Richfield Housing and Redevelopment Authority Agenda
August 17, 2026 -- 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 Housing and Redevelopment Authority 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 July 20, 2026.
6. **Presentations**
7. **Consent Calendar**

   Consent Calendar contains several separate items, which are acted upon by the Housing Redevelopment Authority 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 discussion and action. All items listed on the Consent Calendar are recommended for approval.
8. **Consideration of Items, if Any Removed From Consent Calendar**
9. **Public Hearings**
10. **Resolutions**
    a. **Consideration of a resolution transferring unspent grant funds to the Economic Development Authority for use in the Apartment Remodeling Loan Program.**
    b. **Consider resolutions approving the 2027 Proposed Housing and Redevelopment Authority Budget and Tax Levy, and 2026 Revised Housing and Redevelopment Authority Budget.**
    c. **Consideration of an update to the Inclusionary Housing Policy.**
11. **Other Business**
    a. **Consideration of updates to the City's Affordable Housing Trust Fund Priorities.**
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.

Richfield Housing and Redevelopment Authority Minutes
July 20, 2026, 2026
Richfield Municipal Center
Council Chambers
6700 Portland Avenue South

1. **Call to Order**

   The meeting was called to order by Chair Hanson at 7:00 p.m. in the Council Chambers.

2. **Roll Call**

Members Present:	Gordon Hanson, Chair; Sean Hayford Oleary; Mary Supple; John Young; Brett Stursa.
Members Absent:	
Staff Present:	Melissa Poehlman, Executive Director; Julie Urban, Assistant Community Development Director; Michelle Friedrich, City Clerk.
Guest Presenters:	

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 Housing and Redevelopment Authority Agenda and Minutes page on the City's Website.**

   No open forum participants.

4. **Approval of the Agenda**

   MOTION: made by Commissioner Young, seconded by Commissioner Supple to approve the agenda as presented.
   Voting Aye: Hayford Oleary, Supple, Hanson, Young, and Stursa.
   Motion carried: 5:0

5. **Approval of Minutes**

   a. **Approval of the Minutes of the Housing and Redevelopment Authority Meeting of May 18, 2026.**

   MOTION: made by Commissioner Stursa, seconded by Commissioner Hayford Oleary to approve the Housing and Redevelopment Authority Regular Meeting Minutes from May 18, 2026.
   Voting Aye: Hayford Oleary, Supple, Hanson, Young, and Stursa.
   Motion carried: 5:0

6. **Presentations**

   None.

7. **Consent Calendar**

   None.

8. **Consideration of Items, if Any, Removed from Consent Calendar**

   None.

9. **Public Hearings**

   None.

10. **Resolutions**

    None.

11. **Other Business**

a. **Consideration of a policy for use of the 4d (1) tax classification as a tool to create and preserve affordable housing.**

Assistant Community Director Urban presented item 11a. Staff reviewed the proposed 4d (1) tax classification policy, emphasizing Richfield's commitment to preserving affordable housing while balancing the tax impacts on the city and taxpayers. Assistant Community Director Urban the policy establishes 4d (1) as a tool of last resort, prioritizing preservation and rehabilitation of naturally occurring affordable housing and projects that meet key housing priorities; for new construction, 4d would be considered only after other financing sources are exhausted and when financially beneficial to the city. Staff noted the City Council approved the policy on June 9, and the HRA was asked to ratify and apply it when making financial decisions that could enable 4d eligibility, with such decisions also subject to City Council consideration.

The HRA expressed appreciation for staff's work developing and explaining the 4d (1) policy and supported its limited use as a tool of last resort, with greater emphasis on preservation than new construction. The HRA noted that the policy provides a reasonable baseline and flexibility while balancing affordable housing goals with impacts on the city's tax base and emphasized that the HRA and City Council will ultimately be responsible for applying the policy and making final decisions.

MOTION: made by Supple, seconded by Hayford Oleary, to adopt a resolution ratifying a policy governing the use of 4d (1) tax classification to help create and preserve affordable housing.
Voting Aye: Hayford Oleary, Supple, Hanson, Young, and Stursa
<u>Motion carried: 5-0</u>

12. Executive Director's Report

Executive Director Poehlman provided updates on the Bring It Home program, noting that applications and school-to-housing referrals are being reviewed, with a waiting list expected to be established soon, and the first vouchers/payments anticipated by September 1. Executive Director Poehlman noted the application period is expected to reopen in September, with an anticipated issuance of 5–10 vouchers per month. Executive Director Poehlman noted Richfield's certified 2026 local affordable housing aid allocation is $699,000, a small increase from $653,000 in 2025, and based on cost-burdened households and 2024 American Community Survey data.

13. HRA Discussion Items

None.

14. Approval of Claims

U.S. BANK Check Dates 5/15/26-7/16/26	**7/202026**
HRA Check #'s 37409-37432	$430,121.37
Section 8 Check #'s 137886-138041	$444,830.74
TOTAL:	**$874,952.11**

MOTION: made by Commissioner Hayford Oleary, seconded by Stursa to approve the claims as presented.
Voting Aye: Hayford Oleary, Supple, Hanson, Young, and Stursa.
<u>Motion carried: 5:0</u>

15. Adjournment

HRA meeting adjourned with unanimous consent at 7:13 p.m.

Date Approved: August 17, 2026

Gordon Hanson
HRA Chair

Michelle Friedrich
City Clerk

Melissa Poehlman
Executive Director

Housing and Redevelopment Authority Meeting 8/17/2026
Agenda Section: Resolutions
Agenda Item: 10.a.

Report Prepared By:
Julie Urban, Assistant Community Development Director

Department Director:
Melissa Poehlman, Community Development Director

Item for Consideration:
Consideration of a resolution transferring unspent grant funds to the Economic Development Authority for use in the Apartment Remodeling Loan Program.

EXECUTIVE SUMMARY

In 2019, the Housing and Redevelopment Authority (HRA) received a grant from Affordable Suburban Housing (ASH), a local non-profit that supported affordable housing in suburban communities. ASH was dissolving as an organization and was disbursing its remaining assets. ASH awarded $100,000 to the HRA to support affordable housing in the community.

The HRA created a program with the award to provide rehabilitation grants to Naturally Occurring Affordable Housing properties (NOAH), specifically to be used on improvements to units occupied by long-time tenants. One grant in the amount of $45,000 was awarded in 2020, but the remaining funds have gone unspent. Staff is recommending that the funds be transferred to the Economic Development Authority (EDA) to be used in its Apartment Remodeling Program (ARP). While staff can continue to try and market improvements to occupied units, combining the funds with ARP will allow greater flexibility and ability to get the funds spent.

RECOMMENDED ACTION

By Motion: Approve a resolution transferring $55,000 in unspent Affordable Suburban Housing grant funds to the Economic Development Authority for use in the Apartment Remodeling Program.

HISTORICAL CONTEXT

In 2019, the HRA received a $100,000 grant from ASH to spend on affordable housing in the community.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

Maintaining Richfield as an affordable place to live is a desirable outcome of the City's Strategic Plan.

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

N/A

CRITICAL TIMING ISSUES

The remaining funds have been sitting in the HRA General Fund for several years. By transferring it to the EDA, the funds can be used as part of the Apartment Remodeling Program and hopefully spent more quickly.

FINANCIAL IMPACT

- $55,000 remains in grant funding awarded by ASH.
- The transfer is reflected in the 2027 HRA and EDA budgets.

LEGAL CONSIDERATIONS

The terms of the grant award were simply that the community use it to support affordable housing.

ALTERNATIVE RECOMMENDATION(S)

Decide not to transfer the funds to the EDA.

ATTACHMENTS

1. 081726 Resolution ASH Funds transfer to EDA

RESOLUTION NO.

RESOLUTION AUTHORIZING THE TRANSFER OF AFFORDABLE HOUSING GRANT FUNDS TO THE ECONOMIC DEVELOPMENT AUTHORITY FOR USE IN THE APARTMENT REMODELING PROGRAM

WHEREAS, in 2019, the Housing and Redevelopment Authority in and for the City of Richfield (the “HRA”), received a grant from Affordable Suburban Housing (“ASH”), a local non-profit that supported affordable housing in suburban communities;

WHEREAS, ASH was dissolving as an organization and was disbursing its remaining assets and awarded $100,000 to the HRA to support affordable housing in the community; and

WHEREAS, The HRA created a program to provide rehabilitation grants to naturally occurring affordable housing properties (NOAH); and

WHEREAS, $55,000 remains of the grant funds; and

WHEREAS, the HRA has determined that the funds can be best spent by the Richfield Economic Development Authority (the “EDA”) through its Apartment Remodeling Program; and

NOW, THEREFORE, BE IT RESOLVED

1. The HRA authorizes its Executive Director to transfer the remaining $55,000 in ASH grant funds to the EDA.

____
Gordon Hanson, Chair

ATTEST:

____
John Young, Secretary

Housing and Redevelopment Authority Meeting 8/17/2026
Agenda Section: Resolutions
Agenda Item: 10.b.

Report Prepared By:
Melissa Poehlman, Community Development Director

Department Director:
Melissa Poehlman, Community Development Director

Item for Consideration:

Consider resolutions approving the 2027 Proposed Housing and Redevelopment Authority Budget and Tax Levy, and 2026 Revised Housing and Redevelopment Authority Budget.

EXECUTIVE SUMMARY

The bylaws of the Richfield Housing and Redevelopment Authority (HRA) require that an annual budget be submitted to the HRA Commissioners for approval. Accordingly, the Revised 2026 HRA Budget and proposed 2027 HRA Budget are presented for consideration and approval.

In addition, Minnesota State Statutes require adoption of a preliminary tax levy from each taxing authority. This proposed levy must be certified to the Hennepin County Auditor by September 30, 2026. Any amendments to the proposed budget which would increase the property tax levy must be made prior to this deadline. No increases in the tax levy are permissible after this date, only reductions. Final certification of the HRA tax levy is part of the City's budget process.

For 2027, staff is proposing no increase to the HRA levy.

The proposed 2027 General Fund Budget for the HRA is $610,231. The proposed total HRA Budget is $5,555,071. The details of the 2026 Revised and 2027 Proposed HRA Budgets are provided in the attached Budget Book and will be presented by staff at the HRA meeting.

