



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING  
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS  
NOVEMBER 21, 2022  
7:00 PM**

Call to Order

Open Forum

***Each speaker is to keep their comment period to three minutes to allow sufficient time for others. Comments are to be an opportunity to address the HRA. Please refer to the HRA agenda and minutes web page for additional ways to submit comments. You may also call 612-861-9764 or email [ldubois@richfieldmn.gov](mailto:ldubois@richfieldmn.gov) with questions. Call into the open forum by dialing 1-415-655-0001 Use webinar access code: 2450 454 9348 and password: 1234.***

Approval of the minutes of the: 1) Joint City Council and Housing and Redevelopment Authority Work Session of October 17, 2022; and 2) Regular Housing and Redevelopment Authority meeting of October 17, 2022.

**AGENDA APPROVAL**

1. Approval of the Agenda

**RESOLUTIONS**

2. Consider a resolution authorizing the transfer of funds from the Lyndale Gateway / Interchange West, Urban Village, and City Bella Tax Increment Financing Districts to the Affordable Housing Trust Fund and consideration of priorities for the use of Trust Fund resources for affordable housing developments.  
Staff Report No. 33
3. Consider a resolution adopting a Spending Plan for unobligated tax increment.  
Staff Report No. 34

**OTHER BUSINESS**

4. Consideration of the approval of revisions to the Richfield Rediscovered Lot Sale Program Guidelines and the Richfield Rediscovered Credit Program Guidelines.  
Staff Report No. 35

**HRA DISCUSSION ITEMS**

5. HRA Discussion Items

**EXECUTIVE DIRECTOR REPORT**

6. Executive Director's Report

**CLAIMS**

7. Claims

8. Adjournment

**Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9739.**



# HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

## Joint HRA and City Council Work Session

**October 17, 2022**

<b>CALL TO ORDER</b>
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Chair Supple called the work session to order at 6:00 p.m. in the Bartholomew Room.

HRA Members Present: Mary Supple, Chair; Lee Ohnesorge; and Gordon Hanson

HRA Members Absent: Maria Regan Gonzalez; and Erin Vreize Daniels

Council Members Present: Mary Supple; Sean Hayford Oleary; and Ben Whalen

Council Members Absent: Maria Regan Gonzalez, Mayor; Simon Trautmann

Staff Present: Julie Urban, Acting Executive HRA Director/Assistant Community Development Director; Katie Rodriguez, City Manager; and Kari Sinning, City Clerk

Chair Supple introduced the topic for discussion and turned it over to Acting Executive Director Urban.

<b>ITEM #1</b>	<b>DISCUSS OPPORTUNITIES TO SPEND POOLED TAX INCREMENT WITHIN THE COMMUNITY</b>
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Acting Director Urban gave a presentation (available in the agenda) that overviewed the TIF Management Plan, three pooling options, and the recommended next steps. She explained that subsidies would not be available through any of these funds, but the department would look for other sources to help with down payment and rent assistance.

Council Member Hayford Oleary asked for clarification of the breakdown of the amount of total TIF funding. Acting Director Urban stated that 10 percent of the total TIF from all the districts would go into the affordable housing trust fund and that the additional breakdowns are based upon what the City has unencumbered until the end of this year and maxes out what is available. Council Member Hayford Oleary asked how blighted a district could be. Acting Director Urban explained the test that they do to classify a building as blighted for homes and commercial buildings are determined by an outside consultant.

Council Member Whalen asked for clarification about the restrictions on rental and down payment assistance. Acting Director Urban shared that it creates subsidized units instead of emergency assistance. Council Member Whalen asked if we could address some of the other upfront funding costs that would make higher rent costs. Acting Director Urban stated that could be one option or it could be used for rental assistance directly, but it could not be a subsidy like we are used to. Council Member Whalen shared general agreement with the proposed way to prioritize the funds and commented on the need for deeper affordability.

Commissioner Hanson agreed with Council Member Whalen and wondered about the timeline to adopt the plan. Acting Director Urban stated that it would be brought the HRA during the November meeting and schedule a public hearing for December.

Council Member Whalen clarified the process that Council would be involved. Acting Director Urban stated that the HRA would be approving individual expenditures that are a part of the plan.

Council Member Hayford Oleary commented on the possibility of projects that the spending plan could be used on to foster future investment in the downtown area.

Chair Supple agreed with the plan and a good use of funds to ask Ehlers to come up with a plan and commented on maintaining the affordability of commercial spaces. Acting Director Urban mentioned the new Economic Development Manager that will be hired to help explore those concerns. Chair Supple expressed the need to maintain balance between residential and commercial opportunities. She agreed with the goals of the affordable housing trust fund plan and mentioned the consideration to help make spaces more climate resilient.

Council Member Whalen asked if the spending plan would have the flexibility to do the energy efficient upgrades. Acting Director Urban stated that it would have to be substantial rehabilitation or a new construction. Council Member Whalen asked about the utilization of apartment rehab loans. Acting Director Urban stated that we would probably have to reach out to the apartment places that we identify that could use the rehab loans. Council Member Whalen asked if we could be more proactive to meet the goals that we set. Acting Director Urban mentioned that the Community Development Department staff is hopeful to be more proactive.

Commissioner Hanson asked if the Penn Ave corridor could be involved in the spending plan. Acting Director Urban stated that it could if we would find a partner and it would be an increase of tax base. Chair Supple asked if that would apply to the east side of 66<sup>th</sup> Street. Acting Director Urban said that it could apply.

Acting Director Urban summarized the discussion of general agreement with the proposed plans and overviewed the timeline as stated above. Chair Supple extended thanks to the department and for the consultants.

<b>ADJOURNMENT</b>
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The work session was adjourned by unanimous consent at 6:42 p.m.

Date Approved: November 21, 2022

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Mary B. Supple  
HRA Chair

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Kari Sinning  
City Clerk

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Julie Urban  
Acting Executive Director



# HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

## Regular Meeting

October 17, 2022

### CALL TO ORDER

Chair Supple called the meeting to order at 7:00 p.m. in the Council Chambers.

*HRA Members Present:* Mary Supple, Chair; Erin Vrieze Daniels, Vice Chair; Lee Ohnesorge and Gordon Hanson

*HRA Members Absent:* Maria Regan Gonzalez

*Staff Present:* Julie Urban, Acting Executive Director/Assistant Community Development Director; and Kari Sinning, City Clerk

*Others Present:* Bev Adrian, President of the Woodlake Terrace Cooperative

### OPEN FORUM

Chair Supple provided instructions to call in for the open forum and asked if there was anyone in attendance.

### APPROVAL OF THE MINUTES

M/Vrieze Daniels, S/Hanson to approve the minutes of the Regular Housing and Redevelopment Authority Meeting of September 19, 2022.

Motion carried: 4-0

### ITEM #1

### APPROVAL OF THE AGENDA

M/Vrieze Daniels, S/Hanson to approve the agenda.

Motion carried: 4-0

<b>ITEM #2</b>	<b>CONSENT CALENDAR</b>
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Acting Executive Director Urban presented the Consent Calendar:

- A. Consideration to approve forgiveness of an Interfund Loan from the ILN to Cedar Point Commons and authorize a transfer of funds from the ILN to Cedar Point Commons. (Staff Report No. 30)
- B. Consideration of the adoption of a resolution approving an Assignment and Assumption Agreement (Amended and Restated Contract for Private Redevelopment) to Woodlake Centre Owner, LLC, a Delaware limited liability company, an estoppel certificate, and an investment letter assigning the Tax Increment Financing Note to Woodlake Health Centre Campus TIF, LLC. (Staff Report No. 31)

**HRA RESOLUTION NO. 1442**

**RESOLUTION APPROVING ASSIGNMENT AND ASSUMPTION AGREEMENT (AMENDED AND RESTATED CONTRACT FOR PRIVATE REDEVELOPMENT) AND OTHER DOCUMENTS IN CONNECTION THEREWITH**

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

Motion Carried: 4-0

<b>ITEM #3</b>	<b>CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM THE CONSENT CALENDAR</b>
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None.

<b>ITEM #4</b>	<b>CONSIDERATION OF A RESOLUTION APPROVING AN AMENDMENT TO THE GRANT AGREEMENT WITH WOODLAWN TERRACE COOPERATIVE, INCREASING THE AMOUNT OF FUNDING PROVIDED FOR DEMOLITION AND REHABILITATION WORK (STAFF REPORT NO. 32)</b>
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Acting Director Urban presented Staff Report No. 32.

Commissioner Vrieze Daniels asked if the sixth unit to be demolished would be replaced. President Adrian stated that it would be replaced and that the board is developing a strategic plan that could include more affordable housing and pointed out that they are private utilities that add to the costs of the rehabilitation work.

Chair Supple asked if the funding would help with those improvements of their private utilities. President Adrian stated that it would be a huge improvement to the property as most things are over 50 years old.

Commissioner Hanson asked if there are plans to connect to City water. President Adrian explained that they are on the process to get hooked up to the City water and sewer and have received a grant from the State to help fund the project that should hopefully be started in the

spring of 2023. President Adrian expressed excitement for the progress that has been happening and that the entire community has stepped up to invest in their neighborhood.

Chair Supple asked if the water from the well is potable. President Adrian explained that no one drinks the water as it is high in iron and has an odor; the water was the biggest concern that residents of Woodlawn Terrace have.

M/Vrieze Daniels, S/Ohnesorge to adopt the attached resolution approving an amendment to the Grant Agreement with the Woodlawn Terrace Cooperative, increasing the funds for demolition and rehabilitation work up to a total of \$140,000, and authorizing the Chair and Executive Director to execute an amendment to the Grant Agreement.

**HRA RESOLUTION NO. 1443**

**RESOLUTION APPROVING AN AMENDMENT TO THE GRANT  
AGREEMENT FOR THE WOODLAWN TERRACE  
MANUFACTURED HOME PARK**

Commissioner Vrieze Daniels appreciated the investment in the community while prices for construction are high.

Motion Carried: 4-0

Chair Supple thanked staff and the cooperative for all the work they to do invest in the community.

<b>ITEM #5</b>	<b>HRA DISCUSSION ITEMS</b>
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Commissioner Hanson asked about the HUB redevelopment since the anchor store has pulled out of the project. Acting Director Urban stated that the property owners have not been in contact with the City but the property will most likely be developed in stages starting on the west side of the property.

<b>ITEM #6</b>	<b>EXECUTIVE DIRECTOR REPORT</b>
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Acting Director Urban did not have a report.

