

City of Richfield
Richfield Housing and Redevelopment Authority
Richfield Economic Development Authority
Inclusionary Affordable Housing Policy

The City of Richfield, Richfield Housing and Redevelopment Authority, and Richfield Economic Development Authority are committed to building a community that is welcoming and affordable to a diverse population of individuals and families at all stages of their lives. As such, we hereby establish the following policy for the inclusion of affordable housing in development proposals.

Requirements

1. Housing Development Projects containing the construction of at least 5 new units that receive Financial Assistance from the HRA, EDA or City:
 - a. Must contain a percentage of units that are affordable at one or more of the following levels over a period of fifteen years or the duration of the subsidy (whichever is longer):
 - i.

Affordability Level	% of Units
RENTAL	
60% of Area Median Income (AMI)	20%
50% of AMI	15%
30% of AMI	10%
OWNER-OCCUPIED	
115% of AMI	20%
100% of AMI	15%
80% of AMI	10%

- ii. A combination of affordability levels may be considered (e.g., 10% at 60% AMI and 5% at 30% AMI).
- iii. A mix of bedroom sizes similar to that of the overall building must be provided. A reduction in the overall number of affordable units may be considered if a greater number of 2 and/or 3 bedroom units are provided.

and

- b. Must contain a minimum of 5% rental units that are Type A, per ANSI A117.1 Section 1003 of the 2020 Minnesota Accessibility Code, with a roll-in shower or 3% of rental units that are Accessible, per ANSI A117.1 Section 1002 of the 2020 Minnesota Accessibility Code, with a roll-in shower. Grab bars must also be installed in Type A units, or the developer and any future owner must agree to pay for installation upon request. A combination of Accessible and Type A units may also be considered. Units beyond those required by the Building Code must meet the affordability and mix of bedroom sizes as required in 1a.

Or

- c. Must contribute to the Richfield Housing and Redevelopment Fund
 - i. 15% of the “net present value” of Tax Increment generated by the project (or 15% of the net present value of other types of assistance) must be pledged to the Richfield Housing and Redevelopment Fund over a period of fifteen years or the duration of the subsidy (whichever is longer), or
 - ii. A pro-rata combination of the above (i.e. 10% affordable units and a 7.5% contribution) may be considered, and
 - iii. The accessibility component of 1b must still be met (the units may be market-rate) or an additional up-front cash payment of \$5,000 per required unit made to the City’s Affordable Housing Trust Fund.

and

- d. Must agree to provide 90 days’ advance notice to the public body providing funding of any sale of the property,
and;
 - e. Must agree to not discriminate against households utilizing Housing Choice Vouchers (Section 8) or other forms of rental assistance.
2. Development Projects that receive Financial Assistance from HRA, EDA or City and which result in the loss of affordable housing:
 - a. Affordable housing units eliminated by the project must be replaced on-site or at another location in Richfield by the developer at similar affordability levels, or;
 - b. 5-15% (depending on the magnitude of the loss of affordable housing) of the “net present value” of the Financial Assistance provided must be pledged to the Richfield Housing and Redevelopment Fund over a period of fifteen years or the duration of the subsidy (whichever is longer).

Incentives

3. Housing Development Projects which include affordable units (as outlined in 1a above) are eligible to apply to the City for the following considerations regardless of whether or not they receive Public Financial Assistance:
 - i. Building Permit Fee Reductions e.g., ;
 - ii. 4d Property Tax Reduction (rental projects);
 - iii. Consideration of code flexibility (e.g., smaller setbacks, excessive impervious surface, etc.) in planned unit developments;
 - iv. A housing unit density bonus of 5-15% (e.g., a project in an area that allows 8-24 units/acre could add an additional 1-4 units/acre and remain in compliance).

Exceptions

4. With regards to “scattered-site single family housing development,” at least 20% of the units newly constructed or rehabilitated and converted to long-term affordability in any three-year period must meet the proscribed affordability requirements.

5. With regards to projects between 5 and 19 units, the Community Development Director may grant exceptions to the policy as circumstances warrant.
6. The City Council or Board of Commissioners of the Housing and Redevelopment Authority or Economic Development Authority may vary the application of this policy as circumstances warrant or as a developer identifies alternative means of addressing the spirit and intent of this policy, with the adoption of findings of the reasons for doing so.

Adopted as revised:

This 27th day of April, 2021 by the Richfield City Council.

María Regan JAZ

Mayor

E. Wantoose

City Clerk

This 19th day of April, 2021 by the Richfield Housing and Redevelopment Authority.

Mary B. Supple

Chair

María Regan JAZ

Secretary

This 19th day of April, 2021 by the Richfield Economic Development Authority.

Mary B. Supple

President

[Signature]

Executive Director