



06. HOUSING

Housing is an integral part of Richfield's present and future. As the largest component of the existing land use, housing is one of the community's most important assets. A predominantly affordable community, Richfield faces the ongoing challenge of improving and diversifying the housing stock while preserving its signature affordability and character. The community recognizes that to remain competitive in retaining and attracting new residents, it must be proactive in expanding housing choices, promoting modernization of the housing stock, maintaining affordability, and supporting attractive neighborhoods.

This chapter of the Comprehensive Plan analyzes the current housing conditions and considers future community needs. Combining the data review and community feedback (detailed in Chapter 3), several key housing messages emerge:

- » The community values its affordability, while recognizing the need to diversify housing prices.
- » Residents hold differing opinions on what is the appropriate mix of affordability.
- » There is a strong desire for more housing choices to serve residents throughout their various stages of life.
- » Residents value Richfield's well-maintained housing and neighborhoods and want high standards set and resources devoted towards achieving those standards for both single family homes and apartments.

Data Sources

Information for this chapter was compiled from a variety of sources, including Hennepin County, the 2010 U.S. Census, the 2012-2015 American Community Survey (2015 ACS), Metropolitan Council, and the City of Richfield. Additional housing data can be found in the 2012 Rental Housing Survey, the 2014 Senior Housing Analysis, and the 2004 Richfield's Housing Assets: Opportunity at Every Door.

EXISTING CONDITIONS

Richfield has a good mix of housing available to its residents including single family detached, single family attached/townhome, condominium, and apartment housing. Characteristics associated with this housing stock are described throughout this section.

Number of Housing Units

Richfield's growth as a predominantly residential community occurred in the 1940s and 1950s. The community's population rapidly grew from just 3,778 in 1940 to over 17,500 in 1950 and more than 42,000 in 1960. The community's population peaked in the 1970s at 47,231, and then began a significant decline, reaching a low of 33,000 in 2006, before beginning to grow again to its current estimate of 36,059 (2015 ACS). The number of housing units followed a similar growth pattern with over half of the City's single family housing units constructed in the 1950s and more than 75% of

apartments in the 1960s. The total number of housing units peaked in the 1990 Census at 16,094. Following a significant loss of housing units in the 1990s through airport and freeway/road expansions, housing redevelopment projects with a higher density brought the total number of housing units back from a low of 15,357 in 2000 to an estimated 15,812 in 2016 (Metropolitan Council Stock Estimates, 2016). From 2008 through 2017, a total of 146 new housing units have been constructed (94 multi-family units, five townhomes, and 47 single-family units), although this number is not a net gain as many of the new single-family houses replaced existing structures (Figure 6-1).

Housing Type and Tenure

Richfield's housing stock is predominantly single-family detached housing, with 61% of its housing stock in this category. Thirty-four percent (34%) of its housing is multi-family, with just a small portion of single-family attached housing (2%) and in two-, three-, and four-unit structures (2%) (see Figure 6-2).

In 2015, an estimated 63% of all housing units were owner-occupied and 37% renter-occupied (see Figure 6-3). This ratio of owner-versus renter-occupied has shifted from a ratio of 68% owner-occupied and 32% renter-occupied in 2000. The City added 475 new rental units in this period of time (243 units of senior rentals; 232 units for the general population). In addition, the number of single-family homes housing renters increased substantially from 94 in 2004 to 703 in 2017.

Figure 6-1. Number of Housing Units (Source: Census & Met Council)

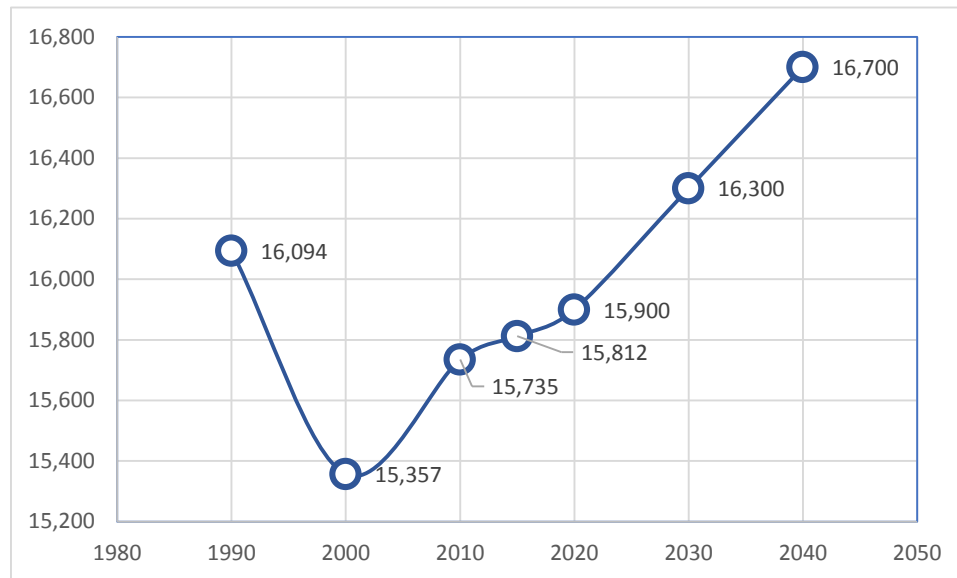


Figure 6-2. Number of Housing Units by Type (Source: 2015 ACS)

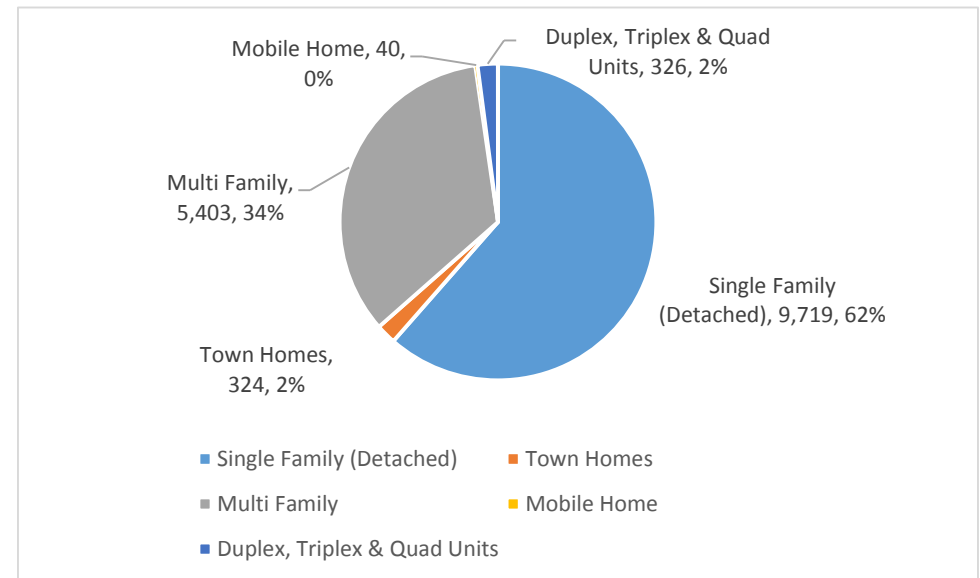


Figure 6-3. Richfield Owner vs. Renter (Source: 2015 ACS)

