



Richfield Housing and Redevelopment Authority
Agenda
November 17, 2025 -- 7:00 PM
Richfield Municipal Center
Council Chambers
6700 Portland Avenue South

- 1. Call to Order**
- 2. Roll Call**
- 3. Open Forum**
 - a. Participants can share their comments in person, by voicemail, or email, and may also request to participate virtually. For more information on submitting comments, refer to the HRA Agenda and Minutes page on the [City's Website](#).
- 4. Approval of the Agenda**
- 5. Approval of Minutes**
 - a. Approval of the minutes of the Regular Housing and Redevelopment Authority meeting of September 15, 2025.
- 6. Presentations**
 - a. TIF Status Presentation
- 7. Consent Calendar**

Consent Calendar contains several separate items, which are acted upon by the HRA in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further HRA action on these items is necessary. However, any HRA Commissioner may request that an item be removed from the Consent Calendar and placed on the regular agenda for HRA discussion and action. All items listed on the Consent Calendar are recommended for approval.

 - a. Consideration of a resolution authorizing an amendment to the Developer Agreement with West Hennepin Affordable Housing Land Trust.
- 8. Consideration of Items, if Any Removed From Consent Calendar**
- 9. Public Hearings**
- 10. Resolutions**
 - a. Consider an Amendment to the 2022 Spending Plan for unobligated tax increment.
 - b. Consideration of a resolution authorizing the decertification of Tax Increment Financing District No. 2020-2
 - c. Consider a resolution authorizing decertification of the Urban Village Tax Increment Financing District.
 - d. Consider a resolution authorizing decertification of the Interchange West / Lyndale Gateway Tax Increment Financing District.
- 11. Other Business**
- 12. Executive Director's Report**
- 13. HRA Discussion Items**
- 14. Approval of Claims**
- 15. Adjournment**

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

Includes Materials - Materials relating to these agenda items can be found in the HRA agenda packet located by the entrance. The complete HRA agenda packet is available electronically on the [City of Richfield's website](#).



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota
Regular Meeting
September 15, 2025

1. CALL TO ORDER

Chair Vrieze Daniels called the meeting to order at 7:00 PM in the Council Chambers.

2. ROLL CALL

HRA Present: Erin Vrieze Daniels, Chair; Gordon Hanson; Sean Hayford Oleary; Mary Supple; John Young.

Staff Present: Melissa Poehlman, Executive Director; Julie Urban, Assistant Community Development Director; and Michelle Friedrich, City Clerk.

3. OPEN FORUM

Chair Vrieze Daniels gave instructions on how to participate in the open forum. No residents participated.

4. APPROVAL OF THE MINUTES

MOTION: made by Hanson, seconded by Young to approve the minutes of the Housing and Redevelopment Authority regular meeting Minutes of August 18, 2025, as presented.

Motion carried: 5-0

5. APPROVAL OF THE AGENDA

MOTION: made by Hayford Oleary, seconded by Supple to approve the agenda as presented.

Motion carried: 5-0

6. PRESENTATION

No items were presented.

7. CONSENT CALENDAR

Executive Director Poehlman presented the consent calendar items.

- a. Consideration of a Loan Agreement and related documents with Penn Station Apartments, LLLP for a Tax Base Revitalization Account Grant.
- b. Consideration of an Estoppel Certificate and an Assignment and Assumption Agreement of the Contract for Private Development for the Riley-Richlyn development.

MOTION: made by Supple, seconded by Young, to approve the consent calendar as presented.
Motion carried: 5-0

8. CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM THE CONSENT CALENDAR

None.

9. PUBLIC HEARINGS

None.

10. RESOLUTION(S)

- a. Accepting A Bring It Home Minnesota Funding Award

Assistant Community Development Director Urban presented the resolution for the Bring It Home Minnesota funding award. An overview of the program’s funding was provided, including key parameters and procedural details.

The HRA Commission and staff engaged in discussion on several related topics, including housing voucher allocations, census data, the two-year application timeline, the work-from-home program, and Section 8 housing. Assistant Community Development Director Urban also reviewed the waiting list process and addressed anticipated challenges related to future funding and start-up costs. The Commission expressed appreciation to staff for their efforts on the project.

MOTION: made by Hayford Oleary, seconded by Young, to adopt the Resolution accepting the Bring it Home Minnesota Funding Award.

**RESOLUTION NO. 1516
RESOLUTION ACCEPTING THE BRING IT HOME MINNESOTA FUNDING AWARD**

Motion carries: 5-0

11. OTHER BUSINESS

No items were discussed.

12. EXECUTIVE DIRECTOR REPORT

Executive Director Poehlman reported that Hemple has closed on three projects, with permit applications submitted for exterior building work. Explained estimated improvement costs are approximately \$7.2 million, to be completed as tenants vacate the properties. Executive Director Poehlman also noted a \$22,000 Met Council grant, which will be used to develop a new housing program in conjunction with LAHA funds starting in October.

13. HRA DISCUSSION ITEMS

No items were discussed.

14. APPROVAL OF CLAIMS

MOTION: made by Young, seconded by Hanson, to approve claims:

<u>U.S. BANK</u>	<u>09/15/2025</u>
HRA Checks #37282-37293	\$64,777.49
Section 8 Checks #137063-137149	\$230,632.14
TOTAL	<u>\$295,409.63</u>

Motion carried: 5-0

15. ADJOURNMENT

This meeting was adjourned by unanimous consent at 7:14 p.m.

Date Approved: November 17, 2025

Erin Vrieze Daniels
HRA Chair

Michelle Friedrich
City Clerk

Melissa Poehlman
Executive Director

DRAFT



Richfield Housing and Redevelopment Authority

2025 Tax Increment Financing Update

November 17, 2025

Overview

- What is TIF?
- TIF Management Plan completed 2023
 - ✓ Assess opportunities and challenges
 - ✓ Compliance requirements
 - ✓ Details by District for City and HRA staff
- Review 2025 updates

What is Tax Increment Financing (TIF)?

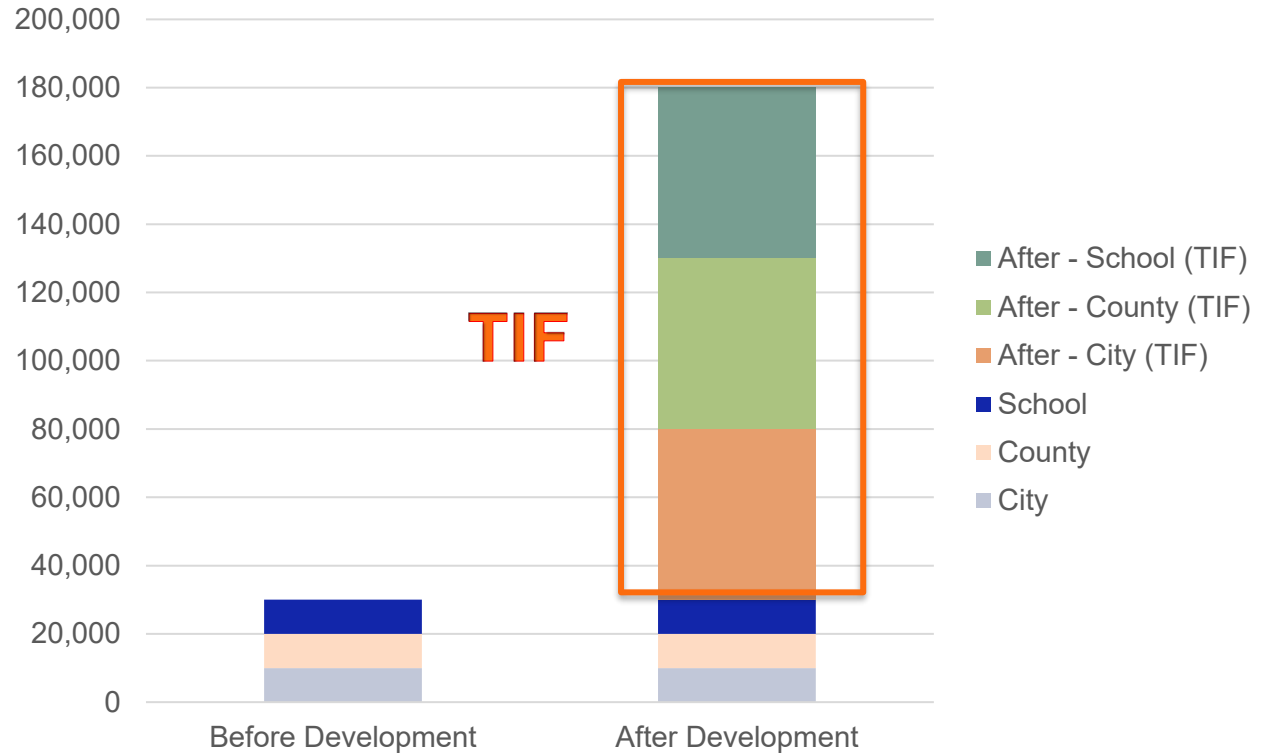
The background of the slide is a photograph of the Minnesota State Capitol building at dusk. The building is illuminated with warm lights, and its large, ornate dome is the central focus. The sky is a deep blue, and the foreground shows a well-maintained green lawn with some trees and a paved walkway.