RECOMMENDED ACTION

By Motion: Adopt the attached resolutions approving the 2027 Proposed Housing and Redevelopment Authority Budget and Tax Levy, and 2026 Revised Housing and Redevelopment Authority Budget.

HISTORICAL CONTEXT

N/A

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

The mission of the HRA is to assist in keeping the residential and commercial areas of the City vital, maintaining property values, and serving the diverse housing and economic needs of homeowners, renters, and the business community. This work directly relates to the City's Strategic Plan and equity goals.

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

- Minnesota Statutes require the adoption of a preliminary levy from each taxing authority.
- A public hearing is not required. However, this does not preclude the HRA from opening this item up for public discussion if the Board wishes to do so.

CRITICAL TIMING ISSUES

The proposed tax levy for the payable year 2027 must be submitted to the County Auditor on or before September 30, 2026.

FINANCIAL IMPACT

- The proposed 2027 HRA levy represents a 0% increase from 2026 levy.
- The proposed 2027 HRA levy is approximately $191,300 less than the maximum HRA levy permitted by law.
- The HRA is primarily funded by a number of Special Revenue sources including, but not limited to, the Federal Government and Local Affordable Housing Aid.

LEGAL CONSIDERATIONS

N/A

ALTERNATIVE RECOMMENDATION(S)

Direct staff to revise the proposed budget and/or levy to better-reflect identified priorities.

ATTACHMENTS

1. 2027 HRA Budget - DRAFT
2. 2027 HRA Budget Tax Levy Resolution
3. 081726 2026 HRA Budget 2027 Revised Resolution

2027 BUDGET

HOUSING AND REDEVELOPMENT AUTHORITY

JANUARY 1, 2027 - DECEMBER 31, 2027

The Urban Hometown

6700 PORTLAND AVENUE
RICHFIELD, MN 55423
richfieldmn.gov

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CITY OF RICHFIELD, MINNESOTA
ANNUAL BUDGET
HOUSING AND REDEVELOPMENT AUTHORITY

HRA COMMISSIONERS

GORDAN HANSON - CHAIR

COMMISSIONER - BRETT STURSA

COMMISSIONER - SEAN HAYFORD OLEARY

COMMISSIONER - MARY SUPPLE

COMMISSIONER - JOHN YOUNG

ADMINISTRATIVE STAFF

MELISSA POEHLMAN - EXECUTIVE DIRECTOR/COMMUNITY DEVELOPMENT DIRECTOR

MARY BOGIE - FINANCE DIRECTOR

August 7, 2026

Housing and Redevelopment
Authority Commissioners
City of Richfield

Dear Commissioners:

In accordance with the bylaws of the Richfield Housing and Redevelopment Authority (HRA), the HRA budget for January 1, 2027, to December 31, 2027, is submitted. A meeting to consider the proposed HRA budget will be held on August 17, 2026, at 7:00 p.m.

Pursuant to State law, the HRA must certify the 2027 budget and the revenue required to be raised by an ad valorem property tax levy to the Hennepin County Auditor. The deadline for the certification is December 28, 2026. A proposed 2027 tax levy must be submitted to the County Auditor on or before September 30, 2026. Any amendments to the proposed budget, which would increase the property tax levy, must be made prior to September 30, 2026. No increases to the tax levy are permissible after that date, only reductions. Final certification of the HRA tax levy is part of the City's budget process.

The revised 2026 budget and the proposed 2027 budget for the HRA consist of 17 funds or programs.

1. General Fund
2. Capital Improvement Program
3. New Home Program
4. Housing Rehabilitation Program
5. Section 8 Rental Assistance - HAP
6. Section 8 Rental Assistance – ADMIN
7. Affordable Housing Trust Fund
8. Development Opportunities Fund
9. Lakes at Lyndale
10. Lyndale Garden Center
11. Cedar Point Commons
12. Cedar Corridor

13. Penn Corridor
14. Local Affordable Housing Aid (LAHA)
15. Bring it Home Rental Assistance
16. Housing and Redevelopment Fund
17. Temporary Spending Plan Fund (2026)

2026/2027 AREAS OF FOCUS

During the upcoming fiscal year, the HRA and its staff will continue to place emphasis on work that furthers the desired outcomes identified by the City's Strategic Plan – specifically activities that aim to create a vibrant downtown, diversify the tax base, and maintain Richfield as an affordable place to live. Activities will include:

- Researching and discussing several housing policies.
- Exploring redevelopment opportunities in identified priority areas: Downtown, Penn Corridor, Cedar Corridor.
- Evaluating the best use of unspent Temporary Spending Plan money.
- In conjunction with EDA staff, marketing development/redevelopment sites owned by the HRA along East 66th Street, the Cedar Corridor, Penn Avenue, and Interstate 494.
- Serving approximately 300 Section 8 clients and 40 Bring it Home families.
- Providing emergency rental assistance with Local Affordable Housing Aid (LAHA) funding.
- Prioritizing maintenance of Richfield's housing stock through the Fix Up Fund Loan Program and exploring and launching new initiatives.
- Facilitating homeownership opportunities for first-time buyers with a focus on building wealth for historically marginalized populations.
- Facilitating investment and diversification of the housing stock through the Richfield Rediscovered Program with a focus on priority or demonstration housing types.
- Continuing to implement the priorities and "next steps" identified in the Housing Program Evaluation.
- Managing grant funds to further development, support affordable homeownership opportunities, and develop new rehabilitation programs.
- Participating in outreach and drafting of the next Comprehensive Plan update.

Individual budgets for the programs and projects administered by the HRA are provided as part of the budget document. Each of these budgets provides a narrative including the program's mission, administrative focus, highlights of 2026, and goals for 2027. A detailed accounting of actual revenues and expenditures for the past year (2025), as well as adopted and revised 2026 budgets are provided to compare with proposed 2027.

OVERVIEW 2026 AND 2027

The HRA budget varies significantly from year-to-year for several reasons. First, investments in the community through HRA support are made as opportunities arise. These investments are most often made from fund balances rather than a particular year's levy. Additionally, pass-through funding such as large grants, or transfers from one fund to another can skew the budget significantly. The 2026 revised budget for the Temporary Spending Plan reflects that at the end of the year all unspent funds must be transferred. This looks like a $3.6 million expenditure but rather reflects moving money from one fund to another (Housing & Redevelopment Fund) as our legislative authority expires. Finally, unexpected events occur. Operation Metro Surge earlier this year led to an acute need for additional funding for our partner organizations that help to ensure housing stability for residents. For these reasons, the HRA budget can seem to fluctuate significantly from approved to revised and from one year to the next.

Fixed costs remain largely flat for the HRA in 2026 and 2027. A review of building and IT service charges resulted in significant savings for the HRA, which absorbed increases in staff costs. As mentioned above, HRA funding fluctuates significantly based on opportunities, but in stable and pre-planned spending our investments into the community will increase for 2027 by approximately 39% as we continue to issue more Bring it Home vouchers and utilize Local Affordable Housing Aid (LAHA) funds to increase and expand our housing programs.

The HRA holds fund balances in several accounts because different funding streams come with different sets of spending rules (and reporting requirements). It's important that the HRA have the flexibility to react to investment opportunities by having a healthy unrestricted fund balance, and this is now primarily funded by the HRA levy. That said, for the past few years the HRA has been able to take advantage of temporary additional flexibility thanks to changes by the State Legislature. In the past, a large investment in the preservation of affordable housing like was done for the three apartment communities in 2025 would've required the use of $1.5 million from the general fund balance. Instead, Special Legislation allowed pooled TIF to be transferred and utilized for this housing stability work. This flexibility, the creation of LAHA as a funding source, and a lack of larger development projects for the HRA to invest in has allowed the HRA to maintain healthy fund balances while increasing smaller housing programming. Recognizing this, and the current larger economic forces that are putting significant pressure on many of our residents, a 0% increase is proposed for the 2027 levy.

The resolution to certify the 2027 budget and tax levy has been prepared based on the proposed budget. This resolution and a resolution revising the 2026 budget are in the last section of this document.

Respectfully submitted,

Melissa Poehlman, AICP
Executive Director

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SUMMARY OF 2026/2027 BUDGET

COMPARATIVE ANALYSIS OF EXPENDITURES BY MAJOR OBJECTIVES - ALL FUNDS

COMPARATIVE ANALYSIS OF EXPENDITURES - ALL FUNDS

COMPARATIVE ANALYSIS OF REVENUES - ALL FUNDS

SUMMARY OF 2026/2027 BUDGET - ALL FUNDS

FUNDS	Fund Balance January 1, 2026	Revenues	Expenditures	Fund Balance December 31, 2026	Revenues	Expenditures	Fund Balance December 31, 2027
GENERAL	$ 3,480,718	$ 835,890	$ 595,642	$ 3,720,966	$ 835,230	$ 610,231	$ 3,945,965
SPECIAL REVENUE:							
Capital Improvement	998,170	40,000	-	1,038,170	40,000	25,250	1,052,920
New Home Program	286,518	130,000	131,600	284,918	-	2,100	282,818
Housing Rehabiliation Program	290,991	15,000	119,850	186,141	15,000	121,450	79,691
Section 8 Rental Assistance - HAP	(44,520)	2,450,000	2,450,000	(44,520)	2,750,000	2,750,000	(44,520)
Section 8 Rental Assistance - ADMIN	94,338	397,520	397,520	94,338	422,790	422,790	94,338
Affordable Housing Trust	421,812	150,000	231,000	340,812	-	241,000	99,812
Affordable Housing-Special Legis/LAHA	723,833	699,703	220,000	1,203,536	400,000	460,000	1,143,536
Bring it Home	-	170,730	170,730	-	423,500	423,500	-
TOTAL SPECIAL REVENUE	2,771,142	4,052,953	3,720,700	3,103,395	4,051,290	4,446,090	2,708,595
CAPITAL PROJECTS:							
Development Opportunities	7,295,798	1,345,450	1,413,451	7,227,797	48,000	48,000	7,227,797
Lakes at Lyndale	64,608	-	31,250	33,358	25,250	25,250	33,358
Lyndale Garden Center	(5,303)	4,600	4,600	(5,303)	4,600	2,500	(3,203)
Cedar Point Commons	(131,697)	3,000	1,000	(129,697)	3,000	1,000	(127,697)
Cedar Corridor	765,676	1,000	1,000	765,676	1,000	1,000	765,676
Penn Corridor	87,968	8,800	5,800	90,968	5,800	5,800	90,968
Housing & Redevelopment Fund	4,033,243	4,069,220	235,600	7,866,863	427,750	415,200	7,879,413
Spending Plans	3,616,882	13,118	3,630,000	-	-	-	-
TOTAL CAPITAL PROJECTS	15,727,175	5,445,188	5,322,701	15,849,662	515,400	498,750	15,866,312
TOTAL - ALL FUNDS	**$ 21,979,035**	**$ 10,334,031**	**$ 9,639,043**	**$ 22,674,023**	**$ 5,401,920**	**$ 5,555,071**	**$ 22,520,872**