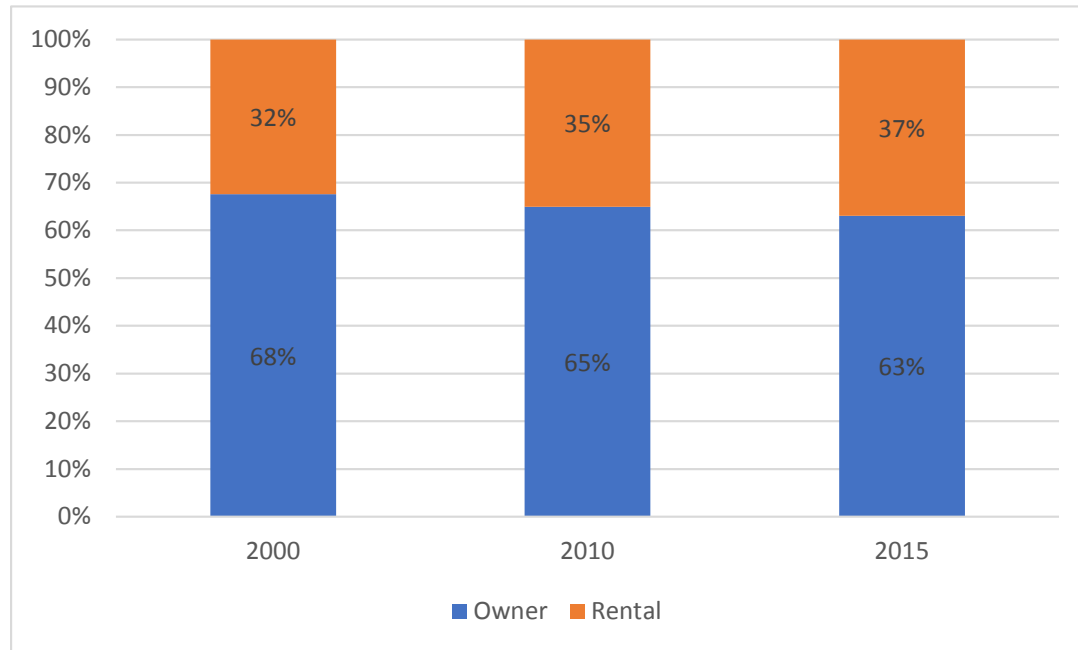
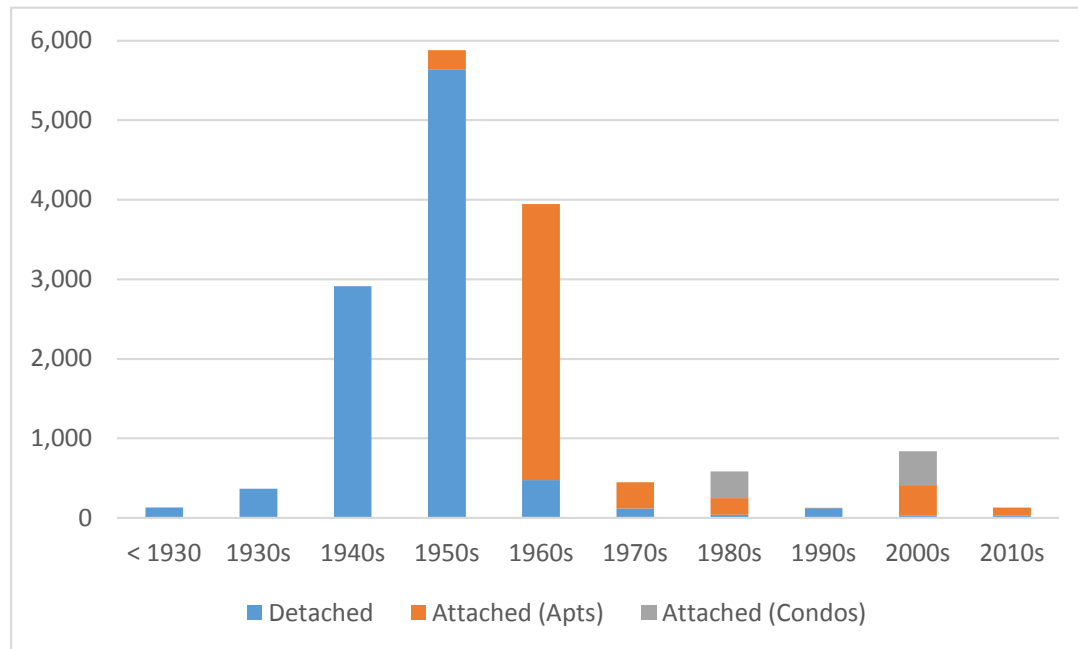


Figure 6-4. Year Built by Decade (Source: Hennepin County Assessor, 2017)



Age of Housing

The age of Richfield's housing stock reflects the community's rapid growth during the mid-1900s. Over 90% of all single-family housing structures were built between 1940 and 1969 (see Figure 6-4 and Figure 6-5). This large percentage of homes built prior to 1970 is of concern as the 30-year mark is often referred to as the point where homes may need major renovations and repairs, and houses built prior to 1978 were not constructed with current energy codes.

Similar challenges face the City's apartment structures (75% built before 1970). Costly repairs and renovations can be challenging for apartment building owners because of limited revenues and financial assistance programs and need of major renovations which can lead to increased rents and a loss of affordability.

Single-family Detached Housing Stock - Characteristics

As previously noted, most of the City's single-family homes were built between 1940 and 1960 (see Figure 6-4 and Figure 6-5). The grid-structure of the community, combined with uniform lot sizes and homogenous housing stock, results in mature and inviting neighborhoods with quality housing to offer new buyers. Additional characteristics regarding Richfield's single-family detached housing stock include:

- » Excluding duplexes, triplexes and other attached housing, Richfield is home to just over 10,000 single family homes.
- » Residential lot sizes tend to be more compact, with approximately 75% of the lots measuring less than 9,000 square feet.
- » Housing style is homogenous, with 56% of homes built as Ramblers and 33% of homes built as "expansion bungalows" (commonly referred to as "1 ½ stories" or Cape Cods).