The ability to capture and use most of the **increase** in local property tax revenues from **new development** within a defined geographic area for a defined period of time **without** approval of the other taxing jurisdictions.

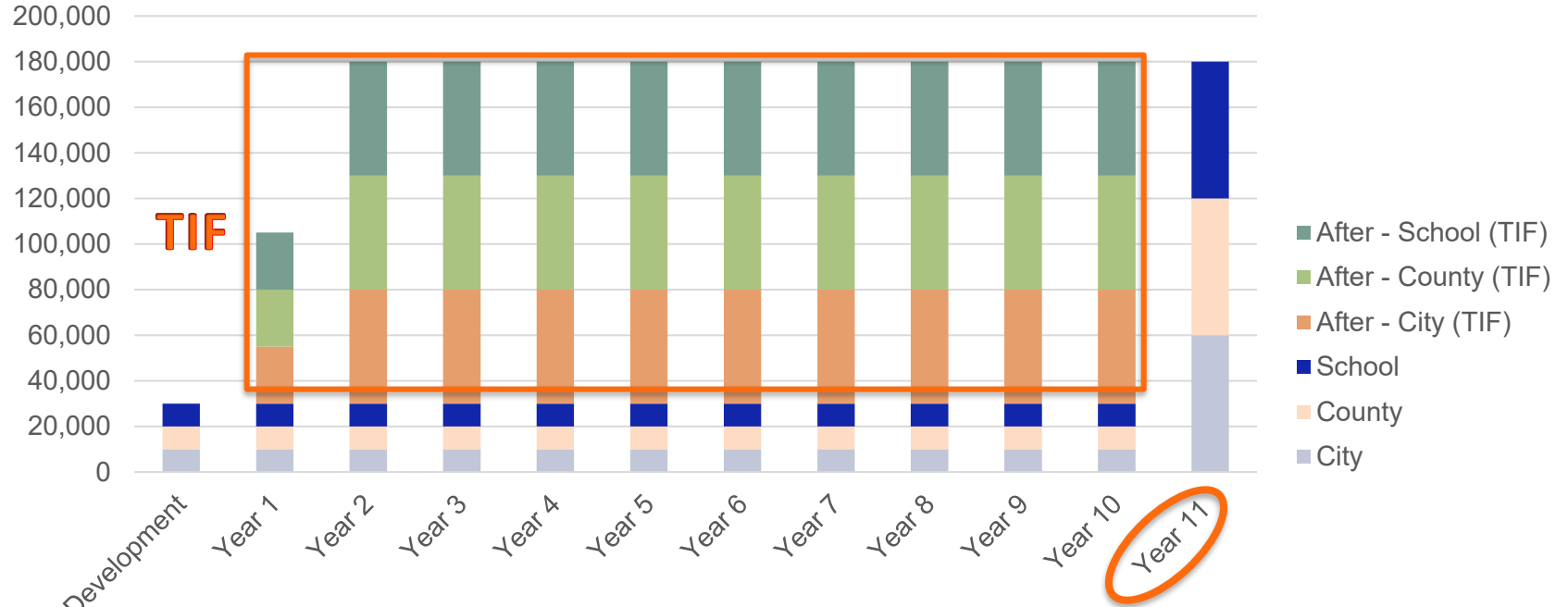
Minnesota Statutes
469.174-469.1794

What is TIF? (Residential Example)

- Market Value
 - Property Taxes
 - Tax Capacity
- (Frozen Tax Rate)



TIF: 10-Year Residential Example



How can TIF be used?

Create or
retain **jobs**

Redevelop
blighted
areas

Remediate
polluted sites

Construct
affordable
housing

Increase or
diversify **tax**
base

Findings

- Districts are on track
 - ✓ No compliance issues
- Pooling opportunities available
 - ✓ 10% to Housing Trust Fund
 - ✓ Temporary Spending Authority
 - ✓ Regular 25% pooling

Summary of TIF Districts

District	City Bella	Lyndale Gateway West (Kensington Park)	Cedar Avenue (Rya)	2010-1 Woodlake Housing	Lyndale Gardens	2014-1 RM Senior Living Richfield (Havenwood)	2017-1 Chamberlain	2018-1 Cedar Pointe Townhomes - RF 64	2020-3 Lynk65 (Lynvue)	2020-1 Henley II (Riley)
TIF Authority	Richfield HRA	Richfield HRA	Richfield HRA	Richfield HRA	Richfield HRA	Richfield HRA	Richfield HRA	Richfield HRA	Richfield HRA	Richfield HRA
Project Area / Development District	Richfield Redevelopment Project Area	Richfield Redevelopment Project Area	Richfield Redevelopment Project Area	Richfield Redevelopment Project Area	Richfield Redevelopment Project Area	Richfield Redevelopment Project Area	Richfield Redevelopment Project Area	Richfield Redevelopment Project Area	Richfield Redevelopment Project Area	Richfield Redevelopment Project Area
District Type	Redevelopment	Redevelopment	Redevelopment	Housing	Redevelopment	Redevelopment	Housing	Housing	Redevelopment	Housing
Approved	6/11/2002	12/10/2002	9/26/2006	9/13/2011	8/9/2011	3/18/2014	11/28/2017	8/21/2018	11/24/2020	9/22/2020
Legal Max Term	12/31/2030	12/31/2029	12/31/2043	12/31/2039	12/31/2039	12/31/2043	12/31/2045	12/31/2047	12/31/2048	12/31/2047
Anticipated Term	12/31/2030	12/31/2029	12/31/2043	12/31/2039	12/31/2037	12/31/2043	12/31/2045	12/31/2047	12/31/2042	12/31/2047
First Increment	2005	2004	2008	2014	2014	2018	2020	2022	2023	2022
Anticipated Last Increment	December 2030	December 2029	December 2043	December 2039	December 2039	December 2043	December 2045	December 2046	December 2042	December 2047
Current Obligations	City Bella PAYGO Note	IFL(ILN TIF District & HRA General Acct), 2012B G.O. TIF Ref Bds	IFL to General Fund; CPlI Dev. PAYGO Note	PAYGO Notes A & B, IFLs to HRA General Fund	PAYGO Master Developer Note & Secondary Note B	IFL to Non Tax Increment Account & Mesaba Capital Dev LLC PAYGO	IFL to Non Tax Increment Account & Chamberlain Apartments LLS PAYGO	PAYGO Note to Cedar Point Investments, LLC & IFL to Non Tax Increment Account	IFL to General Fund	PAYGO Note to Richfield Property Holdings, LLC & IFL to General Fund