COMPARATIVE ANALYSIS OF EXPENDITURES
BY MAJOR OBJECTIVES - ALL FUNDS

		2026		2027
	2025	Budget	Revised	Budget
General Fund				
Personal services	$ 343,031	$ 344,910	$ 351,990	$ 357,810
Other services and charges	106,555	230,420	159,750	161,531
Total Current Expenditures	449,586	575,330	511,740	519,341
Capital outlay		173,500		
Transfers	7,600	7,600	83,902	90,890
Total General Fund	457,186	756,430	595,642	610,231
Special Revenue Funds				
Personal services	$ 258,898	$ 293,500	$ 306,580	$ 305,580
Other services and charges	3,905,034	3,769,530	3,174,120	3,875,260
Total Current Expenditures	4,163,932	4,063,030	3,480,700	4,180,840
Capital outlay	170,000	160,000	240,000	240,000
Transfers				25,250
Total Special Revenue	4,333,932	4,223,030	3,720,700	4,446,090
Capital Projects Funds				
Personal services	$ -	$ -	$ -	$ -
Other services and charges	219,814	146,650	241,650	111,550
Total Current Expenditures	219,814	146,650	241,650	111,550
Capital outlay	871,414	2,019,000	1,383,050	387,200
Transfers	1,300,000	500,000	3,698,001	-
Total Capital Projects	2,391,228	2,665,650	5,322,701	498,750
TOTAL FOR ALL FUNDS				
Personal services	601,929	638,410	658,570	663,390
Other services and charges	4,231,403	4,146,600	3,575,520	4,148,341
Total Current Expenditures	4,833,332	4,785,010	4,234,090	4,811,731
Capital outlay	1,041,414	2,352,500	1,623,050	627,200
Transfers	1,307,600	507,600	3,781,903	116,140
Total for All Funds	$ 7,182,346	$ 7,645,110	$ 9,639,043	$ 5,555,071

COMPARATIVE ANALYSIS OF EXPENDITURES
ALL FUNDS

FUNDS	2025	2026 Budget	2026 Revised	2027 Budget
GENERAL	$ 457,186	$ 756,430	$ 595,642	$ 610,231
SPECIAL REVENUE				
Capital Improvement	-	-	-	25,250
New Home	75,129	21,500	131,600	2,100
Housing Rehabilitation	65,018	119,850	119,850	121,450
Section 8 - Housing Assistance Program	1,989,886	2,350,000	2,450,000	2,750,000
Section 8 - Administration	383,899	394,760	397,520	422,790
Affordable Housing Trust	1,740,000	701,000	231,000	241,000
Local Affordable Housing Aid	80,000	400,000	220,000	460,000
Bring it Home	-	235,920	170,730	423,500
Total Special Revenue	4,333,932	4,223,030	3,720,700	4,446,090
CAPITAL PROJECTS				
Development Opportunities	140,314	1,896,000	1,413,451	48,000
Lakes at Lyndale	-	17,250	31,250	25,250
Lyndale Garden Center	-	4,600	4,600	2,500
Cedar Point Commons	-	1,000	1,000	1,000
Cedar Corridor	2,658	1,000	1,000	1,000
Penn Corridor	1,297	10,800	5,800	5,800
Housing & Redevelopment Fund	946,959	205,000	235,600	415,200
Spending Plans	1,300,000	530,000	3,630,000	-
Total Capital Projects	2,391,228	2,665,650	5,322,701	498,750
TOTAL - ALL FUNDS	$ 7,182,346	$ 7,645,110	$ 9,639,043	$ 5,555,071

COMPARATIVE ANALYSIS OF REVENUES - ALL FUNDS - 2026 REVISED

	General	Special Revenue	Capital Projects	Total
Taxes	$ 742,230	$ -	$ -	$ 742,230
Intergovernmental Revenues	-	3,900,433	1,299,450	5,199,883
Miscellaneous Revenues	93,660	121,500	189,618	404,778
Transfers	-	31,020	3,956,120	3,987,140
Total	$ 835,890	$ 4,052,953	$ 5,445,188	$ 10,334,031

COMPARATIVE ANALYSIS OF REVENUES - ALL FUNDS - 2027

	General	Special Revenue	Capital Projects	Total
Taxes	$ 742,230	$ -	$ -	$ 742,230
Intergovernmental Revenues	-	3,898,500	175,000	4,073,500
Miscellaneous Revenues	93,000	124,500		217,500
Transfers	-	28,290	340,400	368,690
Total	$ 835,230	$ 4,051,290	$ 515,400	$ 5,401,920

COMPARATIVE ANALYSIS OF FUND BALANCE - GENERAL FUND

		2026		2027
	2025	Budget	Revised	
Fund Balance, January 1	$ 3,083,882	$ 3,098,270	$ 3,480,718	$ 3,720,966
Revenues	854,022	914,588	835,890	835,230
Total Available	3,937,904	4,012,858	4,316,608	4,556,196
Expenditures	457,186	756,430	595,642	610,231
Fund Balance, December 31	$ 3,480,718	$ 3,256,428	$ 3,720,966	$ 3,945,965

GENERAL FUND

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BUDGET SUMMARY - GENERAL FUND

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ 3,083,882	$ 3,098,270	$ 3,480,718	$ 3,720,966
Revenues:				
Taxes:				
Current	705,474	742,230	742,230	742,230
Total Taxes	705,474	742,230	742,230	742,230
Miscellaneous Revenues:				
Other Miscellaneous Revenues	148,548	172,358	93,660	93,000
Total Miscellaneous Revenues	148,548	172,358	93,660	93,000
Total Revenues	854,022	914,588	835,890	835,230
Expenditures:				
Personal Services	343,031	344,910	351,990	357,810
Capital Outlay	-	173,500	-	-
Other Services and Charges	106,555	230,420	159,750	161,531
Total Expenditures	449,586	748,830	511,740	519,341
Excess (Deficiency) of Revenues Over Expenditures	404,436	165,758	324,150	315,889
Transfers From (To) Other Funds:				
EDA				(55,000)
Underpass Project			(45,282)	
New Home				
Rehabilitation Program				
Section 8 Administration			(31,020)	(28,290)
Lakes at Lyndale				
Lyndale Garden	(4,600)	(4,600)	(4,600)	(4,600)
Cedar Point	(3,000)	(3,000)	(3,000)	(3,000)
Net Transfers	(7,600)	(7,600)	(83,902)	(90,890)
FUND BALANCE - DECEMBER 31	$ 3,480,718	$ 3,256,428	$ 3,720,966	$ 3,945,965

ADMINISTRATION

The Richfield Housing and Redevelopment Authority (HRA) works to keep the residential and commercial areas of the City vital, maintain property values, and serve the diverse housing and economic needs of homeowners, renters, and the business community.

The HRA is staffed by the City's Community Development Department and is funded through a variety of sources. The Administration budgets in the following pages represent staffing costs, operating expenses, and programs funded by the HRA levy and/or General Fund.

HIGHLIGHTS AND GOALS

In 2026, the Community Development Department restructured to reassign supervision of the Housing Inspectors from the Assistant Director to the Senior Building Official. This restructuring is intended to allow for additional housing policy work, such as the evaluation of a policy related to the 4d(1) Affordable Housing Tax Classification.

In 2026, a Metropolitan Council grant allowed for expanded hours for Housing Specialists. The hours allow for the development of new housing programming based on the Housing Program Evaluation completed in 2025.

In 2027, the HRA levy will support a permanent expansion of the hours for one of the two Housing Specialists, allowing for the implementation of new programming and potential expansion of existing programs.

In 2026 and 2027, the Housing Team will continue to tackle housing policy questions (e.g. source of income discrimination, eviction notification requirements, and creation of a housing improvement area (HIA) policy)

The levy also supports the following programming anticipated in 2026 and 2027:

- Marketing for events such as the biennial Tour of Remodeled Homes and other promotion of HRA housing programs and
- Rental Housing Support, which includes landlord and tenant training and resources.

DIVISION EXPENDITURE COMMENT

- The HRA Administration Division includes staffing costs for nearly all HRA programming. The revised 2026 budget includes an additional $31,000 transfer to cover a potential shortfall in HUD Administrative funding for Section 8 staff. While HUD has continued to cover these shortfalls in most years, the revised budget reflects the potential need for a transfer from the HRA General Fund. The 2027 budget similarly plans for this possibility.

- The HRA General Levy pays administrative expenses related to some of the HRA's funding sources which don't allow funds to be used for administration (e.g., the Local Housing Affordable Housing Aid and Community Development Block Grant Programs).

- Unspent funds from a grant awarded to the HRA in 2018 for affordable housing will be transferred from the HRA General Fund (Rental Housing Support) to the EDA for use in the EDA's Apartment Remodeling Program in 2027. This transfer inflates the Administration Budget for 2027 by $55,000; however, the money is simply being moved to a different fund.

- The 2026 Revised and 2027 Proposed Administration Budgets reflect increases of 17.4% and 17.5%; however, the above transfer and the possible, but not certain, shortfalls in Section 8 account for most of this increase.

- Staffing costs will increase by 3.74%. As tax increment districts expire, administrative funds also expire. Funding to administer programming undertaken with Housing and Redevelopment Account funds must be reallocated to the HRA and City general levies.