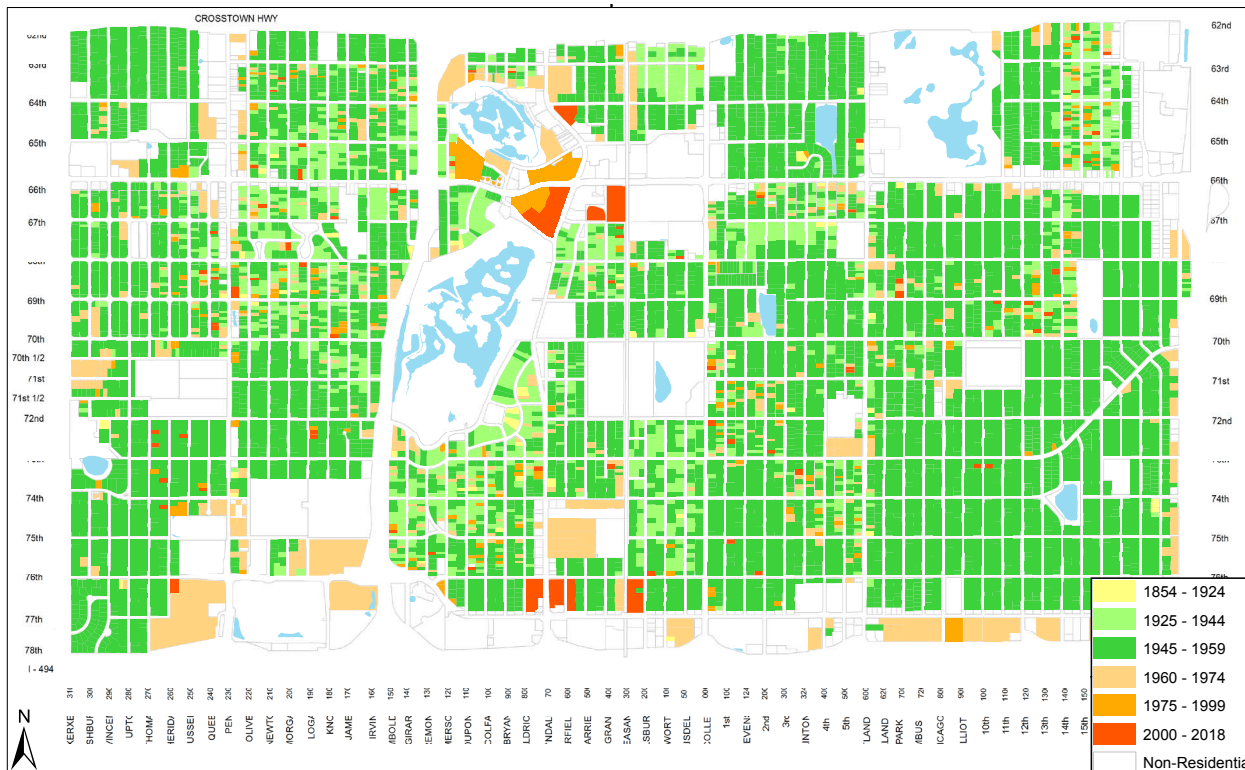
- » Scattered throughout the community, a handful of unique homes and pocket neighborhoods have stood in Richfield since the early 20th century and boast varying architectural styles and street layout.
- » Homes have modest square footage: on average less than 1,200 finished square feet, although 10% of homes have more than 1,500 square feet.
- » Many homes make use of additions and finished basements to maximize what was originally built in the 1940s and 1950s. It is common to find breezeways, family room additions and expanded garages built to accommodate the needs of a more modern population-household.
- » Change is happening, with 78 new homes built since 2000, offering an average finished square footage of 1,950.
- » Newly constructed homes and homes undergoing major remodeling projects seek to include modern amenities, such as attached garages, master bedroom suites, mud-rooms, updated kitchens, main-/bedroom-level laundry, and open-concept floorplans.
- » Richfield's homeowners will continue to change to include more immigrant households, aging households, multi-generational households, and new millennial buyers, with housing trends reflecting the needs of those buyers.

Rental Housing Stock Characteristics

A 2012 Rental Housing Inventory and Needs Assessment analyzed the City's rental housing stock. The key findings included the following:

- » Over two-thirds of Richfield's rental units have one bedroom, which is a very high proportion of one-bedroom units.
- » Richfield has a small number of place-based subsidized rental units, where the subsidy is attached to the unit.
- » Almost all of the subsidized units (97%) in Richfield have one bedroom, and virtually all of the units serve seniors and people with disabilities (see Table 6-2).
- » 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 50 years ago.
- » Less than 10% of the City's rental stock was built within the last 10 years.
- » Modern amenities and features (e.g., fitness center, in-unit washer/dryers) are found in only a small number of properties, which are typically offered in units built within the last 10-15 years.

Figure 6-5. Map of Build Year of Residential Properties (Source: Hennepin County Assessor, 2017)



AFFORDABILITY AND COST BURDEN

Richfield continues to be an affordable place to live, and community feedback confirms that the City's affordability is viewed as an asset, although reactions were split over whether or not the community has an adequate amount of affordable housing or should strive to increase affordability.

The Metropolitan Council has directed every community in the Twin Cities to strive to make a portion of its housing affordable at a range of income levels. Housing is technically considered affordable when it consumes no more than 30% of gross household income. Affordability is important because families that need to spend more than 30% of their income on housing costs may not have enough income left to afford basic needs such as food or clothing, or be able to deal with unanticipated medical expenses. The following figures highlight Richfield's housing stock when compared to affordability measures:

- » In 2016, for a family of four, a household earning less than 80% of the Area Median Income (AMI) equated to an annual income of \$65,700 and being able to afford \$1,545 a month for a two-bedroom apartment or a home with a price of \$235,000.
- » In Richfield, 92% of all housing units are considered affordable to households earning no more than 80% of the Twin Cities AMI.
- » The number of units affordable to households earning between 31 and 50% of the AMI drops significantly to 26% and falls to 6% for households earning less than 30% of the AMI (see Table 6-1, Table 6-2, & Table 6-3).
- » Breaking down affordability between owners and renters, a greater percentage of rental units (63%) are affordable at less than 50% of the AMI than owner-occupied units (14%) (see Table 6-2 and Table 6-3).

Table 6-1. Housing Units by AMI Thresholds

Community	All units	<= 30% of AMI	<= 30% of AMI	31% to 50% of AMI	31% to 50% of AMI	51% to 80% of AMI	51% to 80% of AMI	81% of AMI and up	81% of AMI and up
Richfield	15,815	925	5.8%	4,179	26.4%	9,521	60.2%	1,190	7.5%

Table 6-2. Ownership Units by AMI Thresholds

Affordability levels									
All units	% of total units	<= 30% of AMI	<= 30% of AMI	31% to 50% of AMI	31% to 50% of AMI	51% to 80% of AMI	51% to 80% of AMI	81% of AMI and up	81% of AMI and up
9,951	63%	299	3.0%	1,096	11.0%	7,950	79.9%	606	6.1%

Table 6-3. Rental Units by AMI Thresholds

Affordability levels									
All units	% of total housing	<= 30% of AMI	<= 30% of AMI	31% to 50% of AMI	31% to 50% of AMI	51% to 80% of AMI	51% to 80% of AMI	81% of AMI and up	81% of AMI and up
5,824	36.8%	586	10.1%	3,083	52.9%	1,571	27.0%	584	10.0%

Ownership Units

Figure 6-6 depicts occupied housing by estimated taxable market value and shows that homes valued at an affordable \$235,000 or less are spread throughout the community. Higher valued homes are also scattered across the City, although more concentrated in the area surrounding Wood Lake and the area between I-35W and Penn Avenue and 66th Street and 74th Street.

Like many communities in the Twin Cities metro area, Richfield saw a decline in single family housing values following the housing market crisis in 2008. The median single family home value peaked in 2006 at \$226,700 and fell to a low of \$164,113 in 2012 (see Figure 6-7), leaving many homes with housing debt higher than they were worth. Values have increased to \$207,000 in 2016 (Hennepin County Assessor) and continue to rise, restoring equity for homeowners.