<b>ITEM #7</b>	<b>CLAIMS</b>
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M/Vrieze Daniels, S/Hanson that the following claims be approved:

<b><u>U.S. BANK</u></b>	<b><u>10/17/2022</u></b>
Section 8 Checks: 134205 – 134277	\$195,486.35
HRA Checks: 34259 - 34272	<u>\$80,140.42</u>
<b>TOTAL</b>	<b>\$275,626.77</b>

Motion carried: 4-0

<b>ITEM #8</b>	<b>ADJOURNMENT</b>
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The meeting was adjourned by unanimous consent at 7:16 p.m.

Date Approved: November 21, 2022

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Mary B. Supple  
HRA Chair

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Kari Sinning  
City Clerk

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Melissa Poehlman  
Executive Director





**STAFF REPORT NO. 33**  
**HOUSING AND REDEVELOPMENT AUTHORITY**  
**MEETING**  
**11/21/2022**

REPORT PREPARED BY: Julie Urban, Assistant Community Development Director  
OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Executive Director  
11/16/2022

**ITEM FOR COUNCIL CONSIDERATION:**

**Consider a resolution authorizing the transfer of funds from the Lyndale Gateway / Interchange West, Urban Village, and City Bella Tax Increment Financing Districts to the Affordable Housing Trust Fund and consideration of priorities for the use of Trust Fund resources for affordable housing developments.**

**EXECUTIVE SUMMARY:**

The City created the Affordable Housing Trust Fund (Trust Fund) in 2020 to construct, preserve and rehabilitate affordable housing in the community. Since its creation, staff have been seeking revenue sources for the Trust Fund. In 2021, the State Legislature passed special legislation that allows the Housing and Redevelopment Authority (HRA) to transfer pooled tax increment collected for housing purposes to its Trust Fund. The Tax Increment Financing Management Plan (TIF Plan), prepared by the HRA's financial consultants and presented to the HRA in September, identified pooled Tax Increment Financing (TIF) available in three TIF Districts as eligible to be transferred to the Trust Fund under the special legislation. These three Districts are Lyndale Gateway / Interchange West, Urban Village, and City Bella. Staff has designated \$250,000 from each of these Districts for transfer to the Trust Fund.

The special legislation allows these funds to be used to make grants, loans, and loan guarantees for the development, rehabilitation or financing of housing. The 2023 Trust Fund budget commits \$200,000 of the funds to Richfield Flats, an affordable apartment development proposed to be built at 7700 Pillsbury Avenue South. Additional funds can be budgeted in future years for activities such as single-family acquisition/rehabilitation through the land trust or other affordable apartment developments.

In deciding whether or not to fund affordable apartment developments, the HRA may consider the following priorities for the Trust Fund:

- Housing with three and four bedroom units;
- Housing with units affordable at 30% of the Area Median Income;
- Housing with accessible units;
- Housing with supportive services;
- Housing with resident rental subsidies; and/or
- The preservation and rehabilitation of naturally occurring affordable housing (NOAH);
- Projects that also improve energy-efficiency and/or use Trust Fund money to leverage other funding will be strongly considered.

Trust Fund awards will only be made to projects that *exceed* the minimum requirements of the City's Inclusionary Housing Policy or the statutory requirements for a Housing TIF District.

## **RECOMMENDED ACTION:**

### **By motion:**

1. Adopt a resolution authorizing the transfer of \$750,000 from the Lyndale Gateway / Interchange West, Urban Village and City Bella Tax Increment Financing Districts to the Affordable Housing Trust Fund.
2. Adopt priorities for the use of Trust Fund resources when assisting affordable housing developments.

## **BASIS OF RECOMMENDATION:**

### **A. HISTORICAL CONTEXT**

- The City Council created the Trust Fund in May of 2020. The Trust Fund is a tool that allows the City to create, preserve and rehabilitate affordable housing.
- Since the Trust Fund's creation, staff have been exploring various revenue sources. Special legislation was approved by the State Legislature in June of 2021 that allows the HRA to transfer pooled tax increment collected for housing purposes into the Trust Fund for the development of affordable housing.
- In May of 2022, the City Council and HRA authorized the collection of 10% of TIF to be pooled for affordable housing purposes. Those pooled funds may be transferred to the Trust Fund.
- In September of 2022, Ehler's, the City's financial consultants, presented the TIF Management Plan to the HRA, which included several recommendations for using the HRA's available pooled TIF. One of those recommendations was to transfer funds to the Trust Fund under the authorization of the special legislation.

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

- The City's Trust Fund provides resources to construct, preserve, and rehabilitate affordable housing in the community.
- A copy of the priorities for use of the Trust Fund to fund affordable housing developments, in the form that will be shared with developers, is attached to the staff report.

### **C. CRITICAL TIMING ISSUES:**

- The special legislation allows transfers of the HRA's pooled TIF through December 31, 2026.
- If awarded federal tax credits, the \$200,000 committed to Richfield Flats will be needed at the start of construction in 2023.

### **D. FINANCIAL IMPACT:**

- \$250,000 is available in each of the three TIF Districts for transfer to the Trust Fund.

### **E. LEGAL CONSIDERATION:**

- Individual funds will be established within the Trust Fund to track revenues and expenditures easily to meet the statutory reporting requirements relating to TIF.
- Special legislation allows pooled TIF transferred to the Trust Fund to be used to make grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing. The funds cannot be used for rental or down payment assistance.

## **ALTERNATIVE RECOMMENDATION(S):**

- Decide not to transfer funds to the City's Trust Fund.

## **PRINCIPAL PARTIES EXPECTED AT MEETING:**

N/A

## **ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Resolution	Resolution Letter
<input type="checkbox"/> Trust Fund Priorities	Backup Material

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

**RESOLUTION NO. \_\_\_\_\_**

**TRANSFERRING POOLED TAX INCREMENT FROM TAX INCREMENT  
FINANCING DISTRICTS WITHIN THE CITY OF RICHFIELD FOR  
AFFORDABLE HOUSING PURPOSES**

WHEREAS, the Legislature of the State of Minnesota passed a special law authorizing the City of Richfield, Minnesota (the "City") or the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority") to transfer tax increment accumulated for housing development purposes under Minnesota Statutes, Section 469.1763, subdivision 2(b) or (d) to the housing trust fund established by the City, all as provided in Laws of Minnesota 2021, First Special Session, Chapter 14, Article 9, Section 5 (the "Special Law"), in particular subdivision 1(b) thereof; and

WHEREAS, pursuant to the Special Law, the authority to make such transfers shall expire on December 31, 2026; and

WHEREAS, the Authority has proposed to transfer pooled tax increment from the following tax increment financing districts within the Richfield Redevelopment Project (collectively, the "TIF Districts") to the City for purposes of funding the Affordable Housing Trust Fund:

(a) from the Interchange West and Lyndale Gateway Tax Increment Financing District, the amount of \$250,000;

(b) from the Urban Village Tax Increment Financing District, the amount of \$250,000; and

(c) from the City Bella Tax Increment Financing District, the amount of \$250,000; and

WHEREAS, the pooled tax increment transferred to the Affordable Housing Trust Fund may be returned to the appropriate Authority tax increment fund if the funds are not spent on or before December 31, 2026; and

WHEREAS, the City Council will consider a resolution accepting the transfer of the pooled tax increment on or about December 13, 2022; and

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

1. The Authority hereby approves the transfer of pooled tax increment from the TIF Districts as set forth herein to fund the City's Affordable Housing Trust Fund.

2. The Authority may amend this resolution to provide for additional transfers of pooled tax increment to fund the Affordable Housing Trust Fund.

3. The tax increment transferred to the Affordable Housing Trust Fund must be accounted for separately and may be used only for the following purposes: making grants, loans,

and loan guarantees for development, rehabilitation or financing of housing or providing matches for other federal, state, or private resources for housing projects.

4. This resolution is effective upon approval by the City Council of the resolution accepting the transfer of the pooled tax increment.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 21<sup>st</sup> day of November, 2022.

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Mary B. Supple, Chair

ATTEST:

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Maria Regan Gonzalez, Secretary



## Richfield Affordable Housing Trust Fund Priorities and Procedures

The City of Richfield established an Affordable Housing Trust Fund in 2020 to preserve and create affordable housing opportunities for households with the lowest incomes. Funds are available through the City's Trust Fund on a rolling basis to assist developers in the construction and rehabilitation of affordable housing.

### ***Priorities***

Multi-family projects that address the following city priorities will be considered for funding:

- ♦ Housing with three and four bedroom units
- ♦ Housing with units affordable at 30% of the Area Median Income
- ♦ Housing with accessible units
- ♦ Housing with supportive services
- ♦ Housing with resident rental subsidies
- ♦ Preservation and rehabilitation of naturally occurring affordable housing (NOAH)

Projects that also improve energy-efficiency and/or use Trust Fund money to leverage other funding will be strongly considered.

❖ Trust Fund awards are made only to projects that *exceed* the minimum requirements of the City's Inclusionary Housing Policy and the statutory requirements for a Housing Tax Increment Financing (TIF) District, if applicable.

### ***Forms of Assistance and Eligible Activities***

Funding may be provided in the form of grants, loans, and/or loan guarantees for the development, rehabilitation or financing of housing and/or to serve as a match for other funds from federal, state, or private resources.

❖ Funds are *not* available for rental assistance.

### ***Process***

Projects seeking a Trust Fund award must submit an Application for Financial Assistance, or if also seeking TIF, complete the Trust Fund section on the TIF Application. A \$500 application fee is required at the time of the application submittal.

The Trust Fund is administered by the City's Housing and Redevelopment Authority (HRA). HRA staff, along with the City's financial consultants, will review the application for consistency with the City's priorities, viability of the project, demonstrated need for funding, and reasonableness of the request. There is no minimum or maximum award amount; however, the amount may be

limited by the amount of funds available. Projects will be required to cover the costs of the City's financial and legal consultants, as well as up to \$2,000 in staff costs.

### ***Affordability Term***

Projects receiving an award from the Trust Fund must agree to a minimum of 25 years of affordability.

### ***Compliance***

A Declaration of Restrictive Covenants will be filed against the property to ensure ongoing compliance. Applicants will be required to demonstrate that they have the capacity to conduct income compliance and collect and maintain appropriate documentation. A certificate of compliance must be submitted on an annual basis. Property managers who are unfamiliar with income compliance will be required to take appropriate training.

### ***Section 8***

During the period of affordability, Trust Fund award recipients shall not adopt any policies specifically prohibiting or excluding the renting of units to tenants holding rental vouchers or similar forms of rental assistance.

*This policy is intended to set forth the general priorities and guidelines regarding the use of the Affordable Housing Trust Fund. The City Council and HRA may modify the terms at any time.*

*Questions:* Contact Julie Urban, Assistant Community Development Director, at 612-861-9777 or [jurban@richfieldmn.gov](mailto:jurban@richfieldmn.gov).



