing critical housing, economic, and public facilities need.
Type of Housing	Grants to fund financial gaps in proposals for new construction, acquisition/rehabilitation, demolition, or improvement of multifamily.	Rental housing - Rehabilitation, New Construction or Designated Existing Housing	Rental housing - Rehabilitation, New Construction or Designated Existing Housing	Rental Housing - Rehabilitation and New Construction
Eligible Applicant	Cities, counties, housing and redevelopment authorities, or economic development agencies participating in the Local Housing Incentives Account Program. Non-profit and for-profit developers/agencies may apply if they are partnering with or have the support of a participating entity.	Owners, developers or other ownership teams who agree to rehabilitate, construct or designate existing housing units within the city limits of St. Paul for occupancy by tenants eligible for Section 8 Project-Based Voucher Rental Assistance.	Owners, developers or other ownership teams who agree to rehabilitate, construct or designate existing housing units within Anoka, Ramsey, Hennepin, Washington and Carver Counties, excluding the cities of St. Paul, Minneapolis, St. Louis Park, Plymouth, Richfield and Bloomington for occupancy by tenants eligible for Section 8 Project-Based Voucher Rental Assistance	Local units of government (i.e. cities, counties, townships) in non-entitlement communities.
Tenant Income Limits and Eligibility Requirements	~Priority given for use of 50% of funds for creating/preserving units at 30% of median income. Balance of funds targeted towards 50% of median income. ~If there are insufficient projects serving 30% of median income, funds may be reallocated to projects serving 50% of median income.	Very low-income limits	Very low-income limits.	At least 51% of the units being developed must be occupied by low to moderate income households, defined as households whose income does not exceed 80% of the area median income, adjusted for family size.
Rent Restrictions	Priority for use of 50% of funds for rental proposals serving incomes at 30% of median income. Remaining funds targeted to rents at or below 50% of median income.	Minneapolis./St. Paul metropolitan FMRs	Minneapolis/St. Paul metropolitan FMRs	Rehabilitation - FMR or Section 8/voucher "payment standard". New construction - FMR or Section 8/voucher "payment standard" or rent affordable to households at 60% of AMI. See link above.
Term	N/A	Housing Assistance Payments Contract with the St. Paul PHA for a minimum of one year and maximum of 15 years.	Housing Assistance Payments Contract with the Metro HRA for a minimum of one year and maximum of 10 years.	See link above.
Interest Rate	N/A	N/A	N/A	Based on Grantee Program Guidelines
Funding Availability	RFP	No funding currently available	No funding currently available	RFP (for rental housing)
Agency Limits	None beyond funding availability	Up to 25% of units in a building (4+ units) can be assisted under the PBV Program. Buildings for elderly, disabled or families receiving supportive services can be up to 100% PBV assisted.	Up to 25% of units in a building (4+ units) can be assisted under the PBV Program. Buildings for elderly, disabled or families receiving supportive services can be up to 100% PBV assisted.	The maximum grant award for a Single Purpose project is $600,000. The maximum grant award for a Comprehensive project is $1.4 million.
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