While the tax-assessed value gives a picture of overall housing values, sales data gives a better indication of how affordable a community is to a new buyer. The median sale price for 521 sales in 2016 was \$222,000. This sales price is well below the 2016 price of \$235,000 considered affordable to a household earning 80% of the median income, suggesting that Richfield remains an affordable community for home buyers. The lack of affordable housing available metro-wide has also served to increase demand for the supply of affordable "starter" homes available in Richfield, raising sale prices.

Figure 6-6. Owner Occupied Housing by Estimated Market Value (Source: Hennepin County Assessor, 2017)

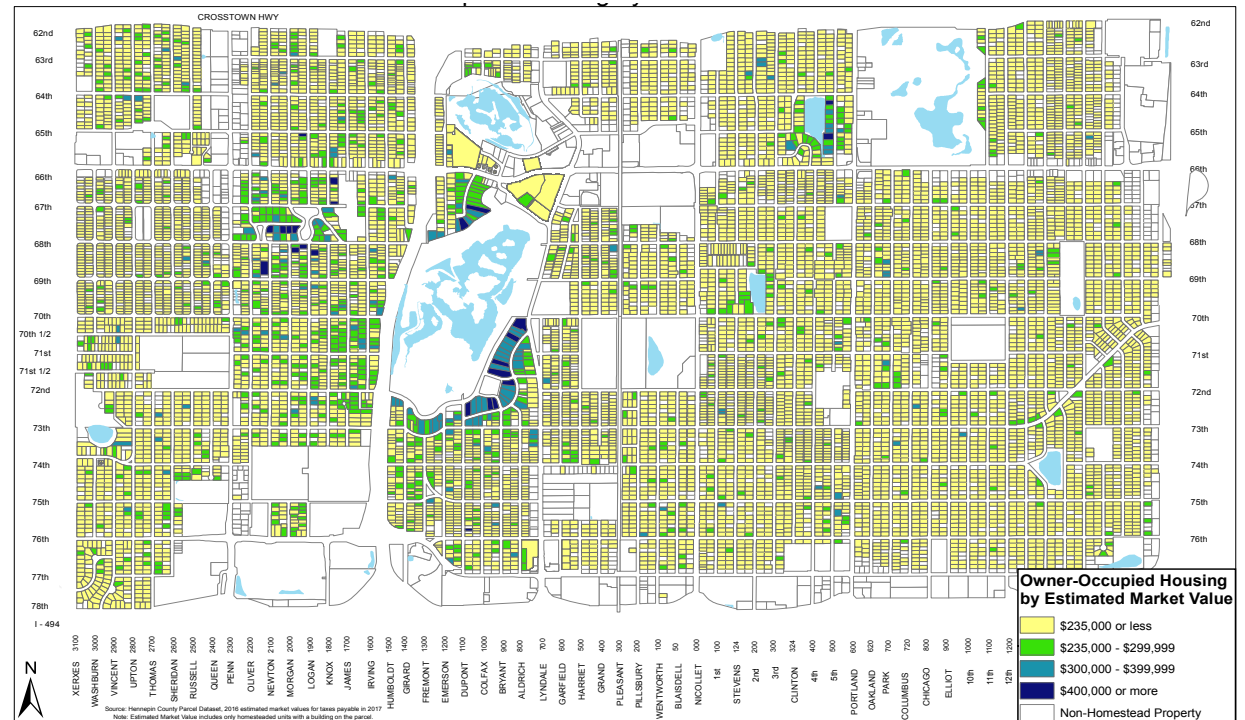
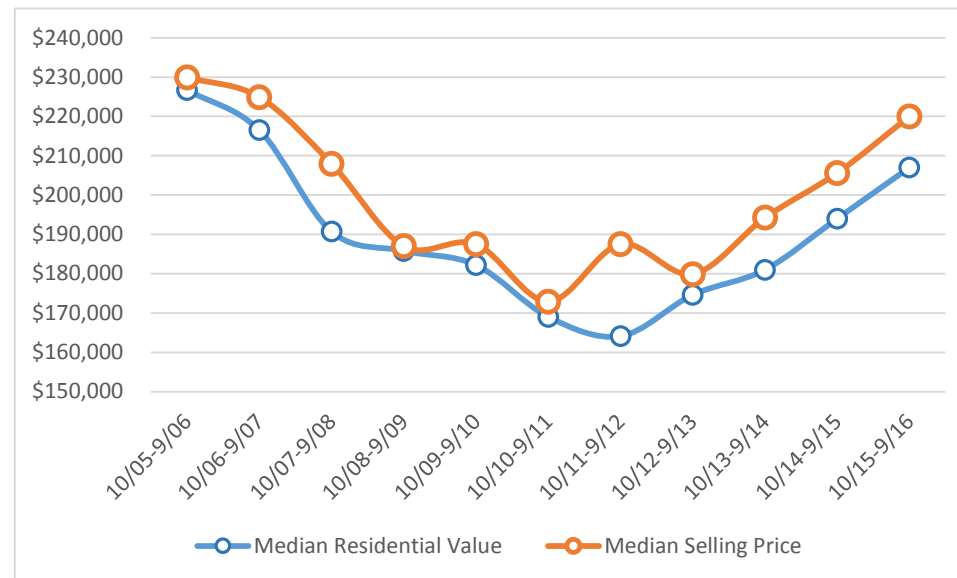


Figure 6-7. Median Value and Selling Price (Source: Minneapolis Area Association of Realtors)



Rental Units

Several data sources provide a picture of rental costs in the community. For example, the 2016 median rent in Richfield, as reported in the American Community Survey was \$898. This figure is slightly higher than the maximum rent of \$848 for a one bedroom unit considered affordable to a household earning 50% of the AMI. Compared to neighboring and other first ring communities, Richfield average for all units remain relatively affordable (see Figure 6-8) based on the rental market in March of 2018).

The Marquette Advisors Apartment Trends report from the second quarter of 2017 (a survey of approximately half of the City's apartments) reported an average rent of \$919 and an overall vacancy rate of 1.9% (see Table 6-4). These rents have increased at a 2.5% annual rate since 2010, climbing from \$777 to \$919. These average rents for studio and one bedroom units met affordability levels for households earning 50% of the AMI. The average rents for two and three bedroom units met affordability levels at 60% of the AMI.

Given the age of the City's apartment buildings and the limited number of buildings constructed in the last 10-15 years, a predominant number of apartment units meet the definition of naturally-occurring affordable housing (NOAH): non-subsidized rental housing affordable to households earning no more than 60% of the AMI. In recent years, many NOAH housing complexes across the metro area, including a 698-unit building located at 76th and Penn, have been purchased, rehabilitated and rents raised, resulting in a loss of many affordable rental units. Richfield NOAH properties require significant investment in the property, and buyers interested in preserving affordability face significant financial challenges to make these acquisitions work. The City seeks to find a balance between encouraging investments in its apartment buildings, and preserving affordability.