**STAFF REPORT NO. 34**  
**HOUSING AND REDEVELOPMENT AUTHORITY**  
**MEETING**  
**11/21/2022**

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

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Executive Director  
11/21/2022

**ITEM FOR COUNCIL CONSIDERATION:**

**Consider a resolution adopting a Spending Plan for unobligated tax increment.**

**EXECUTIVE SUMMARY:**

In 2022, the Housing and Redevelopment Authority (HRA) approved the preparation of a Tax Increment Management Review & Analysis report by HRA financial consultant Ehlers. This analysis identified a significant amount of pooled tax increment that is available to invest in the community in the next few years. There are three separate statutory authorities under which the money can be spent; all with different timelines and authorized uses. These options are described in the Policies Section below. A preliminary plan to maximize the effectiveness of these monies was introduced to the HRA on September 19 and presented jointly to the City Council and HRA at a work session on October 17.

As previously presented in September and discussed in October, staff is recommending that the HRA adopt the attached Spending Plan (Plan) for unobligated tax increment from the Lyndale Gateway / Interchange West, Urban Village, and City Bella Tax Increment Financing (TIF) Districts. Per 2021 legislative authority, this unobligated tax increment may be spent on projects that spur development and create or retain jobs (including construction jobs). Available increment may be used to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities, which will create or retain jobs in the state. The attached Plan stipulates that preference for financing assistance shall be based on goals identified by the Comprehensive Plan and the following priorities identified by the City's Strategic Plan:

- A vibrant downtown that includes both new housing and business;
- Increased tax base through redevelopment that advances the Comprehensive Plan;
- Maintaining Richfield as an affordable place to live; and
- Climate resilience through the support of projects that advance the Climate Action Plan and sustainability goals.

The attached Plan must be adopted by both the HRA and the City Council; a public hearing at the City Council is scheduled for December 13.

**RECOMMENDED ACTION:**

**By motion: Approve the attached Resolution and Spending Plan for unobligated tax increment.**

## **BASIS OF RECOMMENDATION:**

### **A. HISTORICAL CONTEXT**

- On September 19, 2002, Senior Municipal Advisor Rebecca Kurtz presented the Tax Increment Management Review and Analysis to the HRA. Approximately \$10 million in pooled tax increment was identified and a preliminary recommendation for the allocation of these funds was introduced.
- On October 11, 2022, staff discussed opportunities to spend this pooled increment with the HRA and City Council.

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

- Minnesota State Statute 469.1763 Subd. 2(a) allows the HRA to retain a maximum of 25% of its annual tax increment from its redevelopment TIF Districts and use it for other redevelopment activities outside of the District's boundaries. This 25% maximum includes the amount retained for administration.
- In 2021 the City obtained special legislation allowing the City and HRA to transfer 10% of increment pooled for housing to an affordable housing trust fund. In May of 2022, policymakers modified the TIF plans of the Lyndale Gateway / Interchange West, Urban Village, and City Bella TIF Districts to allow for this transfer.
- In 2021 the State Legislature provided temporary authority to use unobligated TIF from existing TIF Districts to help stimulate private development that would not otherwise occur without assistance prior to December 31, 2025.

### **C. CRITICAL TIMING ISSUES:**

- Authority granted by the temporary legislation expires December 31, 2025. Only increment that is not obligated as of December 31, 2022 (or within the following six months) may be spent. A Spending Plan for money to be used under this authority must be adopted by December 31, 2022.
- If there is money that is not spent prior to December 31, 2025, these funds could be transferred to the Affordable Housing Trust Fund or spent under regular pooling rules per Statute.
- Special legislation allows the transfer of pooled TIF to the Affordable Housing Trust Fund (AHTF) through December 31, 2026. There is no deadline to spend monies once in the AHTF.
- Regular pooling must be spent prior to the decertification of the TIF District from which it is generated. The TIF Districts in question expire in 2025 (Lyndale Gateway / Interchange West & Urban Village) and 2030 (City Bella).

### **D. FINANCIAL IMPACT:**

- Approximately \$10 million in pooled increment is anticipated over the next 8 years.
- Some of these money have been committed to current projects (e.g. Enclave, Woodlawn Terrace).
- An additional item before the HRA will request authorization to transfer \$750,000 to the Affordable Housing Trust Fund now to cover anticipated, near-term projects.

### **E. LEGAL CONSIDERATION:**

The attached resolution was prepared by the HRA Attorney.

### **ALTERNATIVE RECOMMENDATION(S):**

Do not approve the attached Spending Plan and resolution.

### **PRINCIPAL PARTIES EXPECTED AT MEETING:**

None

### **ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Resolution	Resolution Letter
<input type="checkbox"/> Spending Plan	Exhibit



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

**RESOLUTION NO. \_\_\_\_\_**

**APPROVING A SPENDING PLAN FOR CERTAIN TAX INCREMENT  
FINANCING DISTRICTS LOCATED IN THE CITY OF RICHFIELD**

WHEREAS, the City of Richfield, Minnesota (the “City”) and the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the “Authority”) have previously established the following tax increment financing districts located within the Richfield Redevelopment Project in the City and adopted tax increment financing plans therefor, pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended, and Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”): the Interchange West and Lyndale Gateway Tax Increment Financing District, the Urban Village Tax Increment Financing District, and the City Bella Tax Increment Financing District (collectively, the “TIF Districts”); and

WHEREAS, Section 469.176, subdivision 4n of the TIF Act (the “Temporary TIF Authority Act”) authorizes the Authority to spend available tax increment from any existing tax increment financing district, notwithstanding any other law to the contrary, to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of construction or substantial rehabilitation of buildings and ancillary facilities, if the following conditions exist:

- (1) Such assistance will create or retain jobs in the State of Minnesota, including construction jobs;
- (2) Construction commences before December 31, 2025;
- (3) The construction would not have commenced before the dates specified above without the assistance;
- (4) Tax increments under the spending plan are spent by December 31, 2025; and
- (5) The City Council of the City approves a written spending plan (after a duly noticed public hearing) that specifically authorizes the Authority to take such actions; and

WHEREAS, the Authority has proposed to apply available tax increments from the TIF Districts for various uses in accordance with the Temporary TIF Authority Act, and to that end has caused to be prepared a spending plan for the TIF Districts (the “Spending Plan”); and

WHEREAS, the assistance authorized under the Spending Plan expressly includes but is not limited to assistance for private development that provides for job creation or development of housing, including but not limited to market rate and affordable multifamily, townhomes, and single-family units; and

WHEREAS, assistance authorized and provided under the Spending Plan may constitute a business subsidy as described in Minnesota Statutes, Sections 116J.993 to

116J.995, as amended (the "Business Subsidy Act"), which will require that the Board conduct a public hearing prior to providing such financial assistance to a developer; and

WHEREAS, on December 13, 2022, the City Council of the City will conduct a public hearing regarding the Spending Plan in accordance with the Temporary TIF Authority Act and consider a resolution approving the Spending Plan; and

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

1. The Spending Plan is hereby approved in substantially the form on file in City Hall.
2. The Authority makes all the findings set forth in the Spending Plan, which are incorporated herein by reference.
3. Authority staff and consultants are hereby authorized to take actions necessary to carry out the terms of the Spending Plan.
4. The Board shall conduct a public hearing prior to providing financial assistance to a developer or redeveloper under the Spending Plan if in the opinion of counsel to the Authority such assistance constitutes a business subsidy under the Business Subsidy Act.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 21<sup>st</sup> day of November, 2022.

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Mary B. Supple, Chair

ATTEST:

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Maria Regan Gonzalez, Secretary

RC125-392 (JAE)  
838636v1

HRA Consideration: November 21, 2022  
City Public Hearing: December 13, 2022



# **Richfield Housing and Redevelopment Authority**

**City of Richfield,  
Hennepin County, Minnesota**

## **Spending Plan**

Lyndale Gateway / Interchange West TIF District

Urban Village TIF District

City Bella TIF District



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Prepared by:

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**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

# **Spending Plan for Lyndale Gateway / Interchange West, Urban Village and City Bella Tax Increment Financing Districts**

## **PURPOSE**

The Richfield Housing and Redevelopment Authority (the “Authority”) administers the Tax Increment Financing Districts listed above (the “TIF Districts”) in the City of Richfield, Minnesota (the “City”), and proposes to adopt a Spending Plan for the TIF Districts in accordance with Minnesota Statutes, Section 469.176 Subd. 4n (the “Act”).

The purpose of the Spending Plan is to develop or redevelop sites, lands or areas within the City in conformity with the City’s Comprehensive Plan or other City plans or objectives by using available tax increments from the TIF Districts to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities, which will create or retain jobs in this state, including construction jobs.

## **UNOBLIGATED TIF FUNDS**

The HRA has identified a total of \$6,346,000 in unobligated funds on hand within the TIF Districts (“Unobligated Tax Increments”):

- \$771,000 of unobligated funds of the Urban Village Tax Increment Financing District;
- \$5,121,000 of unobligated funds of the Lyndale Gateway / Interchange West Tax Increment Financing District; and
- \$454,000 of unobligated funds of the City Bella Tax Increment Financing District.

## **PLAN**

The Authority is authorized as follows:

- (a) To use Unobligated Tax Increments from the TIF Districts to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities (the "Projects") in financing assistance to further the goals in the City’s Comprehensive Plan or other City plans or objectives, if doing so will create or retain jobs in the state, including construction jobs.

Preference for financing assistance shall be based on the City of Richfield Strategic Plan FY 2023-2026, adopted in July 2022. These priorities include: (1) a vibrant downtown that includes both new housing and business; (2) increased tax base through redevelopment that advances the Comprehensive Plan; (3) maintaining Richfield as an affordable place to live; (4) climate resilience through the support of projects that advance the Climate Action Plan and sustainability

goals; and (5) additional goals as identified by the Comprehensive Plan or other City plans or objectives.

The Projects shall commence before December 31, 2025 (unless a later commencement date is authorized by law) and shall constitute Projects that would not commence by such date without the assistance provided pursuant to this Spending Plan.

(b) To amend the budget set forth in the Tax Increment Financing Plans for the TIF Districts as necessary to provide for the assistance authorized by this Spending Plan.

(c) To take any other action necessary and authorized under the Act in connection with the construction or substantial rehabilitation of facilities of the type described in clause (a) above.

The assistance provided pursuant to this Plan shall be subject to Minnesota Statutes, Sections 116J.993 to 116J.995 (the "Business Subsidy Law"), if applicable, and shall be subject to the City's Business Subsidy Policy.