FUND: HRA GENERAL FUND
DEPARTMENT: Community Development
BUSINESS UNIT: HRA Administration - 90100

DETAIL REVENUES BY BUSINESS UNIT

	CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Taxes				
4005	Current	$ 593,477	$ 742,230	$ 742,230	$ 742,230
4010	Delinquent	(255)	-	-	-
4025	Fiscal Disparities	112,252	-	-	-
	Taxes Total	$ 705,474	$ 742,230	$ 742,230	$ 742,230
	Miscellaneous Revenues				
4607	Investment Earnings	$ 110,876	$ 80,000	$ 80,000	$ 80,000
4620	Contributions & Donations	(130)	-	1,400	-
4644	Other Miscellaneous Revenues	37,802	12,358	12,260	13,000
	Miscellaneous Revenues Total	$ 148,548	$ 92,358	$ 93,660	$ 93,000
	HRA Administration TOTAL	$ 854,022	$ 834,588	$ 835,890	$ 835,230

FUND: HRA GENERAL FUND
DEPARTMENT: Community Development
BUSINESS UNIT: HRA Administration - 90100

DETAIL EXPENDITURES BY BUSINESS UNIT

	CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Personal Services				
6051	Interdepartmental Labor	$ 343,031	$ 344,910	$ 351,990	$ 357,810
	Personal Services Total	$ 343,031	$ 344,910	$ 351,990	$ 357,810
	Other Services & Charges				
6103	Professional Services -General	$ 7,190	$ 15,000	$ 15,000	$ 15,000
6201	Rents & Leases	11,400	11,860	11,860	28,331
6202	Data Processing Rental	55,830	57,980	57,980	30,830
6301	Advertising & Publication	-	300	300	300
6302	Communications	166	450	-	-
6303	Professional Development	5,075	3,910	6,490	4,000
6305	Subscriptions & Memberships	494	1,670	1,670	1,670
6307	Insurance & Bonds	14,414	23,000	20,100	20,100
6401	Office Supplies	904	1,800	1,800	1,800
6402	Copy Charges	663	800	800	800
6403	Postage	212	250	250	250
6409	Uniforms & Clothing	68	400	250	400
6414	Other Supplies	146	1,000	400	1,000
6513	Other Charges	1,073	-	-	-
	Other Services & Charges Total	$ 97,635	$ 118,420	$ 116,900	$ 104,481
	Other Financing Uses				
8511	Operating Transfers Out	$ 7,600	$ 7,600	$ 83,902	$ 90,890
	Other Financing Uses Total	$ 7,600	$ 7,600	$ 83,902	$ 90,890
	HRA Administration TOTAL	$ 448,266	$ 470,930	$ 552,792	$ 553,181

FUND: **HRA GENERAL FUND**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **Marketing/Events - 90300**

DETAIL EXPENDITURES BY BUSINESS UNIT

	CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Other Services & Charges				
6103	Professional Services -General	$ 1,250	$ 5,200	$ 2,200	$ 1,900
6301	Advertising & Publication	2,603	1,300	4,400	1,500
6305	Subscriptions & Memberships	125	-	125	150
6401	Office Supplies	-	50	50	50
6402	Copy Charges	126	250	250	250
6403	Postage	1,106	2,700	2,700	1,300
6414	Other Supplies	62	1,700	1,475	1,000
	Other Services & Charges Total	$ 5,272	$ 11,200	$ 11,200	$ 6,150
	Marketing/Events TOTAL	$ 5,272	$ 11,200	$ 11,200	$ 6,150

FUND: HRA GENERAL FUND
DEPARTMENT: Community Development
BUSINESS UNIT: Rental Housing Support - 90400

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS		2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Other Services & Charges				
6103	Professional Services -General	$ -	$ 42,000	$ 22,000	$ 42,000
6301	Advertising & Publication	-	200	100	200
6402	Copy Charges	-	50	50	50
6414	Other Supplies	-	250	100	250
	Other Services & Charges Total	$ -	$ 42,500	$ 22,250	$ 42,500
	Rental Housing Support TOTAL	$ -	$ 42,500	$ 22,250	$ 42,500

FUND:	**HRA GENERAL FUND**
DEPARTMENT:	**Community Development**
BUSINESS UNIT:	**Richfield Rediscovered/HF - 90700**

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Miscellaneous Revenues				
4644 Other Miscellaneous Revenues	$ -	$ 80,000	$ -	$ -
Miscellaneous Revenues Total	$ -	$ 80,000	$ -	$ -
Richfield Rediscovered/HF TOTAL	$ -	$ 80,000	$ -	$ -

FUND:	**HRA GENERAL FUND**
DEPARTMENT:	**Community Development**
BUSINESS UNIT:	**Richfield Rediscovered/HF - 90700**

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Other Services & Charges				
6103 Professional Services -General	$ -	$ 3,500	$ 3,600	$ 2,600
6301 Advertising & Publication	-	100	200	100
6310 Taxes & Licenses	-	3,000	2,910	3,000
6315 Other Contractual Services	3,648	1,700	2,690	2,700
6511 Rehab Loan Program	-	50,000	-	-
Other Services & Charges Total	$ 3,648	$ 58,300	$ 9,400	$ 8,400
Capital Outlay				
7110 Land Purchases	$ -	$ 155,000	$ -	$ -
7310 Site Improvements	-	18,500	-	-
Capital Outlay Total	$ -	$ 173,500	$ -	$ -
Richfield Rediscovered/HF TOTAL	$ 3,648	$ 231,800	$ 9,400	$ 8,400

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SPECIAL REVENUE FUNDS

BUDGET SUMMARY - CAPTIAL IMPROVEMENT FUND

	2025	2026		2027
AVAILABLE FOR APPROPRIATION	**Actual**	**Budget**	**Revised**	**Budget**
FUND BALANCE - JANUARY 1	$ 946,894	$ 986,894	$ 998,170	$ 1,038,170
Revenues:				
Miscellaneous Revenues:				
Interest	51,276	40,000	40,000	40,000
Total Revenues	51,276	40,000	40,000	40,000
Expenditures:				
Other Services and Charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	51,276	40,000	40,000	40,000
Transfers From (To) Other Funds:				
Lakes at Lyndale	-	-	-	(25,250)
General Fund	-	-	-	-
Special Revenue	-	-	-	-
Net Transfers	-	-	-	(25,250)
FUND BALANCE - DECEMBER 31	$ 998,170	$ 1,026,894	$ 1,038,170	$ 1,052,920

HRA CAPITAL IMPROVEMENT FUND

MISSION STATEMENT

To fund Housing and Redevelopment Authority (HRA) programs utilizing non-tax increment revenues such as land sale proceeds, interest earnings, and miscellaneous revenues.

FUND FOCUS

The primary assets of this fund were derived from the sale of land to developers in the early years of the Lyndale-Hub-Nicollet tax increment redevelopment project. Interest earnings from those revenues and miscellaneous income account for the balance.

In an effort to maximize the use of limited funding sources, two accounts were established: the Capital Fund Trust and Capital Fund Revolving Account. The principal amount of the trust is invested. The annual interest earnings are available to provide funding to support HRA programs or acquisition/investment that could not be funded with pooled-increment.

FUND EXPENDITURE COMMENT

- Funding to programs is provided by “transfers out” when activity occurs.
- In 2027, a transfer to the “Lakes at Lyndale” fund to support downtown placemaking implementation is proposed.

FUND: **CAPITAL IMPROVEMENT FUND**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **CAPITAL IMPROVEMENT FUND - 91001**

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Miscellaneous Revenues				
4607 Investment Earnings	$ 51,276	$ 40,000	$ 40,000	$ 40,000
Miscellaneous Revenues Total	$ 51,276	$ 40,000	$ 40,000	$ 40,000
CAPITAL IMPROVEMENT FUND TOTAL	$ 51,276	$ 40,000	$ 40,000	$ 40,000

FUND: **CAPITAL IMPROVEMENT FUND**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **CAPITAL IMPROVEMENT FUND - 91001**

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Other Financing Uses				
8511 Operating Transfers Out	$ -	$ -	$ -	$ 25,250
Other Financing Uses Total	$ -	$ -	$ -	$ 25,250
CAPITAL IMPROVEMENT FUND TOTAL	$ -	$ -	$ -	$ 25,250

BUDGET SUMMARY - NEW HOME PROGRAM FUND

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ 296,786	$ 295,286	$ 286,518	$ 284,918
Revenues:				
Intergovernmental				
CDBG Grants	55,000	20,000	130,000	-
Miscellaneous				
Loan Repayment	-	-	-	-
Interest	9,861	-	-	-
Total Revenues	64,861	20,000	130,000	-
Expenditures:				
Other Services and Charges	75,129	21,500	51,600	2,100
Capital Outlay	-	-	80,000	-
Total Expenditures	75,129	21,500	131,600	2,100
Excess (Deficiency) of Revenues Over Expenditures	(10,268)	(1,500)	(1,600)	(2,100)
Transfers From (To) Other Funds:				
Affordable Housing Trust Fund	-	-	-	-
General Fund	-	-	-	-
Net Transfers	-	-	-	-
FUND BALANCE - DECEMBER 31	$ 286,518	$ 293,786	$ 284,918	$ 282,818

NEW HOME PROGRAM

MISSION STATEMENT

To encourage the development of homeownership opportunities for low- and moderate-income families, and elderly and disabled persons.

PROGRAM FOCUS

The New Home Program was established in 1974 to eliminate deteriorated, substandard structures and to provide home ownership opportunities for low- to moderate-income households. In cooperation with non-profit partners, the Housing and Redevelopment Authority (HRA) contributes to the rehabilitation of existing homes or the construction of new homes to serve these households. Projects also aim to create long-term affordable housing through a community land trust, and/or to meet special housing needs. In 2018, a down payment assistance program was added to expand homeownership opportunities.

2026 HIGHLIGHTS

- Funds are budgeted to cover legal expenses related to the servicing of New Home Program and First Time Homebuyer mortgages.

- Community Development Block Grant (CDBG) funding provides down payment assistance to two to three first-time homebuyers.

- CDBG funding provides funding for one affordable homeownership opportunity through the community land trust.

2027 PROGRAM GOALS

- Funds are budgeted to cover legal expenses related to the servicing of New Home Program and First Time Homebuyer mortgages.