Figure 6-8. Average Rents (Source: RentCafe, March 2018)

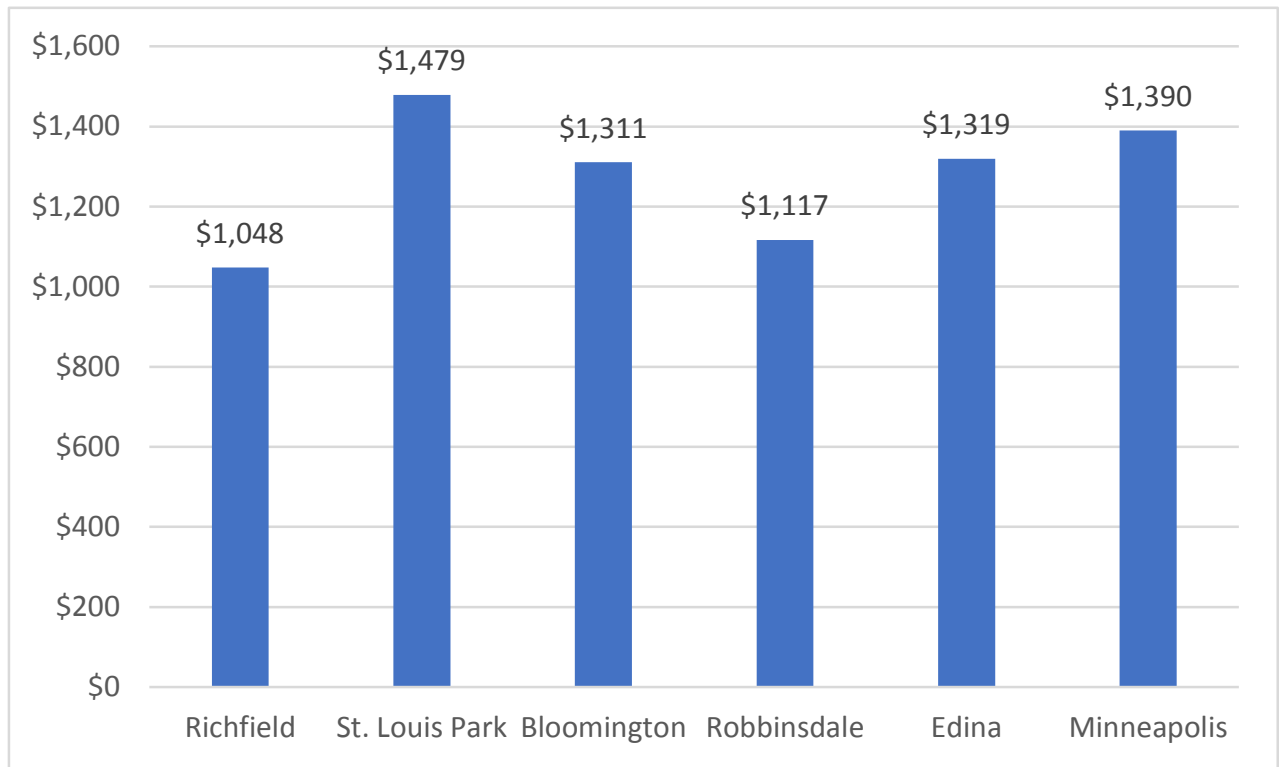


Table 6-4. Monthly Rentals by Unit Type (Source: Marquett Advisors, 2nd Quarter, 2017)

	TOTAL	Studio	1BR	1BR + den	2BR	2BR + den	3BR
Units	2,298	15	1,481	11	695	13	83
Average Rent	\$919	\$716	\$815	\$1,225	\$1,072	\$1,671	\$1,367
2017 Rents Affordable at 50 % AMI		\$791	\$848		\$1,017		\$1,175
2017 Rents Affordable at 60 % AMI (NOAH)		\$949	\$1,017		\$1,221		\$1,410

While primarily still affordable, rental housing in Richfield faces increasing pressure from external factors, including a low vacancy rate, the loss of NOAH housing in Richfield and throughout the Twin Cities, a lag in the construction of new apartments during the economic downturn, and a continuing lack of production of new affordable rental housing throughout the Twin Cities, and an increase in people choosing to rent instead of own and those forced to rent due to the lack of affordable ownership options.

Housing Cost Burden

As housing values have recovered, incomes have not kept pace with increased housing costs. This factor can be seen in the number of households who are housing cost-burdened, i.e., paying more than 30% of their income for housing. In Richfield, 61% of low-income households are cost-burdened. Households earning less than 30% of the AMI have the highest proportion of cost-burdened households with 89% of households in this income category paying more than 30% of their income for housing (see Table 6-5). A greater proportion of low-income renters experience cost burden at 66%, compared to 55% of low-income owners (see Table 6-6).

Subsidized Housing

Providing affordable housing to households at the lowest income levels is challenging without financial assistance to help make that housing affordable. A limited number of public subsidies are available, primarily through federal project- or place-based assistance or through tenant-based assistance, more commonly known as the Section 8 Housing Choice Voucher Program. In the case of project-based assistance, a resident pays no more than 30% of their income toward rent and utilities. The City has a small number of buildings and scattered-site units that provide this type of assistance (total of 278 units), and they

primarily serve seniors and people with disabilities (see Table 6-7).

Richfield also locally administers between 250 and 300 Section 8 Housing Choice Vouchers. Voucher holders are able to choose where they live and receive financial assistance towards their rent. Voucher holders typically

pay 30-40% of their income toward rent, depending on the amount of rent charged. Using a housing choice voucher depends on a rental property owner agreeing to accept the voucher and work with the federal program and whether the rents meet affordability requirements known as payment standards.

Table 6-5. Percent of Housing Ownership Cost Burdened (Source: Met Council)

Income	TOTAL HHs	Cost Burdened	%
< 30%	2,375	2,115	89%
31-50%	2,510	1,555	62%
51-80%	2,695	945	35%
TOTAL	7,580	4,615	61%

Table 6-6. Percent of Rental Housing Cost Burdened (Source: Met Council)

Income	TOTAL Owner HHs	Owners Cost Burdened	%	TOTAL Renter HHs	Renters Cost Burdened	%
< 30%	750	655	87%	1,625	1,455	90%
31-50%	1,155	605	52%	1,355	955	70%
51-80%	1,640	705	43%	1,055	240	23%
TOTAL	3,545	1,965	55%	4,035	2,650	66%

Table 6-7. Richfield Housing Units Receiving Public Subsidies (Source: City of Richfield)

Provider	Seniors	People with Disabilities	Families	Unknown	Expiration Date
Richfield Towers	150				12/31/18*
Robert Will Community Housing		11			1/3/18*
Sheridan Court		30			12/31/18*
Family Affordable Housing Program			10		
Miscellaneous Scattered Site				77	
TOTAL	150	41	10	77	

* In the process of renewing subsidy commitments.

In addition to the federal program, the City offers a locally-funded and administered rent assistance program known as Kids@Home. The program offers supportive services in addition to rent assistance and is geared toward families with school-age children attending a Richfield school. In 2017, 22 households received rent assistance through the Kids@Home Program.

ANALYSIS OF NEED

Through its regional planning efforts, the Metropolitan Council has prioritized housing affordability in the Thrive MSP 2040 Regional Policy. The Metropolitan Council determined the allocation of affordable housing needed to meet the rising need of affordable housing across the Twin Cities metropolitan region. Housing is considered “affordable” when no more than 30% of household income goes to housing. As such, households with different income levels have different thresholds of “affordable” (see Table 6-8).

The Metropolitan Council has selected the four-person household thresholds as a general measurement for affordable housing needs at each income level. This allocation of affordable housing need is calculated based on a variety of factors:

- » Projections of growth of households experiencing housing cost burden.
- » Current supply of existing affordable housing, whether subsidized or naturally occurring.
- » Disparity of low-wage jobs and housing for low-wage households within a community.