Summary of TIF Districts Decertifying

District	Lyndale Gateway / Interchange West	Urban Village	2020-2 Emi (101 66th St E)
TIF Authority	Richfield HRA	Richfield HRA	Richfield HRA
Project Area / Development District	Richfield Redevelopment Project Area	Richfield Redevelopment Project Area	Richfield Redevelopment Project Area
District Type	Redevelopment	Redevelopment	Redevelopment
Approved	6/14/1999	11/23/1998	1/26/2021
Legal Max Term	12/31/2025	12/31/2025	12/31/2048
Anticipated Term	12/31/2025	12/31/2025	12/31/2038
First Increment	2000	2000	2023
Anticipated Last Increment	December 2025	December 2025	December 2038
Current Obligations	Best Buy PAYGO & Richfield Sr Housing(TCCH) PAYGO	PAYGO Notes A & B	IFL to General Fund

Impact of Decertified TIF Districts

City of Richfield

Projected Additional Tax Levy Dollars As A Result of DECERTIFIED TIF Districts

TIF District	Decertifies	Projected									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	
Lyndale Gateway / Interchange West	12/31/2025	1,118,279 ⁽²⁾									
Urban Village	12/31/2025	816,666									
City Bella	12/31/2030						664,385				
Lyndale Gateway West (Kensington Park)	12/31/2029					314,795					
Total Annual Captured Net Tax Capacity Returned to Tax Rolls		1,934,945	-	-	-	314,795	664,385	-	-	-	
City Tax Rate for Taxes Payable in 2025 ⁽¹⁾		56.048%									
Estimated Additional Annual Tax Levy Available ⁽¹⁾		\$ 1,084,498	\$ -	\$ -	\$ -	\$ 176,436	\$ 372,375	\$ -	\$ -	\$ -	

(1) - Assumptions:

- Calculates additional dollars the City could levy and still maintain the same tax rate as Pay 2025.
- Assumes no change in existing tax base from prior year
- Assumes no change in the Fiscal Disparities Distribution Dollars from Proposed Pay 2025

(2) - Notes:

- The value for this District reflects the final value per Hennepin County for Pay 2025

Outstanding Obligations

Highlights

- 2012B Bond paid 2/2025
- PAYGO Notes
 - ✓ Risk is on the developer
- Interfund Loans
 - ✓ Covers early Admin
 - ✓ Pay for project costs
 - ✓ Risk is on City/HRA

TIF No.	District Name	Obligation	Outstanding
1281 / 1282	Lyndale Gateway / Interchange West	Richfield Sr. Housing PAYGO Note	3,836,362
		Best Buy PAYGO Note	57,850,839
1280	Urban Village	Note B PAYGO Note	13,803,987
1285	City Bella	City Bella PAYGO Note	10,622,304
1286	Lyndale Gateway West (Kensington Park)	Interfund Loan - From ILN	1,100,000
		Interfund Loan - From HRA General Fund	85,613
		Interfund Loan - From HRA Development Fund	533,913
1287,1288	Cedar Avenue (Rya)	CPII Development PAYGO Note	573,111
		Rya PAYGO Note	3,833,518
1289	2010-1 Woodlake Housing	PAYGO Note A	567,519
1290	Lyndale Gardens	Master PAYGO Note	2,520,830
		Secondary PAYGO Note (Henley)	1,291,908
1291	2014-1 RM Senior Living Richfield (Havenwood)	RM Senior Housing PAYGO Note	2,375,256
1292	2017-1 Chamberlain	Chamberlain Apartments PAYGO Note	7,142,377
1293	2018-1 Cedar Pointe Townhomes - RF 64	Cedar Point PAYGO Note	706,760
		Interfund Loan - From HRA Development Fund	589,469
1294	2020-2 Emi (101 66th St E)	Interfund Loan - From HRA General Fund	17,606
1295	2020-3 Lynk65 (Lynvue)	Note A PAYGO Note	6,153,162
1296	2020-1 Henley II (Riley)	Richfield Property Holdings, LLC PAYGO Note	1,978,465

Interchange West / Lyndale Gateway

- Interchange West / Lyndale Gateway decertifies and will be on tax roll for 2026
- Richfield Senior Housing
 - ✓ Estimated 532,663 in additional tax capacity
- Best Buy
 - ✓ Market value for 2025 is \$69 million
 - ✓ Estimated MV for 2026 is \$62,456,000
 - Estimated 939,266 in additional tax capacity

Urban Village

- Urban Village decertifies and will be on tax roll for 2026.
 - ✓ Estimated MV for 2026 is \$73.6 million
 - ✓ Estimated 1,012,829 in additional tax capacity

Pooling Opportunities

- Unobligated TIF may be used to redevelop sites or build affordable housing not located in a TIF District
- 3 Districts identified
 - ✓ Lyndale Gateway / Interchange West
 - ✓ Urban Village
 - ✓ City Bella
- 3 Pooling Options
 - ✓ Special Legislation for 10% pooling to Housing Trust Fund
 - ✓ Temporary Legislation for Spending Plans
 - ✓ 25% Regular Pooling

Special Legislation: 10% to Housing Trust Fund

- 2021 Special Legislation
 - ✓ Designate an additional 10% for affordable housing
 - ✓ Transfer this additional 10% out of TIF funds to Housing Trust Fund
 - \$750,000 transferred in 2022, \$350k spent to date
 - **Funds available now, can be transferred anytime through December 31, 2026**

Year	Lyndale Gateway / Interchange West District	Urban Village TIF District	City Bella TIF District	TOTAL
2022	\$ 250,000	\$ 250,000	\$ 250,000	\$ 750,000
2023	-	-	-	-
2024	-	(80,000)	-	(80,000)
2025	(270,000)	-	-	(270,000)
TOTAL	\$ (20,000)	\$ 170,000	\$ 250,000	\$ 400,000

Temporary Spending Authority: Ends 12/2026

- TIF Authorities can use unobligated tax increment to help stimulate private development
 - ✓ Spending Plan adopted December 13, 2022
 - Funds transferred to a new fund, \$1.3M spent to date

Year	Lyndale Gateway / Interchange West District	Urban Village TIF District	City Bella TIF District	TOTAL
2022	\$ 3,145,000	\$ 760,000	\$ 465,000	\$ 4,370,000
2023	-	-	-	-
2024	-	-	-	-
2025	(1,300,000)	-	-	(1,300,000)
TOTAL	\$ 1,845,000	\$ 760,000	\$ 465,000	\$ 3,070,000

- ✓ **Funds must be spent by December 31, 2026, if Spending Plan is amended; otherwise spent by 2025**
 - Council will consider Amendment to allow extension to 2026 at November 25 meeting
 - Unspent increment transferred back to TIF Fund(s)

25% Regular Pooling

Year	Lyndale Gateway / Interchange West District	Urban Village TIF District	City Bella TIF District	TOTAL
2025	3,871,991	745,235	180,000	4,797,226
2026	-	-	180,000	180,000
2027	-	-	180,000	180,000
2028	-	-	180,000	180,000
2029	-	-	180,000	180,000
2030	-	-	660,525	660,525
TOTAL	\$ 3,871,991	\$ 745,235	\$ 1,560,525	\$ 6,177,751