- Housing and Redevelopment Fund money is designated for the purchase and demolition of one substandard home for redevelopment as a new affordable home.

PROGRAM EXPENDITURE COMMENT

- Funding for New Home Program homeownership activities has been provided by a variety of sources including CDBG and the Housing and Redevelopment Fund.

These activities may also be funded out of other Funds, including Local Affordable Housing Aid (LAHA) and the Affordable Housing Trust Fund.

- These funding sources do not provide for administrative costs. Previously, administrative costs were covered by the HRA General Fund; however, these costs are now covered by the available fund balance.

- The City is no longer a direct recipient of federal CDBG funds. Funds budgeted for 2026 are the remaining funds awarded as a direct allocation.

FUND: **NEW HOME PROGRAM**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **NEW HOME PROGRAM - 91010**

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Intergovernmental Revenues				
4214 CDBG Grants	$ 55,000	$ 20,000	$ 130,000	$ -
Intergovernmental Revenues Total	$ 55,000	$ 20,000	$ 130,000	$ -
Miscellaneous Revenues				
4607 Investment Earnings	$ 9,861	$ -	$ -	$ -
Miscellaneous Revenues Total	$ 9,861	$ -	$ -	$ -
NEW HOME PROGRAM TOTAL	$ 64,861	$ 20,000	$ 130,000	$ -

FUND:	**NEW HOME PROGRAM**
DEPARTMENT:	**Community Development**
BUSINESS UNIT:	**NEW HOME PROGRAM - 91010**

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS		2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Other Services & Charges				
6103	Professional Services -General	$ (48)	$ 1,500	$ 1,500	$ 1,500
6301	Advertising & Publication	177	-	100	100
6315	Other Contractual Services	-	-	-	500
6511	Rehab Loan Program	75,000	20,000	50,000	-
	Other Services & Charges Total	$ 75,129	$ 21,500	$ 51,600	$ 2,100
	Capital Outlay				
7110	Land Purchases	$ -	$ -	$ 80,000	$
	Capital Outlay Total	$ -	$ -	$ 80,000	$
	NEW HOME PROGRAM TOTAL	$ 75,129	$ 21,500	$ 131,600	$ 2,100

BUDGET SUMMARY - HOUSING REHABILITATION PROGRAM FUND

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ 317,481	$ 213,316	$ 290,991	$ 186,141
Revenues:				
Miscellaneous Revenues:				
Loan Repayments	26,890	15,000	15,000	15,000
Interest Earnings	11,338	-	-	-
Other	300	-	-	-
Total Revenues	38,528	15,000	15,000	15,000
Expenditures:				
Other Services and Charges	65,018	119,850	119,850	121,450
Total Expenditures	65,018	119,850	119,850	121,450
Excess (Deficiency) of Revenues Over Expenditures	(26,490)	(104,850)	(104,850)	(106,450)
Transfers From (To) Other Funds:				
General Fund	-	-	-	-
Net Transfers	-	-	-	-
FUND BALANCE - DECEMBER 31	$ 290,991	$ 108,466	$ 186,141	$ 79,691

HOUSING REHABILITATION PROGRAMS

MISSION STATEMENT

To assist in improving and maintaining the City's aging housing stock by providing financial and technical assistance to homeowners to make general home improvements and undertake expansions to accommodate their specific needs and desires.

PROGRAM FOCUS

The Richfield rehabilitation programs include the following:

The Home Energy Squad Enhanced Program offers home visits at a reduced cost to educate homeowners on saving energy and making energy-saving improvements. Visits are offered free to low-income households. Virtual consultations are also available.

The Architectural Consultation Program provides homeowners with a low-cost, two-hour consultation with an architect to discuss project design.

The Center for Energy and Environment Remodeling Advisor provides free in- home visits with a Remodeling Advisor to offer homeowners assistance with project planning for home repair and remodeling projects.

Fix-Up Fund reduced interest rate rehabilitation loans are offered to households earning up to 115% of the Area Median Income. Demand for this program varies as interest rates rise and fall.

2026 HIGHLIGHTS

- Continued to offer the Home Energy Squad Enhanced program to Richfield residents at a reduced rate; providing it for free to income-qualified households. Budget allows for up to 100 visits.
- Worked with the Center for Energy and Environment to offer remodeling advising visits. Budget allows for up to 50 visits in 2026.
- Continued to offer architectural consultations to homeowners planning remodeling projects. $50 co-pay is charged to the homeowner for a two-hour, in-home visit. Budget allows for up to 50 visits in 2026.
- Funds budgeted for the reduced interest-rate Fix-Up Fund Program allow for 12 to 25 loans.

2027 PROGRAM GOALS

- To continue to promote use of the Home Energy Squad Enhanced Program, including the free cost to low-income homeowners. A modest increase in the budget will assist additional low-income homeowners with no-cost visits. (City Council Priority/Outcome 2c)

- To continue assisting eligible homeowners in making repairs and improving their property, thus maintaining and improving the existing housing stock. (City Council Priority/Outcome 2b and c)

- The budget for the reduced interest rate Fix-Up Fund remains at the higher level of $90,000. The 2025 Housing Program Evaluation identified this program as an important one for leveraging significant investment in the City’s housing stock with a modest HRA contribution.

- To utilize housing rehabilitation and remodeling programs as a means of achieving HRA and City Council objectives to maintain and improve the housing stock and increase housing diversity. (City Council Priority/Outcome 2b and c)

PROGRAM EXPENDITURE COMMENT

- Loan repayments can be used to fund housing rehabilitation programs. In recent years, repayments have exceeded expenses and cash reserves have increased. In 2026 and 2027, cash reserves will fund all of these programs.

FUND: **REHABILITATION LOAN PROGRAM**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **REHABILITATION LOAN PROGRAM - 91300**

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Miscellaneous Revenues				
4607 Investment Earnings	$ 11,338	$ -	$ -	$ -
4644 Other Miscellaneous Revenues	300	-	-	-
4648 Loan Repayment Revenue	26,890	15,000	15,000	15,000
Miscellaneous Revenues Total	$ 38,528	$ 15,000	$ 15,000	$ 15,000
REHABILITATION LOAN PROGRAM TOTAL	$ 38,528	$ 15,000	$ 15,000	$ 15,000

FUND: **REHABILITATION LOAN PROGRAM**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **REHABILITATION LOAN PROGRAM - 91300**

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS		2025 ACTUAL		2026 BUDGET		2026 REVISED		2027 BUDGET
<u>Other Services & Charges</u>								
6103 Professional Services -General	$	14,464	$	29,750	$	29,750	$	31,350
6301 Advertising & Publication		-		100		100		100
6511 Rehab Loan Program		50,554		90,000		90,000		90,000
Other Services & Charges Total	$	65,018	$	119,850	$	119,850	$	121,450
REHABILITATION LOAN PROGRAM TOTAL	$	65,018	$	119,850	$	119,850	$	121,450

BUDGET SUMMARY - SECTION 8 HOUSING ASSISTANCE PROGRAM FUND

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ (26,563)	$ (26,563)	$ (44,520)	$ (44,520)
Revenues:				
Intergovernmental Revenues -				
Federal Housing Assistance Plan	1,971,929	2,350,000	2,450,000	2,750,000
Miscellaneous Revenues:				
Other	-	-	-	-
Total Revenues	1,971,929	2,350,000	2,450,000	2,750,000
Expenditures:				
Other Services and Charges	1,989,886	2,350,000	2,450,000	2,750,000
Total Expenditures	1,989,886	2,350,000	2,450,000	2,750,000
Excess (Deficiency) of Revenues Over Expenditures	(17,957)	-	-	-
FUND BALANCE - DECEMBER 31	$ (44,520)	$ (26,563)	$ (44,520)	$ (44,520)

SECTION 8 PROGRAM

MISSION STATEMENT

To provide rent assistance to low-income households through the administration of the federally funded Section 8 Rent Assistance Program.

PROGRAM FOCUS

The purpose of the Housing Assistance Program is to provide rent assistance to low-income households through administration of the Federal Section 8 Rent Assistance Program funded by the Department of Housing and Urban Development (HUD).

Staff takes applications, maintains a waiting list, and issues housing vouchers to eligible applicants. In addition to 185 - 200 vouchers utilized by the Housing and Redevelopment Authority (HRA), the program also administers services to approximately 50 - 60 “portable” clients. These are clients who have received their subsidy in other jurisdictions and have moved to use their certificate or voucher in Richfield.

Biennial housing quality inspections are conducted by Section 8 staff to ensure minimum housing quality standards are maintained. Income adjustments and social service referrals are routinely made to ensure client needs are met.

Though the program is not limited to Richfield residents, priority is given to those who live or work in Richfield. Program administrative costs are primarily reimbursed by HUD; however, when these reimbursements fall short the program is subsidized by the HRA.

2026 HIGHLIGHTS.

- Managed waiting list of 100 families from 2022 waiting list.
- Richfield’s Section 8 staff was recognized by HUD staff for their exceptional administration of the program.

2027 PROGRAM GOALS

- Maintain a high percentage of Section 8 vouchers under lease.
- Work to maintain HUD designation of “high performer.”
- Continue to provide excellent customer service to clients and landlords.
- Provide education and outreach to apartment owners and service providers about the program.

PROGRAM EXPENDITURE COMMENT

- Recent trends with fewer voucher-holders finding units within the City have led to a potential administrative deficit in 2026 and 2027.