Through these calculations, the Metropolitan Council has determined the Affordability Housing Need Allocation for Richfield between 2021 and 2030 is 121 units (see Table 6-9).

The way that communities accomplish this affordable housing allocation is by designating adequate vacant land or redevelopable land at minimum densities (units/acre) that are high enough for affordable housing to be an option. Essentially, the more units/acre allowed on a site, the less cost per unit to be built, which makes the development an option for affordable housing developers, as well as market-rate developers. The affordable housing allocation does not mean that the City must force the building of this many affordable units by 2030. Rather, through future land use guidance, the City needs to ensure that the opportunity for affordable housing exists by having adequate vacant or redeveloped land guided for higher densities to meet the stated share.

In order to determine if Richfield can achieve the calculated number of units, we need to determine which Richfield residential future land use designations count towards the Affordable Housing Allocation Need. According to the Metropolitan Council, any residential future land use designation that has a minimum density of 8 units per acre or more can count towards affordable housing allocation calculations. Table 6-10 features all future residential land use designations for Richfield and their minimum units per acre.

Table 6-10. Affordable Housing Need Allocation

Future Land Use	Minimum Units / Acre	Qualify for Affordable Housing Allocation?
Low Density Residential	1	No
Medium Density Residential	8	Yes
High Density Residential	35	Yes
Mixed Use: Lyndale Avenue & 66th Street	50	Yes
Mixed Use: Penn Avenue Corridor	25	Yes
Mixed Use: Cedar Avenue Corridor	25	Yes
Mixed Use: I-494 Corridor	50	Yes

Table 6-8. Twin Cities Metropolitan Regional Household Income Levels, 2015 (Source: Met Council)

Household Size	30% AMI	50% AMI	80% AMI
One-person	\$18,050	\$30,050	\$46,000
Two-person	\$20,600	\$34,350	\$52,600
Three-person	\$23,200	\$38,650	\$59,150
Four-person	\$25,750	\$42,900	\$65,700
Five-person	\$28,440	\$46,350	\$71,000
Six-person	\$32,580	\$49,800	\$76,250
Seven-person	\$36,730	\$53,200	\$81,500
Eight-person	\$40,890	\$56,650	\$86,750

Table 6-9. Affordable Housing Need Allocation (Source: Met Council)

Affordable Housing Need Allocation	
At Or Below 30 AMI	66
From 31 to 50 AMI	29
From 51 to 80 AMI	26
Total Units	121
AMI = Area Median Income	

Any vacant or redevelopable land designated as Medium Density Residential, High Density Residential or Mixed Use may count towards affordable housing allocation calculations. The net developable or redevelopable acres of each applicable land use have been multiplied by the minimum units per acre to determine the minimum number of units that could be developed on this available land (see Table 6-11). It is also important to recognize the mixed use categories for the redevelopment areas only require a proportion of their developable land to be residential. Those percentages were applied to the unit count calculations, in addition to a development assumptions of when the City anticipates portions of the land to develop by 2030. With the redevelopment sites guided as mixed use, Richfield is more than able to meet its allocation of affordable housing need.

Additional Needs

In addition to planning for additional affordable units, the community continues to explore opportunities to diversify the housing stock. Often termed “life-cycle” housing, the intent is to provide housing options for all points in a person’s life. The spectrum of life-cycle housing typically includes:

- » Rental housing for young adults and others without the interest in or financial capacity for ownership.
- » Units for first-time home buyers.
- » “Move-up” housing that allows growing families to move to a larger home.
- » Maintenance free housing for empty-nesters.
- » Housing with supporting services for seniors.

Needs typically expressed in Richfield include “move-up” housing, rental housing with modern amenities and features, and new housing choices for empty-nesters and young seniors.

Additional issues raised by the data analysis and through the public feedback process require additional exploration by the City and include:

- » How issues of affordability and cost burden impact households of color compared to white households and whether the City’s housing market and programs are providing an equitable opportunity for all citizens to live and thrive in the community. How tools and strategies may need to be adjusted and/or created to address the area in the southeast corner of the City that identifies as an Area of Concentrated Poverty, where greater than 40% of the population lives in poverty and more than 50% of the residents are people of color (ACP-50).



Table 6-11. Richfield Affordable Housing Calculations

Redevelopment Area	Acres (Net)	Min. Percent Residential	Total Acres Allocated for Residential	Min. Units/Acre	Units	Land Development Assumption during 2021 -2030	Number of Potential Units during 2021 -2030
MDR	8.51	100%	8.51	8	68	50%	34
HDR	21.12	100%	21.12	35	739	25%	185
Lyndale/66th	50.72	50%	25.36	25	634	25%	158
Penn Ave. Corridor	34.12	60%	20.47	25	511	10%	51
Cedar Ave. Corridor	26.89	40%	10.75	25	268	15%	40
I-494 Corridor	2.44	30%	0.73	50	36	100%	36
Total	143.80	-	86.95	-	2,256	-	503

- » Differences in housing choices and diversity between the east and west sides of the City.
- » Naturally Occurring Affordable Rental Housing and finding a balance between encouraging investments in the City's aging rental housing stock, diversifying rental housing choices, and preserving affordability.
- » As the population continues to age, on-going monitoring of whether the City is providing sufficient housing and services for its senior residents.
- » Whether or not the City's housing stock meets the needs of residents with disabilities, assessing what those needs are and what options and resources are available to address gaps.

IMPLEMENTATION

The City utilizes a variety of County, state, federal, and private resources, in addition to funds raised through local HRA and EDA levies, to help the City further its goals of providing a full range of housing choices and maintaining and enhancing the City's housing stock. These tools are listed in Table 6-12. The following strategies below describe the actions Richfield will take to implement the community's goals and policies for housing (see Chapter 4 for a complete list of goals and policies).

Rehabilitation/Upgrade of Housing Stock

The City's housing stock, while well-built, is aging and in need of investment. A significant portion of homeowners are cost-burdened (Figure 6-5), making investments in their home financially challenging. In addition, the housing needs of families evolve over time. Today's families are often in search of homes with more living space that functions in different ways. Helping families make their homes meet their needs is important to keeping them in the community and maintaining the vitality of our neighborhoods.

- » Provide information and technical resources for homeowners to assist with remodeling and renovation projects.
- » Offer and connect homeowners to remodeling financial assistance programs which help meet the needs and expectations of today's market.
- » Offer remodeling financial assistance programs that cover the spectrum of income levels.
- » Market and promote remodeling programs and resources through a variety of methods and in multiple languages.