**STAFF REPORT NO. 35**  
**HOUSING AND REDEVELOPMENT AUTHORITY**  
**MEETING**  
**11/21/2022**

REPORT PREPARED BY: Celeste McDermott, Housing Specialist

OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Executive Director  
 11/16/2022

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of the approval of revisions to the Richfield Rediscovered Lot Sale Program Guidelines and the Richfield Rediscovered Credit Program Guidelines.**

**EXECUTIVE SUMMARY:**

The Richfield Rediscovered Lot Sale Program (Lot Sale Program) sells lots to builder / buyer teams for the development of newly constructed homes. The Richfield Rediscovered Credit Program (Credit Program) contributes \$50,000 towards the private construction of newly constructed homes. The objective of the Lot Sale Program and the Credit Program is to replace smaller, substandard and blighted homes in Richfield with larger market rate homes that help to diversify the City's housing stock.

In June, the Housing and Redevelopment Authority (HRA) reviewed the Lot Sale Program and Credit Program (Programs) and determined that it was appropriate to continue the Programs with certain adjustments and asked that staff prepare an amendment to the Guidelines of the Programs that promote current City housing priorities.

To further facilitate Richfield's housing goals of diversifying the housing stock within the City and encouraging energy efficiency and accessibility, the following changes to the Guidelines of the Programs are recommended:

- Require that all homes built within the Programs include some minimum standards for accessibility.
- Require that builders utilize deconstruction rather than demolition in cases where a substandard home needs to be removed before construction can begin.
- In order to be eligible for either of the Programs, all homes must include at least one of the following features:
  - An Accessory Dwelling Unit;
  - Full accessibility per the standards of the Minnesota Accessibility Code Section 1002;
  - Sustainability measures that meet the Green Credit standards and include either solar panels, geothermal heating, or other additional sustainability feature as approved by the HRA;
  - Be an owner-occupied duplex or;
  - Another unique design that furthers HRA housing goals, as approved by the HRA.

The revision also includes some minor administrative updates relating to the escrow and utility requirements.

**RECOMMENDED ACTION:**

**By motion: Approve the recommended revisions to the Richfield Rediscovered Lot Sale Program Guidelines and to the Richfield Rediscovered Credit Program Guidelines.**

## **BASIS OF RECOMMENDATION:**

### **A. HISTORICAL CONTEXT**

- The Programs have been successful for replacing smaller, substandard housing with larger, higher-valued homes. Since the Programs inception in 1990, 151 new, market-value homes have been constructed.
- In 2021, the Green Credit Standards were updated based on feedback from the City's Sustainability Specialist and City Forester to ensure that projects are well-rounded.
- For the most recent lot listed through the Richfield Rediscovered Lot Sale Program in 2021, applicants were required to submit a plan including an Accessory Dwelling Unit (ADU), and in 2022 the home was completed including an ADU.
- On June 21, 2022, the HRA discussed the Programs and determined that it would like to continue the Programs with the added conditions that housing goals such as building ADU's duplexes, and highly energy-efficient homes be furthered through the Programs.

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

- The HRA is responsible for the administration of the Programs and the successful replacement of over 130 substandard homes.
- The current policy objectives of the Programs are:
  - Remove substandard, functionally obsolete housing and eliminate its blighting influence;
  - Provide new, higher valued housing; and
  - Alleviate shortage of housing choices for families.
- The proposed revisions to the Guidelines' policy objectives *require* applicants to include one of five features: full accessibility, high energy efficiency, duplex, ADU, or an additional unique feature as approved by the HRA.
- The existing policy offers a financial incentive for adding energy efficiency in addition to the newly-required feature.
- The revision requires some minimum accessibility features in all homes (e.g., wider doorways, accessible light switches and door knobs, grab-bar ready bathrooms).

### **C. CRITICAL TIMING ISSUES:**

- There are two HRA-owned lots that will be listed through the Richfield Rediscovered Lot Sale Program next year, one of which staff plans to market for a duplex.

### **D. FINANCIAL IMPACT:**

- \$220,000 has been budgeted for the Programs in 2022 and \$208,000 in 2023.
- Design and construction of ADUs, duplexes, sustainable, and accessible homes can be cost-prohibitive, and adjustments to the lot price may be offered to developments exceeding the minimum requirements.

### **E. LEGAL CONSIDERATION:**

- The HRA Attorney has reviewed the Guidelines of the Programs.

## **ALTERNATIVE RECOMMENDATION(S):**

- The HRA may choose not to approve the revisions to the Guidelines.

## **PRINCIPAL PARTIES EXPECTED AT MEETING:**

N/A

## **ATTACHMENTS:**

Description	Type
▢ RR Lot Sale Guidelines Update	Backup Material
▢ RR Credit Guidelines Update	Backup Material
▢ Green Credit Standards	Backup Material

**RICHFIELD REDISCOVERED  
PROGRAM GUIDELINES  
LOT SALE PROGRAM**

REVISED: ~~June 24, 2024~~ November, 2022



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This document has been developed as a guidance tool for program administration. It should not be interpreted as constituting any contractual agreement or liability by the City or Housing and Redevelopment Authority (HRA). The HRA may modify or divert from the guidelines where it deems appropriate.

## **I. Program Objectives**

1. To remove substandard, functionally obsolete housing on scattered sites throughout the City and replace with new, higher-valued housing.
2. To eliminate the blighting influence of substandard housing, thus improving residential neighborhoods.
3. To alleviate the shortage of housing choices for families.
4. To facilitate the construction of larger three- to four-bedroom, owner-occupied homes designed for families.
5. To facilitate the construction of ~~multi-unit, owner-occupied homes designed to expand family opportunities or to serve elderly residents~~ accessory dwelling units, sustainably built homes, owner-occupied duplexes, and accessible homes.

These objectives will be achieved through the sale of lots by the Housing and Redevelopment Authority to Builder/Buyer teams for the development of newly constructed homes.

## **II. Definitions**

*Accessory Dwelling Unit:* A dwelling unit that is located on the same lot as a principal residential structure to which it is accessory, and that is subordinate in area to the principal dwelling. These may be attached to either the primary home or the garage, but cannot be freestanding and must meet all applicable zoning code requirements.

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*Applicant:* An individual who submits an application for a Richfield Rediscovered lot. The Applicant may be a Builder or the end Buyer. If the Applicant is a Builder, an end Buyer should be identified. If the Applicant is the Buyer, the Applicant must submit a signed contract between the Builder and the Buyer to build a home on the lot identified in the application.

*Buyer:* An individual(s) who will build, own and occupy a new housing unit in Richfield.

The Buyer will occupy the property and not offer it for rent. The Buyer may not also function as the Builder on a Richfield Rediscovered project. The Buyer and Builder must be unrelated separate legal entities. A speculative project by a Buyer may be considered if all other program requirements can be met. However, neither the Buyer, the Buyer's Builder or Builder's subcontractors, or the Builder's realty agents may occupy or purchase the property.

Buyers, unless licensed in the trade specified, may not put any sweat equity into the construction of the foundation, wall/roof framing, shingling, exterior work, electrical/plumbing/HVAC systems or interior carpentry.

A Buyer, and all members of his/her household, is limited to building a home through the program no more than once every seven years.

*Builder:* Licensed Contractor who has signed a contract with the Buyer to build a home on the lot identified in the application.

*Contract for Private Development:* A contract between the HRA and the Builder or Buyer that establishes the conditions under which the lot will be sold and the proposed house will be developed.

Deconstruction: the process of carefully removing components of the home so the materials can be recycled, repurposed, or reused instead of being sent to a landfill. Once all materials that can be salvaged are removed, the remainder of the foundation will be demolished. Grants may be available through Hennepin County to help offset the costs.

Duplex- A residential building used for occupancy by two (2) families living independently of each other, where both units are situated on the same parcel of land. At least one unit must be owner-occupied in order to be eligible for the Richfield Rediscovered program.

*Green Community Concepts Plan:* A written plan indicating how the proposed development will incorporate green building features and concepts. Priority will be given to projects that incorporate green building features.

*HRA:* Housing and Redevelopment Authority in and for the City of Richfield.

*Lot List:* A listing of available lots for sale. Information regarding the lot location, size and sale price is provided.

### **III. Program Basics**

1. HRA publishes a list of available vacant lots for purchase including sale price and development criteria.
2. Builder/Buyer team proposes a plan for a lot consistent with development criteria and program requirements and makes an offer to purchase.
3. HRA may issue a Request for Proposals for a specific lot(s) with a specific submittal deadline. HRA staff review all Proposals submitted by the deadline for consistency with development criteria and program requirements. The Proposal that best meets the criteria and requirements is selected to develop the lot.
4. HRA approves lot sale.
5. Lot is sold to Builder or Buyer.
6. Builder constructs new home.
7. Projects must be completed within one year of HRA approval of the project.

### **IV. Application Requirements**

The following must be submitted for application to the program:

1. \$550 application fee  
An application fee must be paid at the time of application. This fee is non-refundable and is not part of the lot price.
2. Application Form
3. Floor plans  
The layout of all levels, including basement and unfinished space, must be provided.
4. Elevations  
Elevations of all four sides of the house, including view of garage shall be provided. Colored renderings may also be required.

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5. Site plan  
The site plan shall indicate the location of the new house, walkways and garage.
6. Landscaping plan  
A landscaping plan must indicate the location and type of trees, shrubbery, flowers and landscaping materials (e.g. rocks, mulch) and any existing trees to be preserved.
7. Detail of construction materials to be used on the project.
8. Green Community Concepts Plan  
The plan should indicate what Green Community Concepts will be incorporated into the project.
9. Construction timeline  
Construction must be completed with one year of the purchase of the property.
10. Signed contract with Builder
11. Purchase agreement  
If the Builder plans to purchase the lot, the application must include a valid purchase agreement between the Buyer and the Builder for the lot to be developed.
12. Financial capability statement  
A statement from a financial institution indicating willingness to provide sufficient construction capital to complete the project must be provided.
13. Builder References
  - a. Five previous customers
  - b. Three major suppliers, one being the construction supplier
  - c. Building inspectors from two cities where the Builder has constructed new housing within the past three years
14. Proof of Builder's Comprehensive General Liability with Property Damage Protection.
15. Proof of sufficient worker's compensation insurance coverage by the Builder.
16. Written warranty program  
To be provided to the Buyer, which guarantees at a minimum, warranted repairs as required by Minnesota State Statute.