- Public Redevelopment Costs

- ✓ Spent within Richfield Redevelopment Project Area (City limits)
- ✓ Includes up to 10% for Administrative costs
- ✓ Must meet criteria for “TIF eligible” of Pooled District
- ✓ Other redevelopment districts can also participate

Housing Districts and Affordable Housing

- Affordable Criteria
 - ✓ 20% of units at 50% or less of median income
 - ✓ 40% of units at 60% or less of median income
 - ✓ Rental projects remain affordable for life of TIF districts
 - ✓ Owner-occupied affordable for initial sale
- No limit - Considered “In-District”
- 2 Districts with future potential
 - ✓ 2010-1 Woodlake Housing: **\$3.3M** by 2039
 - **\$175,000**/year until PAYGO Note paid in **2035**; **\$260,000**/year until decertification
 - ✓ 2017-1 The Chamberlain: **\$8.9M** by 2045
 - **\$0**/year until PAYGO Note is paid in **2036**; **\$825,000**/year until decertification

Compliance: 5-Year Rule

- Districts must have an obligation

TIF District	Five-Year Rule Deadline
2020-2: Emi (101 – 66 th Street E.)	March 2026
2020-3: Lynk 65 (Lynvue)	March 2026

2020-2: Emi

- Redevelopment TIF certified March 16, 2021
 - ✓ Five-year Rule: March 16, 2026
- Terminated Agreement with Developer for non-performance
- **Recommendation: Decertify TIF District**

Administrative Expenses

- Statute allows for up to 10% of revenues or expenses for administrative costs
 - ✓ Depends on when district was established
 - ✓ Includes staff time, legal expenses, financial advisory expenses, publication and reporting expenses
 - Staff time must be documented
 - ✓ 10% limit must be met when district decertifies
 - Not an annual calculation
 - Cannot take 10% “off the top”

Findings & Recommendations

- Two districts will decertify December 2025
 - ✓ Interchange West / Lyndale Gateway
 - ✓ Urban Village
- All districts on track and in compliance
 - ✓ Decertify TIF 2020-2: Emi
 - ✓ Amend Spending Plan to extend term to 2026
- Looking Ahead
 - ✓ Affordable housing opportunities available now and in the future





Report Prepared By:

Celeste McDermott, Housing Specialist

Department Director:

Melissa Poehlman, Community Development Director

Item for Consideration:

Consideration of a resolution authorizing an amendment to the Developer Agreement with West Hennepin Affordable Housing Land Trust.

EXECUTIVE SUMMARY

In January 2025, the Housing and Redevelopment Authority (HRA) entered into a Developer Agreement (Agreement) with the West Hennepin Affordable Housing Land Trust (WHAHLT) to acquire and remodel up to three Richfield homes through the New Home Program (Program). Once remodeled, the homes would be placed into the land trust's affordable housing program and sold to income-qualified households earning 80% or less than the Area Median Income (\$104,200 for a household of 4 people). The HRA pledged \$80,000 in funding towards the acquisition and rehabilitation of each home, for a total maximum assistance of \$240,000.

Since executing the Agreement, WHAHLT has identified funding sources and opportunities to purchase and rehabilitate additional homes in Richfield in 2025. To leverage these additional funds effectively, WHAHLT is requesting flexibility in both the number of homes acquired and the amount of HRA assistance allocated per property. The total HRA contribution will remain capped at \$240,000 and only the per-property funding amounts would be adjusted to align with individual property needs. Funding for this work is budgeted to come from the Affordable Housing Trust Fund (AHTF).

So far in 2025, WHAHLT has completed three projects and requested \$170,000 in reimbursement. They have requested to use the remaining \$70,000 on a fourth property.

RECOMMENDED ACTION

By motion: Adopt a resolution approving a First Amendment to the Developer Agreement with West Hennepin Affordable Housing Land Trust.

HISTORICAL CONTEXT

- In January 2025, the HRA entered into an Agreement with WHAHLT to contribute \$240,000 in AHTF Funds for the rehabilitation of up to three homes in Richfield under the land trust program.
- Since 2002, WHAHLT has successfully purchased, rehabilitated and sold 13 homes and constructed 3 new homes in Richfield.
- Funding for the work of the Program has varied by year, with most recent

projects funded with local Community Development Block Grant funds and the AHTF, as well as pooled Tax Increment Financing.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

- The Program furthers equity goals by providing a path to affordable homeownership for low-income households.
- The Program supports the 2023-2027 Strategic Plan outcome of maintaining Richfield as an affordable place to live.

POLICIES (RESOLUTIONS, ORDINANCES, REGULATIONS, STATUTES, ETC.)

- The objectives of the Program are to:
 - Eliminate the blighting influence of substandard housing, thus improving residential neighborhoods;
 - Maintain and improve the existing housing stock while preserving housing affordability;
 - Develop quality housing with long-term affordability, to the greatest extent possible; and
 - Coordinate with developers to provide affordable housing for families.
- Purchasing and rehabilitating homes to provide affordable housing carries out the policies of the City's Comprehensive Plan by:
 - Supporting the rehabilitation and upgrading of the existing housing stock;
 - Promoting the development, management and maintenance of affordable housing in the City through assistance programs, alternative funding sources; and
 - Creating partnerships with those whose mission is to promote low to moderate-income housing.

CRITICAL TIMING ISSUES

WHAHLT has identified additional properties in Richfield that they would like to develop under the Program. The First Amendment must be approved before they can include these properties in the Program and request reimbursement.

FINANCIAL IMPACT

- The 2025 budget includes \$240,000 in AHTF for acquisition and rehabilitation through the Program for WHAHLT to purchase and rehab up to three homes (\$80,000 per property).
- In 2025 WHAHLT has managed to purchase and rehab three homes with less than \$80,000 per property, allowing enough remaining to purchase a fourth property.
- The total funding available to WHAHLT will remain at \$240,000.

LEGAL CONSIDERATIONS

The Agreement was prepared by HRA legal counsel.

ALTERNATIVE RECOMMENDATION(S)

Do not approve a resolution authorizing execution of the First Amendment to the Developer Agreement with the West Hennepin Affordable Housing Land Trust, dba Homes Within Reach.

ATTACHMENTS

1. 111725 WHAHLT_HRA_Resolution
2. 111725 First_Amendment_to_2025_WHAHLT_Developer_Agreement
3. WHAHLT_Developer_Agreement_2025

HRA RESOLUTION NO.

**RESOLUTION APPROVING FIRST AMENDMENT TO DEVELOPER AGREEMENT
WITH WEST HENNEPIN AFFORDABLE HOUSING LAND TRUST DBA HOMES
WITHIN REACH**

WHEREAS, in January 2025, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority") entered into a Developer Agreement with West Hennepin Affordable Housing Land Trust dba Homes Within Reach, a Minnesota nonprofit corporation ("WHAHLT") and provide it with Community Development Block grant funding ("CDBG funds") and/or Affordable Housing Trust Fund ("AHTF funds") to purchase, rehabilitate, and resell up to three properties to households earning at or below 80% of the area median income; and

WHEREAS, the Authority would like to amend the Developer Agreement to allow WHAHLT to utilize the available \$240,000 in CDBG Funds and/or AHTF Funds toward the acquisition and rehabilitation of more than three properties, with flexibility in the amount of funding applied to each property, provided that the total reimbursement does not exceed \$240,000; and

WHEREAS, there has been presented before the Board of Commissioners of the Authority a First Amendment to Developer Agreement (the "First Amendment") to be executed by the Authority and WHAHLT, which sets forth the terms of the use of the CDBG funds and/or AHTF funds to be provided to WHAHLT; 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 as follows:

1. The First Amendment is hereby in all respects authorized, approved, and confirmed, and the Chair and the Executive Director are hereby authorized and directed to execute the First Amendment for and on behalf of the Authority in substantially the form now on file with the Executive Director but with such modifications as shall be deemed necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.