Existing Programs

The Richfield HRA and EDA provides the following housing programs and assistance:

- » **Richfield Rediscovered:** Replaces small, substandard, functionally obsolete housing with new, higher valued homes that have square footage and design features sought by families today.
- » **New Home:** Provides affordable homeownership opportunities for low and moderate income homebuyers through the sale of either newly-constructed or rehabilitated homes, partnering with organizations that provide long-term affordability, whenever possible (e.g., land trusts).
- » **Down Payment Assistance:** Provides no-interest loans up to \$10,000, forgiven over a 10 year period, towards down payment and closing costs for low to moderate income Richfield renters purchasing their first home in Richfield.
- » **Home Energy Squad Enhanced:** Provides a comprehensive review and analysis of the energy efficiency of a home, providing vetted resources for efficiency upgrades as well as the same-day installation of energy-saving materials.
- » **Deferred Loan:** Provides interest free loans up to \$30,000, forgiven after 30 years, for low to moderate income households to be used for health and safety issues, basic improvement and maintenance.
- » **Fix-Up Fund:** Provides low-interest remodeling loans to residents with moderate incomes. Loan covers a variety of renovations.
- » **Transformation Homes:** Interest free loan up to \$25,000 payable upon sale of home or forgiven after 30 years for those investing \$50,000 or more into their remodeling project.
- » **Remodeling Advisor:** An advisor is available to meet with homeowners to answer remodeling questions, discuss ideas and provide information and general cost estimates.
- » **Architectural Advisor:** Provides homeowners with the chance to discuss remodeling projects with a design professional. For a modest co-pay, homeowners can have a two-hour visit with a licensed architect in their home to get feedback on their remodeling goals.
- » **Section 8 Housing Choice Voucher Program:** Federal rental assistance program for low-income households.
- » **Kids @ Home - Rental Assistance:** 48-month rental and support services assistance program for working families with children in Richfield schools.
- » **Apartment Remodeling:** No-interest, deferred rehabilitation loans offered to owners of aging apartment buildings, with priority given to buildings that provide housing affordable to households earning no more than 60% area median income.



- » Replace substandard and functionally obsolete housing with newer, higher valued homes with square footages and design features sought by families today.
- » Replace substandard and functionally obsolete housing with new, moderate-priced housing designed for families, working with partners to ensure affordability.
- » Work with partners to purchase and rehabilitate homes for low/moderate income households, with a priority for models that create successful homeownership and permanent affordability (e.g., land trusts).
- » Provide grant and/or loan funds for apartment remodeling and property improvements and collaborate with other organizations to expand available resources.
- » Highlight Richfield's improved housing stock and support beautification efforts through events such as the Tour of Remodeled Homes, Realtor Workshop, Richfield Beautiful Garden Tour and Landscaping Awards, and other community events.
- » Encourage use of the City's Accessory Dwelling Unit ordinance (passed in 2015) to increase the number of housing units and expand housing options for extended families. Explore developing a "prototype" design through the HRA's Richfield Rediscovered Program.

Maintenance and Upkeep

Ongoing maintenance and upkeep is key to Richfield's image of a community with strong, desirable and livable neighborhoods. Promoting high standards and ensuring residents have access to information and resources to assist in meeting those standards should be a focus.

- » Offer financial assistance programs to help low and moderate income households maintain their homes and make health and safety improvements.
- » Market rehabilitation resources to owners of homes in the City's manufactured home park.
- » Promote community resources available to help residents maintain their homes, such as Community Action Partnership of Hennepin County and Twin Cities Habitat for Humanity's A Brush With Kindness Program.
- » Promote the availability of maintenance assistance services specifically geared for seniors, such as the Senior Community Services' H.O.M.E Program.
- » Provide information regarding community maintenance standards and resources in multiple languages to ensure access by all residents.
- » Annually license and inspect once every two years apartments and rental homes to ensure proper maintenance and resident safety.



- » Inform residents about the Point of Sale Housing Inspection Program, which requires all single-family and two-family homes (including condominiums) in the City to be inspected and a Certificate of Housing Maintenance be obtained prior to transfer of ownership or closing.
- » Provide strong code enforcement to inform residents of maintenance standards and address properties that aren't maintained.

Housing Support

Support to homeowners and renters at various stages of their lives helps residents thrive and brings stability to neighborhoods.

- » Provide local administration of the Section 8 Housing Choice Voucher Program.
- » Provide financial assistance and support services to working families with children in Richfield schools through the Kids@Home Program.
- » Support organizations that connect homeowners and renters with support services that enable them to live successfully in their homes.
- » Provide financial support, when possible, to food assistance programs, freeing up the scarce resources of low-income families for housing.

- » Support organizations that educate and inform tenants about their rights and responsibilities.
- » Coordinate the Richfield Apartment Managers Association to educate and inform rental property owners and managers.
- » Partner with non-profit housing providers to develop new and rehabilitate existing housing for low and moderate income homeowners.
- » Support organizations that train, educate, and support future homeowners for successful homeownership, for example, Community Action Partnership of Hennepin County (Homestretch courses), Twin Cities Habitat for Humanity, and Homes Within Reach (suburban land trust).
- » Create a down payment assistance program targeted to low and moderate income Richfield renters to enable them to successfully transition to homeownership.
- » Promote participation in the Home Energy Squad Enhanced Program to help homeowners and renters identify and make energy-related improvements that save energy and reduce utility costs. Ensure access to the program by low-income households and make program information available in both English and Spanish.
- » Monitor housing issues on an on-going basis, identify and respond to changing demographics and needs and through a racial and economic equity lens.
- » Adopt a local Fair Housing Policy, affirming the City's commitment to ensuring that all residents have fair access to housing.
- » Explore tools to protect owners of manufactured homes in the City's manufactured home park.
- » Adopt a Tenant Protection Ordinance to protect tenants in naturally occurring affordable housing and provide greater housing stability.

REDEVELOPMENT

As a fully-developed community, redevelopment is necessary to expand and diversify housing choices. Assistance from the HRA makes redevelopment projects financially viable and helps the City achieve its housing goals.

- » Utilize the HRA's Housing & Redevelopment Fund to facilitate the development of new housing choices.
- » Use tax increment financing to support housing projects that serve a mix of incomes and housing types. The City will use the housing goals, policies, and priorities identified in this Plan to evaluate the use of TIF.
- » Adopt an Inclusionary Housing policy, formalizing HRA practice of requiring that any housing redevelopment project that receives city assistance provide 20 percent of all housing units as affordable or require a contribution to the HRA's Housing & Redevelopment Fund.
- » Apply for and support the application for grant funds whenever possible, including the Livable Communities Demonstration Act, Transit Oriented Development funds (state and county), Minnesota Housing's Impact Fund, and HOME and Affordable Housing Incentive Funds through Hennepin County.
- » Utilize funds available through the newly-created Economic Development Authority (EDA) to expand housing choices (Transformation Loans) and provide support to low-income families (Kids @ Home Program).
- » Offer building permit fee reductions for affordable housing developments.
- » Consider purchasing and land banking property for future redevelopment as the opportunity arises. Explore using outside resources and partners to facilitate (e.g., Land Bank Twin Cities).