FUND:	**RICHFIELD HAP**
DEPARTMENT:	**Community Development**
BUSINESS UNIT:	**RICHFIELD HAP - 91500**

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Intergovernmental Revenues				
4216 Section 8	$ 1,971,929	$ 2,350,000	$ 2,450,000	$ 2,750,000
Intergovernmental Revenues Total	$ 1,971,929	$ 2,350,000	$ 2,450,000	$ 2,750,000
RICHFIELD HAP TOTAL	$ 1,971,929	$ 2,350,000	$ 2,450,000	$ 2,750,000

FUND: **RICHFIELD HAP**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **RICHFIELD HAP - 91500**

DETAIL EXPENDITURES BY BUSINESS UNIT

	CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Other Services & Charges				
6502	HAP Payments	$ 2,605,493	$ 3,200,000	$ 3,200,000	$ 3,600,000
6503	Portability HAP Credit	(615,607)	(850,000)	(750,000)	(850,000)
	Other Services & Charges Total	$ 1,989,886	$ 2,350,000	$ 2,450,000	$ 2,750,000
	RICHFIELD HAP TOTAL	$ 1,989,886	$ 2,350,000	$ 2,450,000	$ 2,750,000

BUDGET SUMMARY - SECTION 8 ADMINISTRATION FUND

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ 150,191	$ 150,191	$ 94,338	$ 94,338
Revenues:				
Intergovernmental Revenues -				
Section 8 Administration Fee	251,804	342,760	300,000	325,000
Miscellaneous Revenues:				
Port In Administrative Fees	61,358	52,000	65,000	68,000
Interest Earnings	6,810	-	-	-
Miscellaneous Revenues	8,074	1,500	1,500	1,500
Total Revenues	328,046	396,260	366,500	394,500
Expenditures:				
Personal Services	258,898	260,580	259,690	269,180
Other Services and Charges	125,001	134,180	137,830	153,610
Total Expenditures	383,899	394,760	397,520	422,790
Excess (Deficiency) of Revenues Over Expenditures	(55,853)	1,500	(31,020)	(28,290)
Transfers From (To) Other Funds:				
General Fund	-	-	31,020	28,290
Net Transfers	-	-	31,020	28,290
FUND BALANCE - DECEMBER 31	$ 94,338	$ 151,691	$ 94,338	$ 94,338

FUND: SECTION 8 ADMIN
DEPARTMENT: Community Development
BUSINESS UNIT: Section 8 Admin - 91501

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS		2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Intergovernmental Revenues				
4217	Admin Fee	$ 251,804	$ 342,760	$ 300,000	$ 325,000
	Intergovernmental Revenues Total	$ 251,804	$ 342,760	$ 300,000	$ 325,000
	Miscellaneous Revenues				
4607	Investment Earnings	$ 6,810	$ -	$ -	$ -
4638	Portability Administration	61,358	52,000	65,000	68,000
4644	Other Miscellaneous Revenues	8,074	1,500	1,500	1,500
	Miscellaneous Revenues Total	$ 76,242	$ 53,500	$ 66,500	$ 69,500
	Other Financing Sources				
8051	Operating Transfers In	$ -	$ -	$ 31,020	$ 28,290
	Other Financing Sources Total	$ -	$ -	$ 31,020	$ 28,290
	Section 8 Admin TOTAL	$ 328,046	$ 396,260	$ 397,520	$ 422,790

FUND: **SECTION 8 ADMIN**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **Section 8 Admin - 91501**

DETAIL EXPENDITURES BY BUSINESS UNIT

	CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Personal Services				
6051	Interdepartmental Labor	$ 258,898	$ 260,580	$ 259,690	$ 269,180
	Personal Services Total	$ 258,898	$ 260,580	$ 259,690	$ 269,180
	Other Services & Charges				
6103	Professional Services -General	$ 12,994	$ 15,500	$ 15,500	$ 15,500
6201	Rents & Leases	6,990	7,270	7,270	15,840
6202	Data Processing Rental	24,450	24,760	24,760	26,420
6301	Advertising & Publication	-	500	500	500
6302	Communications	-	500	500	500
6303	Professional Development	-	1,800	800	1,300
6305	Subscriptions & Memberships	239	550	500	550
6401	Office Supplies	912	2,500	2,500	2,500
6402	Copy Charges	1,314	2,100	2,000	2,000
6403	Postage	1,768	2,500	2,500	2,500
6414	Other Supplies	339	1,200	1,000	1,000
6501	Portability Administrative Fee	75,995	75,000	80,000	85,000
	Other Services & Charges Total	$ 125,001	$ 134,180	$ 137,830	$ 153,610
	Section 8 Admin TOTAL	$ 383,899	$ 394,760	$ 397,520	$ 422,790

BUDGET SUMMARY - AFFORDABLE HOUSING TRUST FUND

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ 835,204	$ 344,204	$ 421,812	$ 340,812
Revenues:				
Intergovernmental Revenues -				
Grants Other	-	100,000	150,000	-
Miscellaneous Revenues -				
Interest & other	26,608	20,000	-	-
Total Revenues	26,608	120,000	150,000	-
Expenditures:				
Other Services and Charges	1,570,000	541,000	71,000	1,000
Capital Outlay	170,000	160,000	160,000	240,000
Total Expenditures	1,740,000	701,000	231,000	241,000
Excess (Deficiency) of Revenues Over Expenditures	(1,713,392)	(581,000)	(81,000)	(241,000)
Transfers From (To) Other Funds:				
General Fund	-	-	-	-
Capital Reserve Fund	-	-	-	-
Special Revenue Fund	1,300,000	500,000	-	-
Net Transfers	1,300,000	500,000	-	-
FUND BALANCE - DECEMBER 31	$ 421,812	$ 263,204	$ 340,812	$ 99,812

AFFORDABLE HOUSING TRUST FUND

MISSION STATEMENT

To fund the rehabilitation and preservation of existing affordable housing, promote the development of additional affordable housing, and assist individuals with rental and down payment assistance.

FUND FOCUS

The City created an Affordable Housing Trust Fund in 2020 to facilitate the creation and preservation of affordable housing in the community. The Trust Fund can provide loans and grants to housing developers to create new affordable rental and owner-occupied housing; for the rehabilitation and preservation of existing multi-family residential rental housing; and can offer rental and homeownership assistance to persons of very low, low, and moderate income.

2026 HIGHLIGHTS

- Funding is provided for the West Hennepin Affordable Housing Land Trust (WHAHLT) to purchase and remodel two homes and sell them to homebuyers earning less than 80 percent of the Area Median Income. The land trust model provides 99 years of affordability.
- An award from the State Affordable Housing Trust Fund Matching Grant Program funds four downpayment assistance loans and one of the three land trust homes.

2027 FUND GOALS

- Provide funding for the purchase and rehabilitation of three homes by the WHAHLT. The homes will be sold to income-qualified homebuyers using the land trust model. (City Council Priority/Outcome 2c)

FUND EXPENDITURE COMMENT

- The budget for the Affordable Housing Trust Fund must also be approved by the City Council.
- The City was awarded a $150,000 matching grant from Minnesota Housing in 2025 to fund down payment assistance and acquisition/rehabilitation through the community land trust. Expenditure of the three-year grant is expected to occur in 2026.
- An additional land trust home is funded with Community Development Block Grant (CDBG) funds in 2026, which is reflected in the New Home Program

budget.

- At the end of 2022, $750,000 in pooled tax increment was transferred to the Trust Fund. Because the State Auditor does not allow co-mingling of tax increment with other funds, separate codes are established for these funds; however all funds are shown in one worksheet for simplicity. Allowable uses of the special legislation funds are more restrictive (e.g., no down payment or rental assistance), as defined by special legislation approved by the State Legislature in 2021.

- State Temporary Legislation allowing the City and HRA to authorize the spending of unobligated tax increment expires at the end of 2026. This fall, the HRA will consider options to transfer a portion of those unspent funds to the Trust Fund. This transfer would be reflected in the 2027 Revised Budget.

FUND: **AFFORDABLE HOUSING TRUST**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **Affordable Housing Trust - 91530**

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS		2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Intergovernmental Revenues				
4244	Grants Other	$ -	$ 100,000	$ 150,000	$ -
	Intergovernmental Revenues Total	$ -	$ 100,000	$ 150,000	$ -
	Miscellaneous Revenues				
4607	Investment Earnings	$ 26,608	$ 20,000	$ -	$ -
	Miscellaneous Revenues Total	$ 26,608	$ 20,000	$ -	$ -
	Other Financing Sources				
8051	Operating Transfers In	$ 1,300,000	$ 500,000	$ -	$ -
	Other Financing Sources Total	$ 1,300,000	$ 500,000	$ -	$ -
	Affordable Housing Trust TOTAL	$ 1,326,608	$ 620,000	$ 150,000	$ -

FUND: **AFFORDABLE HOUSING TRUST**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **Affordable Housing Trust - 91530**

DETAIL EXPENDITURES BY BUSINESS UNIT

	CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Other Services & Charges				
6103	Professional Services -General	$ -	$ 1,000	$ 1,000	$ 1,000
6511	Rehab Loan Program	1,570,000	540,000	70,000	-
	Other Services & Charges Total	$ 1,570,000	$ 541,000	$ 71,000	$ 1,000
	Capital Outlay				
7110	Land Purchases	$ 170,000	$ 160,000	$ 160,000	$ 240,000
	Capital Outlay Total	$ 170,000	$ 160,000	$ 160,000	$ 240,000
	Affordable Housing Trust TOTAL	$ 1,740,000	$ 701,000	$ 231,000	$ 241,000

BUDGET SUMMARY - LOCAL AFFORDABLE HOUSING AID

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ 150,048	$ 593,911	$ 723,833	$ 1,203,536
Revenues:				
Intergovernmental				
Grant	643,863	400,000	699,703	400,000
Interest	9,922			
Total Revenues	653,785	400,000	699,703	400,000
Expenditures:				
Other Services and Charges	80,000	400,000	220,000	460,000
Total Expenditures	80,000	400,000	220,000	460,000
Excess (Deficiency) of Revenues Over Expenditures	573,785	-	479,703	(60,000)
Transfers From (To) Other Funds:				
General Fund			-	-
Net Transfers	-	-	-	-
FUND BALANCE - DECEMBER 31	$ 723,833	$ 593,911	$ 1,203,536	$ 1,143,536

LOCAL AFFORDABLE HOUSING AID

MISSION STATEMENT

Local Affordable Housing Aid (LAHA) provides funding to the City to help preserve and create affordable housing.

FUND FOCUS

The State provides LAHA funding, collected through a dedicated metro-wide sales tax, to communities to preserve and create affordable housing. Eligible activities include construction and rehabilitation, rental assistance, downpayment assistance, and other affordable housing activities authorized by the Legislature.

2026 HIGHLIGHTS

- One downpayment assistance loan was provided through the First-Time Homebuyer program supporting homeownership opportunities for income-qualified buyers. Funding for this program was shifted to the Community Development Block Grant (CDBG) and the Affordable Housing Trust Fund Matching Grant Program in 2026.