2. The Chair and the Executive Director are hereby authorized to execute and deliver any and all documents deemed necessary to carry out the intentions of this resolution and the First Amendment.

3. This resolution shall be in full force and effect as of the date hereof.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 17th day of November, 2025.

Erin Vrieze Daniels, Chair

ATTEST:

Sean Hayford O'leary, Secretary

**FIRST AMENDMENT TO
DEVELOPER AGREEMENT
(West Hennepin Affordable Housing Land Trust dba Homes Within Reach)**

THIS FIRST AMENDMENT TO DEVELOPER AGREEMENT (the “First Amendment”), made and entered into as of this 17 of November, 2025, by and between the **Housing and Redevelopment Authority in and for the City of Richfield** (“Authority” or “HRA”), a body corporate and politic under the laws of the State of Minnesota, having its principal office at 6700 Portland Avenue, Richfield, Minnesota (“HRA”) and the **West Hennepin Affordable Housing Land Trust dba Homes Within Reach**, a nonprofit corporation under the laws of Minnesota, having its principal office at 5100 Thimsen Ave, Suite 120, Minnetonka, MN 55345. (“Developer” or “WHAHLT”). This First Amendment amends the Developer Agreement, dated January 20th, 2025 (the “Developer Agreement”), between the HRA and the Developer.

RECITALS

- A. The HRA and the Developer entered into the Developer Agreement to provide WHAHLT with \$240,000 in Community Development Block Grant funds (“CDBG Funds”) or Affordable Housing Trust Fund funds (“AHTF Funds”) for the purposes of acquiring and rehabilitating homes in the City of Richfield (the “City”) to be resold to people earning at or below 80% of the area median income.
- B. The Developer Agreement directed WHAHLT to purchase, rehabilitate, and resell up to three properties eligible to be purchased, and rehabilitated with the CDBG Funds or AHTF Funds (the “Eligible Properties”) and resold.
- C. The maximum amount of reimbursement available under the Developer Agreement was \$80,000 per Eligible Property up to a total of \$240,000.
- D. At this time, the HRA would like to amend the Developer Agreement to allow the Developer to utilize the available \$240,000 in CDBG Funds or AHTF Funds toward the acquisition and rehabilitation of more than three properties, with flexibility in the amount of funding applied to each property, provided that the total reimbursement does not exceed \$240,000. Funds will be paid to WHAHLT upon sale of each Eligible Property and submittal of all required documentation to the HRA.

AMENDMENTS

Section 1.1. Agreement. The term “Agreement” shall mean the Developer Agreement, as amended by this First Amendment.

Section 1.2. Additional Eligible Properties. The HRA and WHAHLT agree that the Developer may acquire, rehabilitate, and resell more than three Eligible Properties utilizing the

CDBG Funds or AHTF Funds provided under the Agreement, subject to all other applicable terms and conditions of the Agreement.

Section 1.3. Flexibility in Funding Allocation. The HRA and WHAHLT further agree that the limitation of \$80,000 per Eligible Property established in the Agreement is hereby removed. WHAHLT may determine the amount of funding to be applied to each Eligible Property based on need, provided that the total reimbursement under the Agreement shall not exceed \$240,000.

MISCELLANEOUS

Section 2.1. Definitions. Any capitalized terms used herein but not otherwise defined shall have the meanings assigned to such terms in the Original Agreement. Any references to the “Agreement” or “this Agreement” in the Original Agreement shall refer to the Original Agreement, as amended and supplemented by this First Amendment.

Section 2.2. Effective Date. The amendments and supplements made to the Original Agreement, as amended and supplemented by this First Amendment shall be effective as of November 17, 2025.

Section 2.3. Confirmation of Agreement. Except as specifically amended by this First Amendment, the Developer Agreement is hereby ratified and confirmed and remains in full force and effect.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Authority has caused this First Amendment to Developer Agreement to be duly executed in its name and behalf and WHAHLT has caused this Agreement to be duly executed in its name and behalf as of the date first above written.

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

By _____
Its Chairperson

By _____
Its Executive Director

WEST HENNEPIN AFFORDABLE HOUSING LAND
TRUST

By _____
Its Executive Director

DEVELOPER AGREEMENT
(West Hennepin Affordable Housing Land Trust dba Homes Within Reach)

THIS DEVELOPER AGREEMENT (the “Agreement”), made and entered into as of this 20th of January, 2025 (“Effective Date”), by and between the **Housing and Redevelopment Authority in and for the City of Richfield** (“Authority” or “HRA”), a body corporate and politic under the laws of the State of Minnesota, having its principal office at 6700 Portland Avenue, Richfield, Minnesota (“HRA”) and the **West Hennepin Affordable Housing Land Trust (dba Homes Within Reach)**, a nonprofit corporation under the laws of Minnesota, having its principal office at 5100 Thimsen Ave, Suite 120, Minnetonka, MN 55345. (“Developer” or “WHAHLT”).

RECITALS

- A. The HRA intends to provide WHAHLT with up to \$240,000 in Community Development Block Grant funds (“CDBG Funds”) or Affordable Housing Trust Fund funds (“AHTF Funds”) for the purposes of acquiring and rehabilitating up to three homes in the City of Richfield (the “City”) to be resold to people earning at or below 80% of the area median income.
- B. The HRA desires WHAHLT to purchase, rehabilitate, and resell up to three properties eligible to be purchased, rehabilitated and resold with CDBG Funds or AHTF Funds (the “Eligible Properties”) and WHAHLT has agreed to do so pursuant to the terms and conditions of this Agreement.
- C. The City and the HRA have previously established a New Home Program pursuant to the authority granted in Minnesota Statutes, Sections 469.001 through 469.047.
- D. WHAHLT will utilize the Community Land Trust model to purchase, rehabilitate, and resell the property(ies) to an income-qualified buyer(s), and will retain ownership of the land to ensure long-term affordability.
- E. The grant of the CDBG Funds or AHTF Funds to WHAHLT is for the purpose of providing affordable housing within the City and to assist in carrying out the objectives of the New Home Program, which are in the best interests of the City, and the health, safety and welfare of its residents and in accord with the public purposes and provisions of the applicable state and local laws and requirements.
- F. In performing its obligations under this Agreement, WHAHLT must adhere to the restrictions for the use of CDBG Funds or AHTF Funds set forth in this Agreement.

AGREEMENT

1. Scope of Work.

A. Developer. The HRA hereby designates WHAHLT as a Developer to purchase, rehabilitate, and resell Eligible Properties in accordance with the terms and conditions of this Agreement.

B. Memorandum of Understanding. WHAHLT shall purchase, rehabilitate and resell Eligible Properties based on the Memorandum of Understanding of the parties set forth in EXHIBIT A.

C. Criteria. WHAHLT will identify Eligible Properties that WHAHLT would like to acquire under this Agreement. Prior to the acquisition of an Eligible Property, WHAHLT shall provide the HRA with a Developer Pro Forma in the form set forth in EXHIBIT B.

D. Compliance with Required Programs. To the extent required by federal, state, and local law and regulation, WHAHLT agrees to comply with the program requirements of:

(i) Equal opportunity and discrimination provisions of all applicable State and Federal laws, rules, and regulations;

(ii) Section 504 of the Rehabilitation Act of 1973, as amended;

(iii) Fair housing requirements of section 104(b) and section 109 of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and other applicable fair housing laws;

(iv) All Lead Laws and Rules, including Minn. Stat. Sections 144.9501 through 144.9512, Minnesota Rules 4761.2000 through 4761.2700, and Federal Regulations including Residential Lead-Based Paint Disclosure Program (Section 1018 of Title X) and the Renovation, Repair, and Painting Rule (TSCA 406(B)).