#### **V. Additional Program Requirements**

1. The Applicant is expected to meet with an architectural/design consultant prior to submitting an application. A two-hour consultation is available through the HRA at a cost of ~~\$25-50.00~~ to the applicant. See the City's website ([www.richfieldmn.gov](http://www.richfieldmn.gov)) for more information. This requirement may be waived if the applicant is using an architect for the project.
2. The site will be sold to the Builder or Buyer at the fair market value as appears on the Lot List. The HRA will not accept offers for less than the established sale price. -Home design features may be taken into account when establishing the final lot price.
3. A Contract for Private Development is signed by the HRA and the Builder or the Buyer. The Contract is a standard form which includes conditions for acquisition and development of the property. The Contract will establish a minimum required end-value for the property based on

construction estimates provided by the applicant. The Builder or Buyer will be expected to agree to the terms of the Contract before the application can be scheduled on the HRA agenda.

4. The lot can be sold to either the Builder or the Buyer. If the lot is sold to the Builder, the Builder will pay cash for the lot at closing and submit a Letter of Credit or cash escrow for \$10,000. The Letter of Credit must be from a financial institution incorporated in the Twin Cities metropolitan area. The cash escrow will be held in a non-interest bearing account. The Letter of Credit or cash escrow will be released once the construction and landscape work are completed and a final Certificate of Occupancy is issued.
5. If the lot is sold to the Builder and the Builder fails to complete construction as approved by the HRA, the Letter of Credit or cash escrow may be drawn upon by the HRA. In addition, the Contract for Private Development will contain a reverter provision, which will enable the HRA to reclaim ownership of the property in the event of a default in the Contract. In the event that the Builder fails to complete construction, the HRA may exercise its rights under the reverter provision, as well as draw upon the Letter of Credit or cash escrow.
6. If the lot is sold to the Buyer, the Buyer will pay cash for the lot at closing ~~and submit a cash escrow for a \$10,000 mortgage in favor of the HRA will be filed on the property. The mortgage will be in first position. The HRA may consider subordinating its interest in appropriate cases. The cash escrow will be released once the construction and landscape work are completed and a final Certificate of Occupancy is issued.~~
7. If the lot is sold to the Buyer and the Buyer fails to complete construction as approved by the HRA, the HRA may exercise its rights provided in the mortgage.
8. A Buyer, and all members of his/her household, is limited to purchasing no more than one lot every seven years.

## **VI. House Design and Site Development Requirements**

The development of all sites shall meet the development criteria listed below, as reviewed and approved by the HRA. To maximize the development of a given lot, the HRA reserves the right to explore all development options without obligating the HRA to support any specific proposal, idea or solicitation.

Housing design is a critical element of the program. Siding materials, exterior façade presentation, roof, window, siding and building line variability, finished landscape, interior space function and use are all important issues of design to the HRA. The design requirements were created to ensure that the homes built on the HRA-sold lots blend in with the surrounding neighborhood and respond to the specific concerns of the HRA.

All new houses built under the Richfield Rediscovered Program must meet the requirements of the City's Zoning Code and additional criteria, as listed in this document.

### **A. New House Standards**

1. New dwelling must be owner-occupied.
2. Three finished bedrooms are required, at a minimum.
3. Two finished bathrooms are required, at a minimum.
4. Two-car garage is required, at a minimum.
5. A full basement is required, unless the selected design results in a split-level or a garden-level type of basement. In the case of an "accessible" house, a basement may be omitted if it would otherwise prohibit accessible design elements.

6. Must incorporate additional accessibility features as outlined in the Program Guidelines.  
5-7. Home must feature either an accessory dwelling unit, green design, duplex, accessible design, or other unique feature that furthers HRA housing goals as approved by the HRA.

## **B. Site Standards**

1. After construction, the site must be fully landscaped, including plantings around the foundation. The entire grounds shall be landscaped and be aesthetically pleasing in all seasons. Land forms and plant materials shall be used to define the site and blend neatly with adjoining properties. Specific lot line blending requirements may be required, as appropriate, for specific sites.

The applicant must meet the "Landscaping and Screening Requirements" in the City's Zoning Code under Section 544.03, Subd. 4, General landscaping requirements and Subd. 5, Residential sites. The code is available on the City's website: [www.richfieldmn.gov](http://www.richfieldmn.gov). Additionally, one approved landscaping feature will be required in both the front yard and back yard. Examples of acceptable landscaping features are: native plantings, pollinator gardens, and food gardens. The square footage of the landscaping feature must be reasonable in relation to lot size. SSOM compost will be required for all installations.

2. To the greatest extent possible, existing trees should be preserved. Any trees removed must be replaced (they do not have to be the same species or in the same location) and should be labeled on the required landscape plan. A lot review will be conducted by City staff to determine the health of existing trees as well as ideal placement of new trees to increase natural cooling efficiency. New trees must be species from the Forestry Department's approved list. A total of three trees will be required on the lot, including existing trees that can be preserved. A boulevard tree must be planted if there is not an existing one on the lot.

Unless otherwise specified by the Public Works Director, all tree species and their cultivars and varieties planted on the boulevard shall conform to the American Association of Nurserymen Standards and be at least 1 ½ to 2 inches (1.5-2") in diameter, six inches (6") above ground level, and at least nine feet (9') in height when planted. The crown shall be in good balance with the trunk.

3. Utility meters shall be screened from street view and locations must be specified on plans.
4. Site drainage should be accommodated on the site so that water is directed away from the new home and the neighboring properties. All downspouts must drain into the grass, a garden, or a rainwater harvesting system. Neighboring properties must not be disturbed by the creation of drainage swales. Specific storm water management requirements may be required, as appropriate, including the addition of gutters or on-site management for specific sites. Construction and the finished structure must not have a detrimental impact on storm water drainage patterns in the neighborhood.
5. All air conditioning units must be located in the rear yard of the house, or as approved by the HRA.

## **C. Construction Requirements**

1. If demolition of an existing home is necessary, the builder should utilize deconstruction. If not feasible, an exemption may be requested from HRA staff.

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4.2. Existing trees identified on the landscape plan as being preserved, must be protected during construction. A tree wrap with board reinforcements shall be used on trees directly adjacent to active grading and construction areas. Damaged or destroyed trees must be replaced.

2.3. The construction site, neighboring properties and adjacent public streets shall be kept free of construction debris at all times.

3.4. No construction workers, construction equipment or construction material shall encroach upon neighboring properties.

4.5. The property shall have a new sanitary service line installed to the City sanitary sewer main per city standards consisting of schedule 40 PVC or equivalent. If there is an existing 6" sewer stub at the property line, it must be fully lined with an approved CIPP product of the same sewer size 4" schedule 40 PVC or equivalent to the City's sanitary main, and it must include a "donut" at the end with cement.

The line must be televised after installation to ensure the line meets city standards, following:

1. ~~There are no obstructions in the line.~~

2. ~~The PVC liner is not protruding into the City's sanitary sewer main line.~~

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#### D. General Standards

1. The value of the new home must meet or exceed the minimum value specified in the Contract for Private Redevelopment.

2. All homes in the Richfield Rediscovered Program must be stick-built or high-quality modular, new construction and the design must include one of the following features:

a. Accessory Dwelling Unit

b. Meet the attached "Green Credit Standards for Richfield Rediscovered", and include either solar panels, geothermal heating or other sustainable feature as approved by the HRA.

c. Be an owner-occupied duplex

d. Fully accessible per the criteria outlined in the Minnesota Accessibility Code Section 1002: Accessible Units

2.e. Other unique design that furthers HRA housing goals, as approved by the HRA

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3. Exterior materials (siding, soffit, doors and windows) should be low-maintenance and durable. Brick, ~~aluminum, vinyl stucco~~ and fiber cement siding are preferred. Natural cedar lap is acceptable if properly stained or painted. Hardboard panels or hardboard lap siding are prohibited. Roof valleys must have metal valleys and not be woven.

4. Unit height and mass of the new house shall be compatible with the scale of the surrounding homes in the neighborhood.

5. Plans must present a balanced and pleasing distribution of wall, door and window areas from all views.

6. The dominance of the garage door must be minimized through placement, architectural detail, door design and utilization and design of windows. Garages, where the garage door faces the street, shall not be located closer to the front lot line than the foremost facade of the principal building facing the front property line. Garage sidewalls that face the street should appear to contain habitable space. This can be accomplished by incorporating windows and other design elements into the garage wall that are in character with the remainder of the dwelling. For lots that have alley access, the garage should be oriented to access the alley.

7. At minimum, home design must meet the following standards of accessibility:

- Exterior
  - All walkways at least 36 in wide
  - Attention paid to entrance accessibility (railings, stair tread measurements, slope etc)
  - Outside light with motion control at entryways
- Entryways
  - One half inch threshold
  - 36 in clear opening
  - Five foot by five foot by five foot landing on each side of door
  - Covered entry
- All doors
  - Lever style door handles (not round doorknobs)
  - 32 in clear opening for all doors
  - Flush entrance for interior doors
  - 18 in clearance beyond latch
- Bathrooms
  - All bathrooms must have reinforcements in place for placement of future grab bars
  - Wheelchair turning radius included in at least one ground floor bathroom
- Lit closets
- Laundry room- Clear floor space 36 inches wide extending full length of appliances plus 18 inches to either side of clothes washer and dryer.
- 48 inches between counters in kitchen
- Large rocker-style light switches that are easy to use
- Hallways 36 inches wide; 42 inches is recommended.

Preference for designs that include:

- Kitchen, bath, laundry, and at least one sleeping room (no smaller than 12 feet by 12 feet) on the main floor. The sleeping room can be used for different purposes at different times: den, office, playroom, etc.
- Closets "stacked" over each other in a multi-story home, in order to allow for future installation of an elevator or lift (allow at least 60 inches by 60 inches for installation)

6-a.

7.8. All building plans must have been prepared in consultation with an architect or qualified draftsman. All requirements by the Building Inspections Division must be met.

8.9. All Richfield Rediscovered houses must meet or exceed Minnesota Energy Code requirements.

9. All new homes shall be built to provide high quality sound insulation. Recommendations for sound insulation measures may be provided on a site-by-site basis. All construction must conform to sound attenuation building standards as required by Zoning Ordinance Section 541.19 for properties located within the 2007 60-62 DNL Contour and 2007 63 or greater DNL contours.

9.10. If a variance is required to construct the proposed development, the HRA may, at its sole discretion, choose to reject the application.

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40.11. If the HRA accepts an application that needs a variance(s), sale of the property will be contingent upon the applicant obtaining the necessary variance(s). The Applicant is responsible for applying for the variance(s) at its own expense. The HRA, as owner of the property, will, however, cooperate with the application.