- LAHA funded emergency rental assistance for up to 36 income-qualified households.

- LAHA funds were set aside for a new rehabilitation loan program(s) developed in 2026 geared towards low-income homeowners. The program(s) was developed with the assistance of a program development grant from the Metropolitan Council and was based on needs and gaps identified in the 2025 evaluation of HRA housing programs.

2027 FUND GOALS

- Up to eight down payment assistance loans will be provided through the First-time Homebuyer program supporting homeownership opportunities for income-qualified buyers.

- LAHA will continue to fund the new rehabilitation loan program(s).

- LAHA funds will again provide emergency rental assistance for up to 36 income-qualified households.

FUND EXPENDITURE COMMENT

- Local Affordable Housing Aid is paid in two equal installments in the year based on the amount of sales tax available as of June 1 of that year. The first half is paid on July 20 and the second half on December 26. The City will receive a total of $699,703.18 in LAHA funds in 2026.

- The amount of available LAHA funding will vary depending on the amount of sales tax collected and the number of cost-burdened households in the City. For 2027, we will continue to estimate revenue conservatively as we wait to determine trends.

- Funds must be spent within three years. Funds may not be used for administrative expenses, thus staffing costs are covered by the HRA General Fund.

FUND: **LOCAL AFFORDABLE HOUSING AID**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **LOCAL AFFORDABLE HOUSING - 95100**

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Miscellaneous Revenues				
4234 Low Income Housing Aid	$ 643,863	$ 400,000	$ 699,703	$ 400,000
4607 Investment Earnings	9,922	-	-	-
Miscellaneous Revenues Total	$ 653,785	$ 400,000	$ 699,703	$ 400,000
LOCAL AFFORDABLE HOUSING TOTAL	$ 653,785	$ 400,000	$ 699,703	$ 400,000

FUND: **LOCAL AFFORDABLE HOUSING AID**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **LOCAL AFFORDABLE HOUSING - 95100**

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Other Services & Charges				
6315 Other Contractual Services	$	$	$ 100,000	$ 100,000
6504 Kids@Home Payments	-	15,000	-	-
6511 Rehab Loan Program	80,000	385,000	120,000	360,000
Other Services & Charges Total	$ 80,000	$ 400,000	$ 220,000	$ 460,000
LOCAL AFFORDABLE HOUSING TOTAL	$ 80,000	$ 400,000	$ 220,000	$ 460,000

BUDGET SUMMARY - BRING IT HOME

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1		$ -	$ -	$ -
Revenues:				
Miscellaneous Revenues:				
Loan Repayments				
Interest Earnings		-	-	-
Other	-	235,920	170,730	423,500
Total Revenues	-	235,920	170,730	423,500
Expenditures:				
Personal Services	-	32,920	46,890	36,400
Other Services and Charges		203,000	123,840	387,100
Total Expenditures	-	235,920	170,730	423,500
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Transfers From (To) Other Funds:				
General Fund			-	-
Net Transfers	-	-	-	-
FUND BALANCE - DECEMBER 31	$ -	$ -	$ -	$ -

FUND: Bring It Home
DEPARTMENT: Community Development
BUSINESS UNIT: Bring It Home - 95150

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Intergovernmental Revenues				
4244 Grants Other	$ -	$ 235,920	$ 170,730	$ 423,500
Intergovernmental Revenues Total	$ -	$ 235,920	$ 170,730	$ 423,500
Bring It Home TOTAL	$ -	$ 235,920	$ 170,730	$ 423,500

FUND: Bring It Home
DEPARTMENT: Community Development
BUSINESS UNIT: Bring It Home - 95150

DETAIL EXPENDITURES BY BUSINESS UNIT

	CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Personal Services				
6051	Interdepartmental Labor	$ -	$ 32,920	$ 46,890	$ 36,400
	Personal Services Total	$ -	$ 32,920	$ 46,890	$ 36,400
	Other Services & Charges				
6103	Professional Services -General	$ -	$ 1,500	$ 1,500	$ 1,500
6205	Maintenance & Repairs	-	8,000	16,000	1,000
6301	Advertising & Publication	-	750	750	750
6302	Communications	-	750	750	750
6303	Professional Development	-	-	100	100
6305	Subscriptions & Memberships	-	-	1,000	1,000
6401	Office Supplies	-	1,000	740	1,000
6402	Copy Charges	-	500	500	500
6403	Postage	-	500	1,000	1,000
6414	Other Supplies	-	1,000	1,000	1,000
6502	HAP Payments	-	189,000	100,000	378,000
6513	Other Charges	-	-	500	500
	Other Services & Charges Total	$ -	$ 203,000	$ 123,840	$ 387,100
	Bring It Home TOTAL	$ -	$ 235,920	$ 170,730	$ 423,500

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CAPITAL PROJECTS FUNDS

BUDGET SUMMARY - TEMPORARY SPENDING PLAN

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ 4,753,345	$ 3,423,345	$ 3,616,882	$ -
Revenues:				
Miscellaneous Revenues-				
Investment Earnings	163,537	-	13,118	-
Other Revenues				
Total Revenues	163,537	-	13,118	-
Expenditures:				
Other Services and Charges	-	30,000	-	-
Capital Outlay				
Total Expenditures	-	30,000	-	-
Excess (Deficiency) of Revenues Over Expenditures	163,537	(30,000)	13,118	-
Transfers From (To) Other Funds:				
To Special Leg. Affordable Housing Trust Fund	(1,300,000)	(500,000)	(3,630,000)	-
Net Transfers	(1,300,000)	(500,000)	(3,630,000)	-
FUND BALANCE - DECEMBER 31	$ 3,616,882	$ 2,893,345	$ -	$ -

TEMPORARY SPENDING PLAN

MISSION STATEMENT

In 2022, the City and Housing and Redevelopment Authority (HRA) adopted a temporary spending plan and authorized the use of unobligated tax increment from existing tax increment financing districts to assist new development or substantial rehabilitation in order to create or retain jobs.

FUND FOCUS

In 2021, to counter negative impacts caused by the COVID-19 pandemic, the Minnesota Legislature provided temporary authority to cities to use unobligated tax increment to help stimulate private development that would not occur without assistance before December 31, 2025. In 2025, the Legislature authorized an extension of one year to December 31, 2026. The City/HRA may provide loans, interest rate subsidies, or assistance in any form to private development, as long as it consists of new construction or substantial rehabilitation of buildings and if doing so will create or retain jobs in the State, including construction jobs. The approved Spending Plan authorized the transfer of unobligated tax increment to be used on projects meeting the intent of the temporary legislation. Projects must begin construction before December 31, 2026. Preference for financial assistance will be based on goals identified by the Comprehensive Plan and the priorities identified in the City's Strategic Plan.

FUND EXPENDITURE COMMENT

- Three separate funds were established under the Temporary Spending legislation and funds were designated from three tax increment districts, including Interchange West, Urban Village, and City Bella. Any funds not used before December 31, 2026, must be returned to their respective tax increment districts.

- $4.4 million in pooled tax increment was transferred to Temporary Spending Plan Fund.

- Economic conditions have continued to be challenging and despite several attempts to assist with the redevelopment of the vacant lot north of the Lakewinds Co-op and the Aster Commons affordable housing development on Portland Avenue, both projects have fallen through.

- An update to the HRA TIF Management Plan is underway. This update will explore options to transfer remaining Temporary Spending Plans back to the Housing and Redevelopment Fund or to the Affordable Housing Trust Fund. This update will be discussed with the HRA in the fall.

- The current budget reflects the anticipated transfer of all remaining funds back to the Housing and Redevelopment Fund. The 2027 Revised Budget will reflect the discussions later this fall.

FUND: Temp Spending Plan–Urban Vill
DEPARTMENT: Community Development
BUSINESS UNIT: TEMP SPENDING - URBAN VILLAGE - 92301

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Miscellaneous Revenues				
4607 Investment Earnings	$ 163,537	$ -	$ 13,118	$ -
Miscellaneous Revenues Total	$ 163,537	$ -	$ 13,118	$ -
TEMP SPENDING - URBAN VILLAGE TOTAL	$ 163,537	$ -	$ 13,118	$ -

FUND: Temp Spending Plan–Urban Vill
DEPARTMENT: Community Development
BUSINESS UNIT: TEMP SPENDING - URBAN VILLAGE - 92301

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Other Services & Charges				
6511 Rehab Loan Program	$ -	$ 30,000	$ -	$ -
Other Services & Charges Total	$ -	$ 30,000	$ -	$ -
Other Financing Uses				
8511 Operating Transfers Out	$ 1,300,000	$ 500,000	$ 3,630,000	$ -
Other Financing Uses Total	$ 1,300,000	$ 500,000	$ 3,630,000	$ -
TEMP SPENDING - URBAN VILLAGE TOTAL	$ 1,300,000	$ 530,000	$ 3,630,000	$ -

BUDGET SUMMARY - DEVELOPMENT OPPORTUNITIES

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ 7,192,511	$ 7,192,511	$ 7,295,798	$ 7,227,797
Revenues:				
Intergovernmental				
Local Grant	132,000	1,850,000	1,299,450	-
Contributions & Donations	-	-	-	-
Miscellaneous Revenues-				
Investment Earnings	(1,800)	-	-	-
Other Revenues	68,001	-	-	-
Total Revenues	198,201	1,850,000	1,299,450	-
Expenditures:				
Other Services and Charges	215,859	46,000	176,000	48,000
Capital Outlay	(75,545)	1,850,000	1,169,450	-
Total Expenditures	140,314	1,896,000	1,345,450	48,000
Excess (Deficiency) of Revenues Over Expenditures	57,887	(46,000)	(46,000)	(48,000)
Transfers From (To) Other Funds:				
Development TIF Funds (Sp Revenue Fund)			(68,001)	
Development TIF Funds (Capital Fund)	45,400	46,000	46,000	48,000
Net Transfers	45,400	46,000	(22,001)	48,000
FUND BALANCE - DECEMBER 31	$ 7,295,798	$ 7,192,511	$ 7,227,797	$ 7,227,797

DEVELOPMENT OPPORTUNITIES FUND

MISSION STATEMENT

Support emerging redevelopment efforts in areas not currently located within Tax Increment Financing (TIF) districts using appropriate revenue.