(v) The Hennepin County Affirmative Action Policy.

WHAHLT further agrees to provide HRA with a timely certification that the requirements listed in this Section have been met.

E. Resale of Property. After WHAHLT completes the rehabilitation of an Eligible Property, WHAHLT will market said Eligible Property and execute a purchase agreement with an end buyer earning at or below 80% of the area median income.

F. Reports. WHAHLT shall provide HRA with a report of its activities on an as-needed basis, including but not limited to reports related to the income of the end buyer of each Eligible Property.

2. Term. This Agreement is effective as of the Effective Date and until December 31, 2024.

3. Acquisition, Relocation and Displacement. WHAHLT shall be responsible for carrying out all acquisitions of real property necessary for implementation of this Agreement. WHAHLT shall conduct all such acquisitions in its name and shall hold title to all real property purchased and shall be responsible for preparation of all notices, appraisals, and documentation required in conducting acquisition under the regulations of the Uniform Relocation Assistance and Real

Property Acquisition Act of 1970, as required under 49 CFR Part 24. WHAHLT shall also be responsible for providing all relocation notices, counseling, and services required by said regulations. In addition, WHAHLT shall comply with the acquisition and relocation requirements of the Minn. Stat. Sections 117.50 through 117.56 (the “Minnesota Relocation Act”).

4. Labor Standards, Employment and Contracting. WHAHLT shall notify the HRA prior to initiating any rehabilitation activities, including advertising for contractual services, which will include costs likely to be subject to the provisions of Federal Labor Standards and Equal Employment Opportunity and related implementing regulations.

5. Documentation. WHAHLT must maintain the following records and reports relating to Eligible Properties acquired pursuant to this Agreement: income documentation for buyer of property financed with CDBG Funds or AHTF Funds, appraisals, environmental reports, purchase agreements, settlement statements, and deed document number/filing information per property. WHAHLT shall submit copies of the foregoing documentation to HRA with respect to any Eligible Property acquired pursuant to this Agreement prior to closing with the buyer. The HRA will issue a clear to close once documentation has been submitted.

6. Suspension and Termination. If WHAHLT materially fails to comply with any term of this Agreement after written notice and an opportunity to cure, this Agreement may be terminated. The time period for said opportunity to cure will be dependent upon the relevant time period requirements of the applicable law, regulation, program, or otherwise.

7. Notice. All communications, notices, and demands of any kind which either party may be required or may desire to give to or serve upon the other shall be made in writing, and such notice shall be deemed sufficiently given if and when it is addressed to then other party as provided below and either (a) delivered personally, (b) deposited in the United States mail, registered or certified, with postage prepaid, (c) deposited with an overnight delivery service for next day delivery, or (d) telecopied:

To HRA: Richfield Housing and Redevelopment Authority
Attention: Melissa Poehlman, Executive Director
6700 Portland Avenue
Richfield, Minnesota 55423-2599
Fax: (612) 861-8974

To WHAHLT: West Hennepin Affordable Housing Land Trust
Attention: Brenda Lano, Executive Director
5100 Thimsen Avenue
Suite 120
Minnetonka, MN 55345-4117

8. Data Practices. WHAHLT agrees to abide by the provisions of the Minnesota Government Data Practices Act and all other applicable State and Federal laws, rules, and regulations relating to data privacy and confidentiality, and as any of the same may be amended.

9. Access to Records. HRA shall have the authority to review any and all procedures and all materials, notices, and documents prepared by WHAHLT in implementation of this Agreement.
10. Indemnification. WHAHLT agrees to hold harmless, indemnify and defend HRA, its elected officials, officers, agents, and employees against any and all claims, losses, or damages, including attorneys' fees, arising from, allegedly arising from, or related to, the provision of services under this Agreement by WHAHLT, its employees, agents, officers, or volunteer workers.
11. Independent Contractor. Nothing in this Agreement is intended, nor may be construed, to create the relationship of partners or employer/employee between the parties. WHAHLT, its officers, agents, employees, and volunteers are, and will remain for all purposes and services under this Agreement, independent contractors.
12. Entire Agreement. The entire agreement of the parties is contained in this document. This Agreement supersedes all previous written and oral agreements and negotiations between the parties relating to the subject matter of this Agreement except as provided in paragraph 17 of this Agreement.
13. Severability. The invalidity, illegality or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall remain in full force and effect.
14. Assignment of Agreement. The parties shall not assign this Agreement without the express written consent of the other party.
15. Modification. No provision, term or clause of this Agreement shall be revised, modified, amended or waived except by an instrument in writing signed by both parties.
16. Counterparts. This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original, all of which, when taken together, shall constitute one agreement.
17. Headings. The titles to the sections and headings of various paragraphs of this Agreement are placed for convenience of reference only and in case of conflict, the text of this Agreement, rather than such titles or headings shall control.
18. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto.
19. Invalidity. If for any reason any portion or paragraph of this Agreement shall be declared void and unenforceable by any court of law or equity, it shall only affect such particular portion or paragraph of this Agreement, and the balance of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto.
20. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota.

21. Electronic Signatures. This Agreement may be executed with electronic signatures.

(Signature page follows)

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and behalf and WHAHLT has caused this Agreement to be duly executed in its name and behalf as of the date first above written.

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

By _____
Its Chairperson

By _____
Its Executive Director

WEST HENNEPIN AFFORDABLE HOUSING LAND
TRUST

By _____
Its Executive Director

**EXHIBIT A
PROCEDURES
Memorandum of Understanding**

Properties, In General:

- WHAHLT will identify, purchase, and rehabilitate up to three Eligible Properties for subsequent resale to households earning at or below 80% of the Area Median Income.
- The HRA agrees to cover \$80,000 of the Development Gap for Eligible Properties. Development Gap means the estimated total development costs less the sales price of the improved property up to a maximum gap amount as shown on “Exhibit B” or other developer pro forma approved by the HRA.

Identification of Eligible Property:

- WHAHLT will identify Eligible Properties.
- WHAHLT will provide the HRA with the identity of the Eligible Property so that the HRA may decide whether the HRA will use CDBG or AHTF funds to acquire said Eligible Property.

Purchase of Eligible Property:

- WHAHLT will identify one or more Eligible Properties and only purchase an Eligible Property after receipt of the HRA’s express written consent.
- HRA may express its written consent via email to WHAHLT at blano@homeswithinreach.org.
- WHAHLT shall be responsible for the timely completion of all CDBG or AHTF required documentation.

Rehabilitation of Eligible Property:

- After WHAHLT has purchased an Eligible Property, WHAHLT will submit a rehabilitation plan to the HRA and the HRA will agree in writing to the plan, prior to WHAHLT beginning its rehabilitation efforts at that Eligible Property.

Subsequent Resale of Certain Eligible Property to End Buyer:

- After WHAHLT completes the rehabilitation of an Eligible Property, WHAHLT will market said Eligible Property and execute a purchase agreement with an end buyer whose household income is at or below 80% of Area Median Income.
- WHAHLT will maintain long-term affordability by retaining ownership of the land through its land trust.

Reimbursement of Acquisition/Rehabilitation Costs (or Payment of the Development Gap):

- WHAHLT will use its own funds to purchase an eligible property.
- Following the acquisition of the property, WHAHLT may request that the HRA provide payment up to \$65,000 of the estimated Development Gap.
- The remaining \$15,000 will be paid upon sale of the Eligible Property and submittal of all required documentation to the HRA.
- The maximum amount of reimbursement available under this Agreement is \$80,000 per Eligible Property up to a total of \$240,000.