## E. Green Community Concepts

Priority will be given to projects incorporating the green community concepts listed below. Any concepts the applicant would like considered during the application process should be explained in a written plan submitted with the application. ~~Projects that meet the attached "Green Credit Standards for Richfield Rediscovered" in addition to another feature (ADU, duplex or accessibly designed home) will be eligible for a lot price reduction. A lot price reduction will be provided to the Applicant for projects that meet the criteria outlined in the attached "Green Credit Standards for Richfield Rediscovered".~~ The lot price will be reduced by a minimum of \$5,000 up to a maximum of \$10,000 depending on the actual costs of the measures provided.

1. *Protect and conserve water and soil.* To reduce water consumption, consider the use of water-conserving appliances, fixtures, and landscaping. Steps should be taken to minimize the loss of soil and sediment during construction and occupancy to reduce storm-water sediment and air pollution.
2. *Minimize energy consumption.* Reduce energy consumption by taking advantage of natural heating, cooling and day lighting, and by using energy-efficient appliances, equipment and lighting.
3. *Enhance indoor environmental quality.* Use non-toxic materials, ventilation and exhaust systems, and moisture control products and systems.
4. *Use environmentally-preferable materials and resources.* Use locally-produced, salvaged and/or manufactured materials, products with recycled content or from renewable sources, recyclable or reusable materials, and low-VOC-emitting materials.
5. *Reduce waste.* Reduce and manage wastes generated during the construction process and operation of buildings. If demolition occurs, sort and recycle leftover materials and debris.

## VII. City Review Procedure

1. Applicant reviews proposed project with HRA staff before plans are finalized.
2. Applicant submits application, plans, and application fee at least 45 days prior to the HRA meeting.
3. An application is considered to be received when delivered personally to HRA staff in a pre-arranged meeting. If more than one application is submitted for a lot within five-working days, all applications will be reviewed, and the application that best meets the program guidelines will be selected. The application fee will be returned to the Applicant whose proposal was not selected. Following this five-day period, the lot will be considered reserved by the selected application and no additional applications will be accepted for the proposed lot while the application is being processed.

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4. If an application is determined to be incomplete, the applicant will have 30 days to submit a complete application. If a complete application is not received within 30 days, the application will be rejected and the lot will be made available for new applications.
5. HRA staff review application to ensure conformance with House Design and Site Development Requirements.
6. HRA staff may reject or accept an application at its sole discretion.
7. HRA staff may choose to issue a Request for Proposals (RFP) for a lot. In this case, Staff issues an RFP, giving a specific time period within which proposals may be submitted. HRA staff review all proposals for consistency with development criteria and program requirements. The proposal that best meets the criteria and requirements is selected to develop the lot. The applicant will have 30 days to submit a complete application. If a complete application is not received within 30 days, the application will be rejected. Staff may elect to award the lot to another submitted proposal or solicit additional proposals.
8. The Builder or Buyer executes a Contract for Private Redevelopment.
9. An application is determined to be complete at least three weeks prior to the HRA meeting.
10. HRA staff publishes a legal notice of the public hearing and prepares a report and recommendation for the HRA.
11. HRA reviews application, conducts a public hearing, and takes action at the HRA meeting.
12. If approved, the Contract for Private Redevelopment is executed by the HRA.

#### **VIII. Lot Sale to Builder or Buyer**

1. Upon approval of the application by the HRA, a closing will be scheduled between the HRA and the Builder or Buyer.
2. The HRA will prepare all statements, affidavits, documents, and general release forms required for closing.
- ~~2.3. The Builder will attend a pre-construction meeting with city staff from relevant departments.~~
- ~~3.4.~~ The Builder applies for a building permit prior to closing. The Builder is responsible for acquiring the necessary building permits with the City of Richfield Building Inspections Division. If changes to the plans are required by the Inspections Division, the applicant must notify HRA staff.
- ~~4.5.~~ The Applicant provides evidence to HRA staff that all requirements to proceed with construction, as determined in the Contract for Private Redevelopment, have been met.
- ~~5.6.~~ The HRA conveys the property to the Builder or Buyer by Quit Claim Deed. The site will be sold to the Builder or Buyer at the fair market value as appears on the Lot List.
- ~~6.7.~~ At closing with the Builder, the Builder provides a ~~Letter of Credit or~~ cash escrow for \$10,000 to the HRA.
- ~~7.8.~~ ~~At closing with the Buyer, the Buyer signs a mortgage and promissory note for \$10,000 in favor of the HRA.~~

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8.9. Upon completion of the project, the ~~Letter of Credit or~~ cash escrow is released to the Builder ~~or the Buyer's mortgage is released.~~ A Certificate of Completion is executed by the HRA, releasing the obligations of the Contract for Private Redevelopment.

## **IX. Program Marketing**

Richfield Rediscovered program marketing is entirely at the discretion of the HRA. It may include the following:

1. *Buyer Solicitation.* The HRA may market the program to potential Buyers through promotional articles, direct mail, the Internet, or other methods as deemed appropriate. Buyers may be any financially capable individual or household, including first-time buyers, move-up buyers or empty-nesters.
2. *Public Promotion.*
  - a. The HRA will periodically provide information about the program through articles in city publications, on the City's web site, on the Community Cable channel, or via press releases to promote community awareness.
  - b. A public open house may be held to provide an opportunity for residents and other interested parties to collectively view the finished homes. The Parade of Homes Fall Showcase and Spring Preview may also accomplish this.
  - c. Photos will be taken of finished homes and may be used to promote the program.

A program information package will be mailed to all interested participants. The information packet may include the following:

1. Lot List
2. Richfield Rediscovered Lot Sale Procedural Guidelines
3. Application Form
4. Sample Contract for Private Redevelopment

## **X. Data Privacy**

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

**RICHFIELD REDISCOVERED  
PROCEDURAL GUIDELINES  
REDEVELOPMENT CREDIT PROGRAM**

Revised: ~~June 21~~November, 2022~~1~~

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This document has been developed as a guidance tool for program administration. It should not be interpreted as constituting any contractual agreement or liability by the City or Housing and Redevelopment Authority (HRA).

## **I. Program Objectives**

- To remove substandard, functionally obsolete housing on scattered sites throughout the city with new, higher-valued housing
- To eliminate the blighting influence of substandard housing, thus improving residential neighborhoods.
- To alleviate the shortage of housing choices for families.
- To facilitate "Market Rate Initiatives" which include:
  - Larger three- to four-bedroom, owner-occupied homes designed for families
  - Accessory dwelling units.
  - Sustainably built homes.
  - Owner-occupied duplexes
  - Accessible homes.

These objectives will be achieved through the acquisition of property by private Buyers and the development of newly constructed homes.

## **II. Definitions**

Accessory Dwelling Unit: A dwelling unit that is located on the same lot as a principal residential structure to which it is accessory, and that is subordinate in area to the principal dwelling. These may be attached to either the primary home or the garage, but cannot be freestanding and must meet all applicable zoning code requirements

*Buyer:* An individual(s) who will build, own and occupy a new single-family home in Richfield.

The Buyer will occupy the property and not offer it for rent. The Buyer may not also function as the Builder on a Richfield Rediscovered project. The Buyer and Builder must be unrelated separate legal entities. A speculative project by a Buyer may be considered if all other program requirements can be met. However, neither the Buyer, the Buyer's Builder or Builder's subcontractors, or the Builder's realty agents may occupy or purchase the property.

Buyers, unless licensed in the trade specified, may not put any sweat equity into the construction of the foundation, wall/roof framing, shingling, exterior work, electrical/plumbing/HVAC systems or interior carpentry.

A Buyer, and all members of his/her household, is limited to building a home through the program no more than once every seven years.

*Builder:* Contractor who has signed contract with the Buyer to build a single-family home on the lot identified in the application.

*Contract for Private Development:* A contract between the HRA and the Buyer or Builder that establishes the conditions under which the lot will be sold and the proposed house will be developed.

Deconstruction: the process of carefully removing components of the home so the materials can be recycled, repurposed, or reused instead of being sent to a landfill. Once all materials that can be salvaged are removed, the remainder of the foundation will be demolished. Grants may be available through Hennepin County to help offset the costs.

Duplex- A residential building used for occupancy by two (2) families living independently of each other, where both units are situated on the same parcel of land. At least one unit must be owner-occupied in order to be eligible for the Richfield Rediscovered program.

*Green Community Concepts Plan:* A written plan indicating how the proposed development will incorporate green building features and concepts. Priority will be given to projects that incorporate green building features.

*HRA:* Housing and Redevelopment Authority in and for the City of Richfield.

*Seller:* Owner of property identified as eligible by the HRA based on condition, size and marketability.

*Redevelopment Credit:* To offset costs of acquisition and demolition, a redevelopment credit of \$50,000 is available from the HRA for a Buyer who acquires the property directly from the seller for redevelopment.

### **III. Program Basics**

- Program is first-come, first-serve, subject to funding availability.
- Buyer purchases property, hires builder to demolish existing structures and constructs a new single-family home in conformance with program requirements.
- A \$50,000 Redevelopment Credit is available per completed property.
- Projects must be completed within one year of HRA approval of the project.
- A Buyer, and all members of his/her household, is only eligible to receive a Redevelopment Credit once every seven years

### **IV. Application Requirements**

The following must be submitted for application to the program:

1. \$550 application fee  
An application fee, in the form of a certified cashier's check made out to the Richfield HRA, must be paid at the time of application. This fee is non-refundable and is not part of the lot price.
2. Project Information Sheet
3. Purchase agreement  
The Buyer must present a valid purchase agreement for the lot it proposes to redevelop. The closing must be scheduled after the date of the HRA meeting.
4. Blueprints  
The layout of all levels, including basement and unfinished space, must be provided.
5. Elevations  
Elevations of all four sides of the house, including view of garage shall be provided.
6. Site plan  
The site plan shall indicate the location of the new house, walkways and garage.
7. Landscaping plan  
A landscaping plan may be hand-drawn by the applicants, but must indicate the location and type of trees, shrubbery, flowers and landscaping materials (e.g. rocks, mulch). The entire grounds shall be landscaped and be aesthetically pleasing in all seasons. Land forms and plant materials shall be used to define the site and blend neatly with adjoining

properties. Specific lot line blending requirements may be required, as appropriate, for specific sites.

8. Green Community Concepts Plan  
The plan should indicate what Green Community Concepts will be incorporated into the project.
9. Detail of construction materials to be used on the project.
10. Construction timeline  
Construction must be completed with one year of the purchase of the property.
11. Signed contract with Builder
12. Financial capability statement
  - a. A statement from a financial institution indicating willingness, with standard contingencies, to provide sufficient construction capital to complete the project.
13. Builder References
  - a. Five previous customers
  - b. Three major suppliers, one being the construction supplier
  - c. Building inspectors from two cities where the Builder has constructed new housing within the past three years
14. Proof of Builder's Comprehensive General Liability with Property Damage Protection.
15. Proof of sufficient worker's compensation insurance coverage by the Builder.
16. Written warranty program
  - a. To be provided to the Buyer, which guarantees at a minimum, warranted repairs as required by Minnesota State Statute.