Table 6-12. Implementation Tools

Housing Tool	Circumstances & Sequence of Use	Implementation	Housing Need Addressed
Affordable Housing Incentive Fund	The City supports applications by partners, such as West Hennepin Affordable Housing Land Trust (WHAHLT) and Twin Cities Habitat for Humanity, to this County-funded program to support affordable homeownership through the HRA's New Home Program. For example, WHAHLT was awarded 2018 AHIF funds which it used to purchase a house rehabilitated by the HRA and then sold to a household earning less than 80% of the Area Median Income (AMI).	The City will consider AHIF applications for affordable homeownership.	Need for housing that is affordable for all residents.
Community Development Block Grant (CDBG)	Historically, the City has received an annual allocation of CDBG through Hennepin County. Programmatic use of the funds is evaluated and determined on an annual basis. In general, funds are used to preserve existing housing and increase affordable ownership opportunities. Federal Fiscal Year 2018 funds were used to support the Deferred Loan Program, New Home Program, and Down payment Assistance Program. Households earning less than 80% of the AMI are eligible for these programs, although the Deferred Loan Program primarily serves households earning less than 50% of the AMI.	The City will continue to evaluate the use of its CDBG funds on an annual basis and determine how those funds can be used for preservation and affordable homeownership.	Need for maintenance of existing housing stock.
DEED Redevelopment Grant	The Department of Employment & Economic Development makes grants available to help communities with the cost of redeveloping blighted properties. In the past, the City has worked with developers to submit an application to DEED when a redevelopment project meets the program guidelines, is consistent with the City's goals, and when the financial gap is greater than can be filled with tax increment.	The City will continue to monitor grant programs that assist in the development of a housing stock that is available to a range of income levels. These type of grants will be considered when development projects are being proposed in the redevelopment areas discussed in the Land Use chapter.	Need for a variety of housing types for people in all stages of life.
4d	The City considers requests for a 4d tax reduction on a case-by-case basis for apartments where affordability is ensured and physical improvements are being made. For example, in 2017, financial assistance was provided for the preservation and rehabilitation of 422 units of NOAH rental housing. As a condition of the HRA's financial assistance, rents must be kept affordable to households earning no more than 60% of the AMI, thereby qualifying the project for a 4d tax classification. The City's goals encourage housing projects that contain a mix of market-rate and affordable units; however, all-affordable projects are considered for 4d tax classification when existing affordable units are being preserved.	The City will continue to consider requests for a 4d tax reduction on a case-by-case basis for apartments where affordability is preserved and physical improvements are being made.	Need for housing that is affordable for all residents.

Housing Tool	Circumstances & Sequence of Use	Implementation	Housing Need Addressed
Hennepin County Transit Oriented Development (TOD) Program	The TOD Program provides funds to developments that enhance transit usage. While Richfield is well-served by transit and encourages high density housing near transit lines, developments located along light rail and bus rapid transit lines typically score better. The City has historically been unsuccessful obtaining funds for this reason.	The City will continue to support applications on behalf of transit-oriented mixed use and housing projects when a project is consistent with the City's goals and meets the program guidelines.	Need for a variety of housing types for people in all stages of life.
HOME Program	The City supports applications by partners such as West Hennepin Affordable Suburban Land Trust (WHAHLT) and Twin Cities Habitat for Humanity (TCHFH) to this federally-funded program to support affordable homeownership through the HRA's New Home Program. For example, TCHFH was awarded 2018 HOME funds, which it used to purchase a substandard property from the HRA for a reduced price and on which it will construct a new home, affordable at 60% of the AMI.	The City will continue to support applications by partners to support affordable homeownership through the HRA's New Home Program.	Need for housing that is affordable for all residents.
Housing Bond Issuance	The City has approved issuing bonds on behalf of a housing project when the project furthers the City's goals and demonstrates a financial need and when there is sufficient capacity under the City's bonding limits. In 2008, the City served as a conduit for a housing bond issuance for the purchase and rehabilitation of an apartment complex whereby 20% of the units are preserved as affordable at 50% of the AMI.	The City will consider this tool primarily for preservation and rehabilitation of affordable households and rentals.	Need for housing that is affordable for all residents. Need for maintenance of existing housing stock.
Housing Improvement Areas (HIA)	The City has the power to establish a special taxing district to make improvements in areas of owner-occupied housing (Minnesota Statutes, Sections 428A.11 through 428A.21). The housing improvement area is similar in concept to the special service district. It is a special taxing district that can be used to finance a variety of improvements. However, there is an important administrative difference with the housing improvement area. The City has the ability to assign the procedures for imposing "fees" and administering the area to another "authority," such as the HRA or EDA.	To date, the City has not received any requests for an HIA by its town-home or condominium associations but would consider forming an HIA if the proposed project supports affordable homeownership goals and demonstrates a financial need.	Need for maintenance of existing housing stock.
Livable Communities Demonstration Account	The City regularly applies for LCDA funding for redevelopment projects that further the City's goals, have a demonstrated need, are in alignment with adopted development plans and policies, and which meet the goals of the LCDA. In the recent past, the City has received LCDA funds for housing redevelopment projects in the Cedar Corridor and the Lakes at Lyndale areas.	The City will continue to actively pursue LCDA funding to support redevelopment projects that meet the goals of the LCDA.	Need for a variety of housing types for people of all stages of life.

Housing Tool	Circumstances & Sequence of Use	Implementation	Housing Need Addressed
Local Housing Incentive Account	Application for LHIA funds is made as part of the Minnesota Housing Consolidated RFP for projects that further the City's goals and are consistent with the Inclusionary Housing policy. The application reviewers determine whether a project will be funded with Minnesota Housing or LHIA funds. LHIA funds are typically targeted to households earning less than 80% of the AMI.	The City will continue to support applications to MN Housing's Consolidated RFP for housing projects that provide affordable homeownership or affordable rental units.	Need for housing that is affordable for all residents.
Minnesota Housing Consolidated RFP	The City regularly applies for and supports applications by partners to the Consolidated RFP to both create and maintain affordable housing in the City. For example, Homeownership Impact Funds have been received to offer Community Fix-Up Fund loans at a reduced interest rate for homeowners earning up to 115% of the AMI.	The City will continue to support applications for Impact Funds, Low-Income Housing Tax Credits, and preservation/rehabilitation for existing multi-family housing.	Need for housing that is affordable for all residents. Need for maintenance of existing housing stock.
NOAH Impact Fund – Greater Minnesota Housing Corporation	The Greater Housing Corporation provides funding to preserve existing affordable rental housing. NOAH housing is defined as housing affordable to households earning 60% of the AMI. The NOAH Impact Fund has also financed rehabilitation projects up to \$20,000 per unit.	The City will support applications to the NOAH fund to preserve existing affordable rental housing in the community.	Need for housing that is affordable for all residents. Need for maintenance of existing housing stock.
Tax Abatement	Tax abatement is most useful in areas that don't qualify as a TIF district and for all-market-rate housing projects. Use of this tool is limited: in the past, other taxing jurisdictions have not approved the use of tax abatement for City projects, and the amount of abated City taxes alone is typically insufficient to fill the significant gaps that exist in redevelopment projects.	The City considers tax abatement for projects that further City goals, have a demonstrated need, and are in alignment with adopted development plans and policies.	Need for a variety of housing types for people in all stages of life.
Tax Increment Financing (TIF)	The City creates housing TIF districts when housing projects provide new affordable housing consistent with the City's Inclusionary Housing Policy, and when a project has a demonstrated need. The City considers establishing redevelopment TIF districts in areas that qualify as blighted. In the case of an all-market-rate project, the Inclusionary Housing Policy requires a developer to make a contribution from the TIF to the City's Housing & Redevelopment Fund in lieu of providing affordable units. For many years, the City has used pooled TIF funds (15% maximum) for its Richfield Rediscovered and New Home Programs and to acquire standard property for redevelopment.	The City will continue to use TIF as a tool to support affordable and market-rate housing projects that diversify the City's housing options.	Need for housing that is affordable for all residents.