**EXHIBIT B
DEVELOPER PRO FORMA**

Sources & Uses - Preliminary				
Name of Property:				
Date:				
Sources:				Comments
Homebuyer Mortgage			\$	
20 AHIF			\$	Project Costs
20 Richfield Tax Increment			\$	Land & Project Costs
20 HOME			\$	Land
20 MH Impact			\$	Project Costs
20 Bond Proceeds			\$	Land
20 Met Council			\$	Rehab
		Total	\$	
Uses:				
Acquisition Costs			\$	
Closing Costs			\$	
Inspection/other			\$	
	Acquisition costs		\$	
Adm Fee			\$	Project Fee & HOME Fee
Holding/Closing Costs/ LC/ Taxes			\$	Special Assessments of \$
Rehab Costs			\$	
		Total	\$	



Housing and Redevelopment Authority Meeting 11/17/2025

Agenda Section: Resolutions

Agenda Item: 10.a.

Report Prepared By:

Melissa Poehlman, Community Development Director

Department Director:

Melissa Poehlman, Community Development Director

Item for Consideration:

Consider an Amendment to the 2022 Spending Plan for unobligated tax increment.

EXECUTIVE SUMMARY

In 2021, the State Legislature provided temporary authority to use unobligated tax increment from existing tax increment districts to help stimulate private development that would not otherwise occur. The legislation allowed greater flexibility in the use of these tax increment funds in order to create or retain jobs. On November 21, 2022, the Housing and Redevelopment Authority (HRA) adopted a tax increment Spending Plan for up to \$6,345,000 in unobligated tax increment from the Lyndale Gateway/Interchange West, Urban Village, and City Bella Tax Increment Financing (TIF) Districts.

The 2021 temporary authority required projects to be under construction by December 31, 2025. In 2025, the Legislature amended the temporary legislation to allow authorities to amend their spending plans to allow funds to be spent through December 31, 2026. The City supported and advocated for this amendment. The amended Spending Plan (attached) extends this deadline for using funds; no other changes are proposed. The strategy to retain unobligated tax increment in the most-flexible fund for the maximum amount of time continues.

RECOMMENDED ACTION

By Motion: Approve a resolution amending the tax increment Spending Plan.

HISTORICAL CONTEXT

As part of the 2022 Tax Increment Management Review and Analysis Report, three separate statutory authorities under which pooled increment could be spent were discussed with the HRA and City Council. These include regular pooling, special legislation to allow the City/HRA to transfer 10% of increment pooled for housing to the Affordable Housing Trust Fund, and the temporary legislation allowing greater flexibility to stimulate development in the wake of the Covid-19 pandemic. The three options include different timelines and authorized uses, and a plan to maximize the effectiveness of this money was agreed upon.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

The adopted Spending Plan stipulates that preference for 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.

POLICIES (RESOLUTIONS, ORDINANCES, REGULATIONS, STATUTES, ETC.)

- 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. The 2025 Legislature extended this deadline to December 31, 2026.
- A public hearing before the City Council is also required. This hearing is scheduled for November 25, 2025.

CRITICAL TIMING ISSUES

- To take advantage of the extended deadline, an Amended Spending Plan must be adopted prior to December 31, 2025.
- Money not spent prior to the deadline, can be transferred to the Affordable Housing Trust Fund (transfer deadline December 31, 2026) or spent under regular pooling rules.

FINANCIAL IMPACT

None at this time. The proposed amendment changes only the deadline by which funds can be spent.

LEGAL CONSIDERATIONS

- The proposed action has been reviewed by the HRA Attorney.
- Failure to adopt a revised Spending Plan by the end of the year would mean that the HRA could no longer take advantage of this additional flexibility.

ALTERNATIVE RECOMMENDATION(S)

Do not approve an amendment to the Spending Plan and direct staff to bring forward alternative options for these funds.

ATTACHMENTS

1. Resolution

HRA RESOLUTION NO. _____

**A RESOLUTION APPROVING AN AMENDED TAX
INCREMENT SPENDING PLAN**

WHEREAS, on November 21, 2022, the Housing and Redevelopment Authority in and for the City of Richfield (the “HRA”) adopted a tax increment spending plan (the “Spending Plan”) pursuant to Minnesota Statutes, section 469.176, subd 4n which required that all funds be spent by December 31, 2025; and

WHEREAS, the Minnesota Legislature 2025, 1st Special Session amended Minnesota Statutes, section 469.176, subd. 4n to allow tax increment authorities to amend their spending plans to allow funds to be spent through December 31, 2026; and

WHEREAS, the HRA has determined to modify the Spending Plan to avail itself of the 2025 statutory changes.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the HRA as follows:

1. The amended Spending Plan attached hereto as Exhibit A is hereby adopted.
2. HRA staff and consultants are authorized and directed to take any and all actions necessary or convenient to carry out the intent of this resolution, including filing an executed copy of the amended Spending Plan with the Office of the State Auditor.

Dated: November 17, 2025

Erin Vrieze Daniels, Chair

ATTEST:

Sean Hayford Oleary, Secretary

Exhibit A

HRA Consideration: November 21, 2022
City Approval: December 13, 2022
HRA Review of Amendment: November 17, 2025
City Council Public Hearing: November 25, 2025



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



Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, Minnesota 55113

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

Amended November 25, 2025 to read as follows:

The Authority is authorized as follows:

- (a) To use Unobligated Tax Increments from the TIF Districts and any interest earned on the tax increment 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, 2026 (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.

ADOPTED AS AMENDED: November 25, 2025

ATTEST:

Mayor

City Clerk



Report Prepared By:

Melissa Poehlman, Community Development Director

Department Director:

Melissa Poehlman, Community Development Director

Item for Consideration:

Consideration of a resolution authorizing the decertification of Tax Increment Financing District No. 2020-2

EXECUTIVE SUMMARY

On January 26, 2021, the City of Richfield created Tax Increment Financing (TIF) District No. 2020-2: Emi. The redevelopment TIF District was intended to provide assistance necessary to construct a mixed-use project on property located at 101 - 66th Street East. Several obstacles, including increased construction and material costs, have forced the developer to abandon the project.

As of the end of the year, there will be no outstanding obligations related to the TIF District and no project could take place prior to statutory deadlines. Staff and the Housing and Redevelopment Authority's (HRA) financial consultant recommend that the TIF District be decertified.

RECOMMENDED ACTION

By Motion: Approve a resolution authorizing the decertification of Tax Increment Financing District No. 2020-2: Emi.

HISTORICAL CONTEXT

Multiple developers have attempted to construct a project on this site since it initially sold in 2016. Despite an agreement for financial assistance in the form of tax increment, a project has not moved forward. The property remains privately owned and is currently for sale.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

Decertification is required due to inactivity. Any new development proposal will be evaluated for equitable and strategic considerations or impacts.

POLICIES (RESOLUTIONS, ORDINANCES, REGULATIONS, STATUTES, ETC.)

MN Stat. 469.1763, Subd. 3 requires that development activity within a TIF District be finished within five years of initial certification.

CRITICAL TIMING ISSUES

- The deadline for activity to be finished in the 2020-2: Emi District is March 16, 2026. It is not feasible to meet this deadline.

- Decertification in 2025 will minimize additional reporting requirements and costs for the HRA.

FINANCIAL IMPACT

An interfund loan from the HRA General Fund was authorized to pay for upfront staff costs prior to the District beginning to generate funds. This loan will be repaid to the General Fund using other available TIF Admin funds.

LEGAL CONSIDERATIONS

See Policies section.

ALTERNATIVE RECOMMENDATION(S)

None.