## **V. Securing a Site**

Participants identify a property on their own or from a list of Richfield Rediscovered-eligible properties provided by HRA staff. If the property has not already been qualified for the program, it must be evaluated for substandardness or market obsolescence. Upon request of a prospective Buyer, HRA staff may research the property, and arrange for a "Substandard Evaluation" to be conducted. An evaluator will inspect the interior for substandard qualification.

The Buyer is responsible for negotiating with the Seller on a purchase price. Once a purchase agreement between the Seller and Buyer has been signed, the Buyer should submit an application form and required supporting documents. Only when HRA staff has received a complete application, can the \$50,000 Redevelopment Credit be reserved. The reservation of funds is not an approval by the HRA. All applications must be brought to the HRA at a regularly-scheduled meeting for approval.

## **VI. Property Evaluation Considerations and Procedures**

Properties with the lowest market values, poorest visibility, and/or a history of code violations, will be considered first for the program.



To be eligible for the Richfield Rediscovered program, a house must be structurally substandard and meet at least of one of the criteria in **Criteria A** and all of **Criteria B**.

#### **Criteria A**

- Obsolete design for block and area in which it is located.
- Deteriorated to the point that it has caused blight to other adjoining properties.
- Detrimental to the health or safety of abutting properties.
- Less than \$140,000 in value, as determined by the City of Richfield Assessing Department.

#### **Criteria B**

- Site can be developed with a new home within city code requirements, including conformance with the Zoning Code and the Comprehensive Plan
- Property does not cause negative impact on other redevelopment projects. Redevelopment projects may include:
  - Established commercial redevelopment areas
  - Right-of-way improvement projects such as I-494, I-35W, Crosstown Highway 62, , TH 77 and 66<sup>th</sup> Street
  - Negative airport noise zones
  - Stormwater/flood prevention improvement projects
  - Other, as determined by the HRA

At the request of an interested Buyer, staff will research the property and if it is believed that the property may qualify for the Richfield Rediscovered program, a "Substandard Evaluation" will be arranged. An evaluator will inspect the interior for substandard qualification.

If a property meets the substandard test during the independent "Substandard Evaluation", application procedures can continue. If the substandard test cannot be met, the property cannot be considered for the Richfield Rediscovered program.

At the discretion of staff, properties over 50 years old may also be required to be evaluated for historical significance through the Minnesota Historical Society.

### **VII. House Design and Site Development Requirements**

Housing design is a critical element of the program. Siding materials, exterior façade presentation, roof, window, siding and building line variability, finished landscape, interior space function and use are all important issues of design to the HRA. The criteria were created to ensure that the homes built on the identified lots blend in with the surrounding neighborhood and respond to the specific concerns of the HRA.

All new houses built under the Richfield Rediscovered Program must meet the requirements of the City's Zoning Code and additional criteria, as listed in this document.

The development of all sites shall meet the development criteria listed below, as reviewed and approved by the HRA. To maximize the development of a given lot, the HRA reserves the right to explore all development options without obligating the HRA to support any specific proposal, idea or solicitation.

#### **A. New Home Standards**

1. Existing buildings must be ~~demolished~~ deconstructed. If not feasible, an exemption may be requested from HRA staff. If an existing garage is in good condition, it may be retained upon review by HRA staff and the Building Official.
2. New dwelling must be owner-occupied and single-family.
3. Three finished bedrooms are required.
4. Two finished bathrooms are required.
5. Two-car garage is required.
6. A full basement is required, unless the selected design results in a split-level or a garden-level type of basement. In the case of an "accessible" house, a basement may be omitted if it would otherwise prohibit accessible design elements.
7. Must incorporate additional accessibility features as outlined in the Program Guidelines.
8. Home must feature either an accessory dwelling unit, green design, duplex, accessible design, or other unique feature that furthers HRA housing goals as approved by the HRA.

6-9.

## B. Site Standards

1. After construction, the site must be fully landscaped, including plantings around the foundation. The entire grounds shall be landscaped and be aesthetically pleasing in all seasons. Land forms and plant materials shall be used to define the site and blend neatly with adjoining properties. Specific lot line blending requirements may be required, as appropriate, for specific sites.

The applicant must meet the "Landscaping and Screening Requirements" in the City's Zoning Code under Section 544.03, Subd. 4, General landscaping requirements and Subd. 5, Residential sites. The code is available on the City's website: <http://www.richfieldmn.gov>. Additionally, one approved landscaping feature will be required in both the front yard and back yard. Examples of acceptable landscaping features are: native plantings, pollinator gardens, and food gardens. The square footage of the landscaping feature must be reasonable in relation to lot size. SSOM compost will be required for all installations.

2. To the greatest extent possible, existing trees should be preserved. Any trees removed must be replaced (they do not have to be the same species or in the same location) and should be labeled on the required landscape plan. A lot review will be conducted by City staff to determine the health of existing trees as well as ideal placement of new trees to increase natural cooling efficiency. New trees must be species from the Forestry Department's approved list. A total of three trees will be required on the lot, including existing trees that can be preserved. A boulevard tree must be planted if there is not an existing one on the lot.

Unless otherwise specified by the Public Works Director, all tree species and their cultivars and varieties planted on the boulevard shall conform to the American Association of Nurserymen Standards and be at least 1 ½ to 2 inches (1.5-2") in diameter, six inches (6") above ground level, and at least nine feet (9') in height when planted. The crown shall be in good balance with the trunk.

3. Utility meters shall be screened from street view and locations must be specified on plans.
4. Site drainage should be accommodated on the site so that water is directed away from the new home and the neighboring properties. All downspouts must drain into the grass, a garden, or a rainwater harvesting system. Neighboring properties must not be disturbed by the creation of drainage swales. Specific storm water management requirements may be required, as appropriate, including the addition of gutters for specific sites. Construction and the finished structure must not have detrimental impact on storm water drainage patterns in the neighborhood.

5. All air conditioning units must be located in the rear yard of the house or as approved by the HRA.

### C. Construction Requirements

1. Existing trees must be protected during construction. A tree wrap with board reinforcements shall be used on trees directly adjacent to active grading and construction area. Damaged or destroyed trees must be replaced.
2. The construction site, neighboring properties and adjacent public streets shall be kept free of construction debris at all times.
3. No construction workers, construction equipment or construction material shall encroach upon neighboring properties.
4. ~~The property shall have a new sanitary service line installed to the city sanitary sewer main consisting of schedule 40 PVC or equivalent per city standards. If there is an existing 6" sewer stub at the property line, it must be fully lined with 4" schedule 40 PVC or equivalent an approved CIPP product of the same sewer size to the city's sanitary main, and it must include a "donut" at the end with cement.~~  
The line must be televised after installation to ensure the line meets city standards, following:
  1. ~~There are no obstructions in the line.~~
  2. ~~The PVC liner is not protruding into the city's sanitary sewer main line.~~

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### D. General Standards

1. The value of the new home must meet or exceed the minimum value specified in the Contract for Private Redevelopment.
2. All homes in the Richfield Rediscovered Program must be stick-built or high-quality modular, new construction and the design must include one of the following features:
  - a. Accessory Dwelling Unit
  - b. Meet the attached "Green Credit Standards for Richfield Rediscovered" and include either solar panels, geothermal heating or other sustainable feature as approved by the HRA.
  - c. Be an owner-occupied duplex
  - d. Fully accessible per the criteria outlined in the Minnesota Accessibility Code Section 1002: Accessible Units.
  - e. Other unique design that furthers HRA housing goals, as approved by the HRA
3. Exterior materials (siding, soffit, doors and windows) should be low-maintenance and durable. Brick, ~~aluminum, vinyl, stucco~~ and fiber cement siding are preferred. Natural cedar lap is acceptable if properly stained or painted. Hardboard panels or hardboard lap siding are prohibited. Roof valleys should have metal valleys and not be woven.
4. Unit height and mass of the new house shall be compatible with the scale of the surrounding homes in the neighborhood.
5. Plans must present a balanced and pleasing distribution of wall, door and window areas from all views.
6. The dominance of the garage door must be minimized through placement, architectural detail, door design and utilization and design of windows. Front-loaded garages (where the garage door faces the street), shall not be located closer to the front lot line than the foremost facade of the

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principal building facing the front property line. Garage sidewalls that face the street should appear to contain habitable space. This can be accomplished by incorporating windows and other design elements into the garage wall that are in character with the remainder of the dwelling. For lots that have alley access, the garage should be oriented to access the alley.

7. At minimum, home design must meet the following standards of accessibility:

- Exterior
  - All walkways at least 36 in wide
  - Attention paid to entrance accessibility (railings, stair tread measurements, slope etc)
  - Outside light with motion control at entryways
- Entryways
  - One half inch threshold
  - 36 in clear opening
  - Five foot by five foot by five foot landing on each side of door
  - Covered entry
- All doors
  - Lever style door handles (not round doorknobs)
  - 32 in clear opening for all doors
  - Flush entrance for interior doors
  - 18 in clearance beyond latch
- Bathrooms
  - All bathrooms must have reinforcements in place for placement of future grab bars
  - Wheelchair turning radius included in at least one ground floor bathroom
- Lit closets
- Laundry room- Clear floor space 36 inches wide extending full length of appliances plus 18 inches to either side of clothes washer and dryer.
- 48 inches between counters in kitchen
- Large rocker-style light switches that are easy to use
- Hallways 36 inches wide; 42 inches is recommended.

Preference for designs that includes:

- Kitchen, bath, laundry, and at least one sleeping room (no smaller than 12 feet by 12 feet) on the main floor. The sleeping room can be used for different purposes at different times: den, office, playroom, etc.
- Closets "stacked" over each other in a multi-story home, in order to allow for future installation of an elevator or lift (allow at least 60 inches by 60 inches for installation)

~~6.~~

~~7.8.~~ All building plans must have been prepared in consultation with an architect or qualified draftsman. All requirements by the Building Inspections Division must be met.

~~8.9.~~ All Richfield Rediscovered houses must meet or exceed Minnesota Energy Code requirements.

~~9.10.~~ All new homes should be built to provide high quality sound insulation. Recommendations for sound insulation measures may be provided on a site-by-site basis. All construction must conform to sound attenuation building standards as required by Zoning Ordinance Section 541.19 for properties located within the 2007 60-62 DNL Contour and 2007 63 or greater DNL contours.

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40.11. If a variance is required to construct the proposed development, the HRA may, at its sole discretion, choose to reject the application.

44.12. If the HRA accepts an application that needs a variance(s), sale of the property will be contingent upon the applicant obtaining the necessary variance(s). The Applicant is responsible for applying for the variance(s) at its own expense.

#### **E. Green Community Concepts**

Priority will be given to projects incorporating the green community concepts listed below. Any concepts the applicant would like considered during the application process should be explained in a cover letter submitted with the application. Projects that meet the attached "Green Credit Standards for Richfield Rediscovered" in addition to another feature (ADU, duplex or accessibly designed home) will be eligible for an additional credit. An additional credit will be provided to the Applicant for projects that meet the Criteria outlined in the attached "Green Credit Standards for Richfield Rediscovered". The credit amount will be a minimum of \$5,000 up to a maximum of \$10,000 depending on the actual costs of the measures provided.

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1. *Protect and conserve water and soil.* To reduce water consumption, consider the use of water-conserving appliances, fixtures, and landscaping. Steps should be taken to minimize the loss of soil and sediment during construction and occupancy to reduce storm-water sediment and air pollution.
2. *Minimize energy consumption.* Reduce energy consumption by taking advantage of natural heating, cooling and day lighting, and by using energy-efficient appliances, equipment and lighting.
3. *Enhance indoor environmental quality.* Use non-toxic materials, ventilation and exhaust systems, and moisture control products and systems.
4. *Use environmentally-preferable materials and resources.* Use locally-produced, salvaged and/or manufactured materials, products with recycled content or from renewable sources, recyclable or reusable materials, and low-VOC-emitting materials.
5. *Reduce waste.* Reduce and manage wastes generated during the construction process and operation of buildings. When demolition occurs, consider the sorting and recycling of leftover materials and debris.

#### **VIII. City Review Procedure**

1. Applicant reviews proposed project with HRA staff before plans are finalized.
2. HRA Staff will review application to ensure conformance with House Design and Site Development Requirements.
3. HRA staff prepares a report and recommendation for the HRA.
4. A Contract for Private Redevelopment is reviewed and signed by applicants in advance of the HRA meeting.
5. HRA reviews application and takes action at the HRA meeting.

6. If approved, the Contract for Private Redevelopment is executed by the HRA.

7. The Builder will attend a pre-construction meeting with city staff from relevant departments.

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~~6.~~

~~7.8.~~ Upon approval by the HRA, the applicant is responsible for acquiring the necessary building and demolition permits with the City of Richfield Inspections Department. If changes are required, the Buyer must notify HRA staff.

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#### **IX. Disbursement of Funds**

Approved projects are eligible for a \$50,000 Redevelopment Credit. The Credit will be dispersed upon completion of the project (including landscaping) and the issuance of a Certificate of Completion by the Building Official. A lender may require a portion of the Redevelopment Credit be held as an escrow as part of the interim financing of the project, only to be released upon project completion.

The Buyers may also request the Redevelopment Credit to be issued in three installments. The first installment of \$20,000 would be issued at the time of closing, the second for \$20,000 when permits are pulled and the third for \$10,000 when the project has been completed and a Certificate of Completion has been issued by the Building Official. A mortgage will be filed and a lien put on the house until the project has been completed. Filing fees are the responsibility of the applicant.

The disbursement of funds will be outlined in the Contract for Private Redevelopment, to be executed by the HRA and the Buyer.

#### **X. Solicitation of New Development Proposals**

The HRA will advertise the Richfield Redevelopment program in publications or newspapers, by direct mail, or other methods as deemed appropriate, to solicit interest.

When the HRA has property information, it will provide the address of the property, lot dimensions and contact information of the seller. Interested parties may contact the owners directly. All purchase negotiations and timing issues must be resolved between the parties.

Properties identified by the applicant may also qualify. The HRA will review each one on a case-by-case basis.

A program information package will be available upon request to interested Buyers. The information packet will include the following:

- Richfield Rediscovered Procedural Guidelines
- Sample Contract for Private Redevelopment
- Application Cover Sheet
- Project Information Sheet
- Lot List

#### **XI. General Program Marketing**

Richfield Rediscovered program marketing is entirely at the discretion of the HRA. It may include the following:

1. *Buyer Solicitation.* The HRA may market the program to potential Buyers through promotional articles, direct mail, the Internet, or other methods as deemed appropriate. Buyers may be any financially capable individual or family, including first-time buyers, move-up buyers or empty-nesters.
2. *Public Promotion.*

- a. The HRA will periodically provide information about the program through articles in city publications, on the City's web site, on the Community Cable channel, or via press releases to promote community awareness.
- b. A public open house may be held to provide an opportunity for residents and other interested parties to collectively view the finished homes. The Parade of Homes Fall Showcase and Spring Preview may also accomplish this.

## **XII. Data Privacy**

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

## Green Credit Standards for Richfield Rediscovered

	Requirement	Details
<b>Overall Certification</b>	Obtain one of the listed certifications, or propose a different certification to be approved by City staff. Share the submitted certification checklist or documents with City staff.	<input type="checkbox"/> GreenStar Homes – Silver <input type="checkbox"/> MN GreenPath – Advanced or Master <input type="checkbox"/> ENERGY STAR
<b>Tree Standards</b>	<p>4 trees must be on the lot. Existing trees that remain throughout construction count towards this total.</p> <p>Must plant a boulevard tree if there is not an existing one.</p>	<p>Trees must be from the list of approved species (see attached). At least one ornamental must be a tree and not a shrub. Staff will conduct a lot review for ideal placement to increase natural heating/cooling efficiency.</p> <p>Unless otherwise specified by the Public Works Director, all tree species and their cultivars and varieties planted on the boulevard shall conform to American Association of Nurserymen Standards and be at least 1½ to 2 inches (1.5-2”) in diameter, six inches (6”) above ground level, and at least nine feet (9’) in height when planted. The crown shall be in good balance with the trunk.</p>
<b>Landscaping</b>	50% of “unbuilt” green space must be alternatively landscaped. One feature must be located in the front yard. SSOM compost use is required to fulfill this standard.	<p><u>Approved landscaping elements:</u></p> <input type="checkbox"/> Native grasses/natural or conservation landscaping <input type="checkbox"/> Gardens (pollinator, flower, food, etc.) <input type="checkbox"/> Xeriscaping <input type="checkbox"/> other proposals as approved by City staff



<b>Water Conservation</b>	<p>Must include 1 or more features.</p> <p>All downspouts must be disconnected and drain into the grass, a garden, or a rainwater harvesting system.</p> <p>Install water-conserving appliances and fixtures.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Install a grass strip in the middle of the driveway for less impervious pavement.</li> <li><input type="checkbox"/> Install a rainwater harvesting system (i.e. a cistern) or rain barrels.</li> <li><input type="checkbox"/> Use permeable materials in walkways or patios.</li> </ul>
<b>Materials</b>	<p>Must include 1 or more features.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Enhance indoor environmental quality by using non-toxic building materials, ventilation and exhaust systems, and moisture control products and systems.</li> <li><input type="checkbox"/> Use locally-produced, salvaged and/or manufactured materials, products with recycled content or from renewable sources, recyclable or reusable materials, and low-VOC-emitting materials.</li> <li><input type="checkbox"/> Reduce waste generated during the construction process and operation of buildings. If demolition occurs, sort and recycle leftover materials and debris.</li> </ul>
<b>Energy Efficiency</b>	<p>Must include 1 or more features.</p> <p>All LED lighting, a programmable thermostat, a high-efficiency HVAC system, and attic insulation are required.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Reduce energy consumption by taking advantage of natural heating, cooling and day lighting.</li> <li><input type="checkbox"/> Install conduit for an EV charger so the garage is “EV-ready”.</li> <li><input type="checkbox"/> Install solar panels.</li> <li><input type="checkbox"/> Install a heat pump system.</li> <li><input type="checkbox"/> Install all electric appliances.</li> </ul>
<b>Other</b>	<p>One of these features may count towards any of the above categories (except Trees, Landscaping, and</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Install a green roof. Green roofs help manage storm water by mimicking hydrologic processes normally associated with open space. Plants capture rainwater and absorb it in their root zone, encouraging evapotranspiration and preventing much stormwater</li> </ul>

	Overall Certification)	from entering runoff streams. <input type="checkbox"/> Deconstruction of any existing building onsite.
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### List of Acceptable Tree Varieties

General conditions for selecting varieties of trees suitable are: hardiness, upright growth characteristics, lack of fruit or nuts, local availability, and price. Other varieties may be accepted by the City Forester.

### Deciduous or coniferous trees

Birch, Prairie Dream  
 Birch, River  
 Birch, Whitespire  
 Buckeye, Autumn splendor  
 Coffeetree, Kentucky-Espresso  
 Elm, New Harmony  
 Elm, New Horizon  
 Elm, Princeton  
 Elm, Valley Forge  
 Ginkgo, Autumn Gold  
 Ginkgo, Princeton Sentry  
 Hackberry  
 Honeylocust, Imperial  
 Honeylocust, Northern Acclaim  
 Honeylocust, Skyline  
 Honeylocust, Streetkeeper  
 Honeylocust, Sunburst  
 Ironwood  
 Linden, American  
 Linden, Blvd.  
 Linden, Glenleven  
 Linden, Greenspire

Linden, Redmond  
 Linden, Sentry  
 \*Maple, Amur  
 \*Maple, Hybrids (Autumn Blaze, Fantasy, Firefall and Radiance)  
 \*Maple, Norway  
 \*Maple, Sugar  
 \*Maple, Red  
 Oak, Bur  
 Oak, Crimson Spire  
 Oak, Heritage  
 Oak, Northern Pin  
 Oak, Red  
 Oak, Regal Prince  
 Oak, Swamp White  
 Oak, Warei 'Long'  
 Pine, White

\*Maples are allowed but not recommended due to their prevalence in Richfield.

### Ornamental trees

Ash, Showy Mountain  
Beech, Blue  
Crabapple, Donald Wyman  
Crabapple, Harvest Gold  
Crabapple, Pink Spires  
Crabapple, Prariefire  
Crabapple, Rejoice  
Crabapple, Royal Raindrops  
Crabapple, Spring Snow  
Crabapple, Velvet Pillar  
Hawthorn, Russian  
Hawthorn, Thornless  
Japanese Tree Lilac, Ivory Silk  
Japanese Tree Lilac, Summer Storm

### Prohibited Trees

Amur Cork  
Amur Maple  
Ash  
Autumn Olive  
Black Locust  
Boxelder  
Buckthorn  
Ginko (female only)  
Mulberry  
Non-disease resistant elm species  
Nonhybrid cottonwood species  
Norway Maple  
Russian Olive  
Siberian Elm  
Siberian Peashrub  
Tree of Heaven