ATTACHMENTS

1. 111725 - Resolution HRA Emi (2020-2) decertification

HRA RESOLUTION NO. _____

**RESOLUTION APPROVING THE DECERTIFICATION OF
TAX INCREMENT FINANCING DISTRICT NO. 2020-2: EMI**

WHEREAS, on January 26, 2021, the City of Richfield (the "City") created its Tax Increment Financing District No. 2020-2: Emi ("District No. 2020-2") within its Richfield Redevelopment Project Area (the "Project"); and

WHEREAS, as of December 31, 2025, all bonds and obligations to which tax increment from District No. 2020-2 have been pledged have been paid in full or defeased and all other costs of the Project have been paid; and

WHEREAS, the Richfield Housing and Redevelopment Authority (the "HRA") desires by this resolution to cause the decertification of District No. 2020-2 after which all property taxes generated by property within the District will be distributed in the same manner as all other property taxes.

NOW THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the HRA that the Community Development Director shall take such action as is necessary to cause the County Auditor of Hennepin County to decertify District No. 2020-2 as a tax increment district and to no longer remit tax increment from the District No. 2020-2 to the City.

DATED: November 17, 2025

Erin Vrieze Daniels, Chair

ATTEST:

Sean Hayford Oleary, Secretary



Report Prepared By:

Melissa Poehlman, Community Development Director

Department Director:

Melissa Poehlman, Community Development Director

Item for Consideration:

Consider a resolution authorizing decertification of the Urban Village Tax Increment Financing District.

EXECUTIVE SUMMARY

The Urban Village Tax Increment Financing (TIF) District is a Redevelopment District that was created to facilitate the mixed-use development located on the southeast corner of Lyndale Avenue and 66th Street. The development includes Woodlake Center, the Oaks on Pleasant apartments, and BMO Bank. The TIF District was certified on July 15, 1999, and is required to decertify by December 31, 2025.

The tax increment revenue, in the form of two Pay-As-You-Go Notes (Notes), was paid to the developer to assist with property acquisition and excess site development expenses. While there remains a significant outstanding balance on the second Note, neither the City nor the Housing and Redevelopment Authority (HRA) are obligated to pay this amount, and all obligations are considered to be met.

The 2026 estimated market value of the properties within the District is \$73.6 million. This equates to an estimated \$1,012,829 in additional tax capacity in 2026.

RECOMMENDED ACTION

By Motion: Approve a resolution authorizing decertification of the Urban Village Tax Increment Financing District.

HISTORICAL CONTEXT

See Executive Summary.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

The Urban Village redevelopment project has contributed to the goal of a vibrant downtown and an increased tax base.

POLICIES (RESOLUTIONS, ORDINANCES, REGULATIONS, STATUTES, ETC.)

MN Statute 469.176 prescribes the maximum term of a redevelopment TIF District as 25 years after the receipt of the first increment.

CRITICAL TIMING ISSUES

None.

FINANCIAL IMPACT

The decertification of the Urban Village TIF District will result in an estimated \$1,012,829 in additional tax capacity in 2026.

LEGAL CONSIDERATIONS

All obligations have been met and the TIF District must be decertified.

ALTERNATIVE RECOMMENDATION(S)

None.

ATTACHMENTS

1. 111725 - Resolution HRA decertification of Urban Village

HRA RESOLUTION NO. _____

**RESOLUTION APPROVING THE DECERTIFICATION OF
THE URBAN VILLAGE TAX INCREMENT FINANCING
DISTRICT**

WHEREAS, on February 17, 1999, the City of Richfield (the "City") created its Urban Village Tax Increment Financing District ("Urban Village TIF District") within its Richfield Redevelopment Project Area (the "Project"); and

WHEREAS, as of December 31, 2025, all bonds and obligations to which tax increment from the Urban Village TIF District have been pledged have been paid in full or defeased and all other costs of the Project have been paid; and

WHEREAS, the Richfield Housing and Redevelopment Authority (the "HRA") desires by this resolution to cause the decertification of the Urban Village TIF District after which all property taxes generated by property within the District will be distributed in the same manner as all other property taxes.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the HRA that the Community Development Director shall take such action as is necessary to cause the County Auditor of Hennepin County to decertify the Urban Village TIF District as a tax increment district and to no longer remit tax increment from the Urban Village TIF District to the City.

DATED: November 17, 2025

Erin Vrieze Danials, Chair

ATTEST:

Sean Hayford Oleary, Secretary



Report Prepared By:

Melissa Poehlman, Community Development Director

Department Director:

Melissa Poehlman, Community Development Director

Item for Consideration:

Consider a resolution authorizing decertification of the Interchange West / Lyndale Gateway Tax Increment Financing District.

EXECUTIVE SUMMARY

The Interchange West / Lyndale Gateway Tax Increment Financing (TIF) District is a Redevelopment District that was created to facilitate the site assembly for the Best Buy Headquarters and facilitate redevelopment along Lyndale Avenue that created the Main Street Village senior housing projects and Casteel Place Townhouses. The TIF District was certified on June 14, 1999, and is required to decertify by December 31, 2025.

The Housing and Redevelopment Authority (HRA) pledged increment to repay General Obligation Bonds (Bonds) related to the Penn Avenue bridge over Interstate 494, as well as payments on Pay-As-You-Go Notes (Notes) to the housing projects and Best Buy. Final payment on the Bonds was made in February; this obligation has been fully satisfied. There remain significant outstanding balances on the Notes due largely to compounding interest. The City/HRA is not obligated to pay this amount and all obligations are considered to be met.

There is estimated to be \$1,471,929 in additional tax capacity in 2026 due to the decertification of this TIF District.

RECOMMENDED ACTION

By Motion: Approve a resolution authorizing decertification of the Interchange West / Lyndale Gateway Tax Increment Financing District.

HISTORICAL CONTEXT

See Executive Summary.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

These redevelopment projects will contribute significantly to Richfield's tax base.

POLICIES (RESOLUTIONS, ORDINANCES, REGULATIONS, STATUTES, ETC.)

MN Statute 469.176 prescribes the maximum term of a redevelopment TIF District as 25 years after the receipt of the first increment.

CRITICAL TIMING ISSUES

None.

FINANCIAL IMPACT

The decertification of the Interchange West / Lyndale Gateway TIF District will result in an estimated \$1,471,929 in additional tax capacity in 2026.

LEGAL CONSIDERATIONS

All obligations have been met and the TIF District must be decertified.

ALTERNATIVE RECOMMENDATION(S)

None.

ATTACHMENTS

1. 111725 - Resolution HRA decertification of IW-Lyn Gateway

HRA RESOLUTION NO. _____

**RESOLUTION APPROVING THE DECERTIFICATION OF THE
INTERCHANGE WEST AND LYNDAL GATEWAY TAX INCREMENT
FINANCING DISTRICT**

WHEREAS, on June 29, 1999, the City of Richfield (the "City") created its Interchange West and Lyndale Gateway Tax Increment Financing District (the "TIF District") within its Richfield Redevelopment Project Area (the "Project"); and

WHEREAS, as of December 31, 2025, all bonds and obligations to which tax increment from the TIF District have been pledged have been paid in full or defeased and all other costs of the Project have been paid; and

WHEREAS, the Richfield Housing and Redevelopment Authority (the "HRA") desires by this resolution to cause the decertification of the TIF District after which all property taxes generated by property within the District will be distributed in the same manner as all other property taxes.

NOW THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the HRA that the Community Development Director shall take such action as is necessary to cause the County Auditor of Hennepin County to decertify the TIF District as a tax increment district and to no longer remit tax increment from the TIF District to the City.

DATED: November 17, 2025

Erin Vrieze Daniels, Chair

ATTEST:

Sean Hayford Oleary, Secretary