PROGRAM FOCUS

The purpose of this program is to identify and facilitate significant, large-scale redevelopment opportunities and/or to respond to purchase opportunities of smaller, blighted commercial sites which are located within the Richfield Redevelopment Project area, but outside of any established TIF district. Interchange West, Lyndale Gateway, Lakes at Lyndale, City Bella and Cedar Point were all concepts originally programmed through the Development Opportunities Fund before becoming independent projects.

2026 HIGHLIGHTS

- Held regular meetings with area developers to present a map of “Redevelopment Opportunity Sites” in Richfield and responded to development interests in various scattered sites.

- Provide purchase assistance to new homeowners at Woodlawn Terrace Cooperative.

- Administer Tax Base Revitalization Account (TBRA) grants from the Metropolitan Council to conduct environmental testing on the Legion site and environmental remediation at 6501-25 Penn Avenue (Penn Station).

2027 PROGRAM GOALS

- Provide support to redevelopment projects as opportunities arise. (City Council Priority/Outcome 2b)

- Support approved projects until TIF resources are received.

PROGRAM EXPENDITURE COMMENT

- The Development Fund supports the acquisition of commercial properties. Qualified costs for substandard properties are funded by the Housing and Redevelopment Fund (HRF) and the Development Fund covers the costs that cannot be covered by the HRF, including property maintenance and facilitating the development and re-sale of the properties. Revenues from these funds are reflected as a “Transfer In.”

- The “Transfer Out” in the 2026R budget reflects the transfer of funds received in

2025 for the purchase of a remnant parcel along Richfield Parkway. Proceeds of the sale must be deposited in the 77th Street underpass fund.

- The Development Opportunities budget can vary significantly from year to year because it reflects opportunities to invest in the community and/or projects that often are not foreseeable as part of a budget process.

FUND: DEVELOPMENT OPPORTUNITIES
DEPARTMENT: Community Development
BUSINESS UNIT: DEVELOPMENT OPPORTUNITIES - 92001

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS		2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Intergovernmental Revenues				
4290	Other Local Grants	$ 132,000	$ 1,850,000	$ 1,299,450	$ -
	Intergovernmental Revenues Total	$ 132,000	$ 1,850,000	$ 1,299,450	$ -
	Miscellaneous Revenues				
4607	Investment Earnings	$ (1,800)	$ -	$ -	$ -
4647	HRA Land Sales	68,001	-	-	-
	Miscellaneous Revenues Total	$ 66,201	$ -	$ -	$ -
	Other Financing Sources				
8051	Operating Transfers In	$ 45,400	$ 46,000	$ 46,000	$ 48,000
	Other Financing Sources Total	$ 45,400	$ 46,000	$ 46,000	$ 48,000
	DEVELOPMENT OPPORTUNITIES TOTAL	$ 243,601	$ 1,896,000	$ 1,345,450	$ 48,000

FUND: DEVELOPMENT OPPORTUNITIES
DEPARTMENT: Community Development
BUSINESS UNIT: DEVELOPMENT OPPORTUNITIES - 92001

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS		2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Other Services & Charges				
6103	Professional Services -General	$ 103,683	$ 23,000	$ 58,000	$ 23,000
6205	Maintenance & Repairs	247	3,000	3,000	1,500
6301	Advertising & Publication	79	-	-	-
6310	Taxes & Licenses	7,073	5,000	5,000	3,500
6315	Other Contractual Services	36,027	15,000	15,000	20,000
6511	Rehab Loan Program	68,750	-	95,000	-
	Other Services & Charges Total	$ 215,859	$ 46,000	$ 176,000	$ 48,000
	Capital Outlay				
7110	Land Purchases	$ (80,545)	$ -	$ -	$ -
7230	Building Improvements	-	1,850,000	850,000	-
7310	Site Improvements	-	-	319,450	
7320	Public Utilities	5,000	-		
	Capital Outlay Total	$ (75,545)	$ 1,850,000	$ 1,169,450	$ -
	Other Financing Uses				
8511	Operating Transfers Out	$ -	$ -	$ 68,001	$ -
	Other Financing Uses Total	$ -	$ -	$ 68,001	$ -
DEVELOPMENT OPPORTUNITIES TOTAL		$ 140,314	$ 1,896,000	$ 1,413,451	$ 48,000

BUDGET SUMMARY - LAKES AT LYNDALE

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ 52,983	$ 52,983	$ 64,608	$ 33,358
Revenues:				
Miscellaneous Revenues:				
Interest	(5,625)	-	-	-
Total Revenues	(5,625)	-	-	-
Expenditures:				
Other Services and Charges	-	3,250	3,250	3,250
Capital Outlay	-	14,000	28,000	22,000
Total Expenditures	-	17,250	31,250	25,250
Excess (Deficiency) of Revenues Over Expenditures	(5,625)	(17,250)	(31,250)	(25,250)
Transfers From (To) Other Funds:				
Special Revenue Fund	-	-	-	-
Development TIF Funds (Capital Fund)	17,250	17,250	-	25,250
Net Transfers	17,250	17,250	-	25,250
FUND BALANCE - DECEMBER 31	$ 64,608	$ 52,983	$ 33,358	$ 33,358

THE LAKES AT LYNDALE/DOWNTOWN

MISSION STATEMENT

The Lakes at Lyndale area is centered at 66th Street and Lyndale Avenue, radiating west to I-35W and north to Highway 62/Crosstown. In recent years, economic development efforts have broadened the area thought of as Richfield's downtown area to extend east to the 66^{th} Street and Nicollet area as well. Regardless of the official boundaries, the area is called out as a focus for continued investment.

PROGRAM FOCUS

The Lakes at Lyndale long-range master plan focuses redevelopment based on seven themes:

- Nature: The lakes are a natural centerpiece to an urban downtown.
- Housing: More choices and new locations for living.
- People: Connecting pathways for walking.
- Transit: Bringing efficient transit service closer to residents.
- Identity: Distinctive look, visual appeal and connection.
- Gateways: Attractive front doors to the community.
- Business: Opportunities for investment and creating value.

The recent Branding and Placemaking Initiative for the area identified several of the same important areas and provides a "playbook" for the future.

2026 HIGHLIGHTS

- Begin to implement placemaking and branding ideas identified by the 2025 plan.

2027 PROGRAM GOALS

- Continued implementation of area way-finding and branding.
- Continue to pursue additional redevelopment opportunities in the area.

PROGRAM EXPENDITURE COMMENT

- The Lakes at Lyndale Master Plan and expenses incurred in the ongoing general planning for redevelopment of the downtown represents one fund.
- $28,000 has been budgeted in 2026R (up from $14,000) to begin implementing the downtown placemaking and branding study and area

wayfinding. Another $22,000 has been budgeted for 2027, made possible with a transfer from the Capital Improvement Fund. These funds will be supplemented with the $25,000 awarded to the EDA through Hennepin County's Business District Initiative (BDI) Program. All told, in 2026-2027, $225,000 is programmed for work in the downtown.

FUND: LAKES AT LYNDALE
DEPARTMENT: Community Development
BUSINESS UNIT: LAKES AT LYNDALE - 92900

DETAIL REVENUES BY BUSINESS UNIT

	CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Miscellaneous Revenues				
4607	Investment Earnings	$ (5,625)	$ -	$ -	$ -
	Miscellaneous Revenues Total	$ (5,625)	$ -	$ -	$ -
	Other Financing Sources				
8051	Operating Transfers In	$ 17,250	$ 17,250	$ -	$ 25,250
	Other Financing Sources Total	$ 17,250	$ 17,250	$ -	$ 25,250
	LAKES AT LYNDALE TOTAL	$ 11,625	$ 17,250	$ -	$ 25,250

FUND: **LAKES AT LYNDALE**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **LAKES AT LYNDALE - 92900**

DETAIL EXPENDITURES BY BUSINESS UNIT

	CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Other Services & Charges				
6103	Professional Services -General	$ -	$ 3,250	$ 3,250	$ 3,250
	Other Services & Charges Total	$ -	$ 3,250	$ 3,250	$ 3,250
	Capital Outlay				
7330	Streets & Sidewalks	$ -	$ 14,000	$ 28,000	$ 22,000
	Capital Outlay Total	$ -	$ 14,000	$ 28,000	$ 22,000
	LAKES AT LYNDALE TOTAL	$ -	$ 17,250	$ 31,250	$ 25,250

BUDGET SUMMARY - LYNDALE GARDEN CENTER

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ (9,903)	$ (9,903)	$ (5,303)	$ (5,303)
Expenditures:				
Other Services and Charges	-	4,600	4,600	2,500
Total Expenditures	-	4,600	4,600	2,500
Transfers From (To) Other Funds:				
General Fund	4,600	4,600	4,600	4,600
Net Transfers	4,600	4,600	4,600	4,600
FUND BALANCE - DECEMBER 31	$ (5,303)	$ (9,903)	$ (5,303)	$ (3,203)

FUND:	**LYNDALE GARDEN CENTER**
DEPARTMENT:	**Community Development**
BUSINESS UNIT:	**LYNDALE GARDEN CENTER - 93300**

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Other Financing Sources				
8051 Operating Transfers In	$ 4,600	$ 4,600	$ 4,600	$ 4,600
Other Financing Sources Total	$ 4,600	$ 4,600	$ 4,600	$ 4,600
LYNDALE GARDEN CENTER TOTAL	$ 4,600	$ 4,600	$ 4,600	$ 4,600

FUND: LYNDALE GARDEN CENTER
DEPARTMENT: Community Development
BUSINESS UNIT: LYNDALE GARDEN CENTER - 93300

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Other Services & Charges				
6103 Professional Services -General	$ -	$ 4,600	$ 4,600	$ 2,500
Other Services & Charges Total	$ -	$ 4,600	$ 4,600	$ 2,500
LYNDALE GARDEN CENTER TOTAL	$ -	$ 4,600	$ 4,600	$ 2,500

BUDGET SUMMARY - CEDAR POINT COMMONS

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ (134,697)	$ (132,697)	$ (131,697)	$ (129,697)
Expenditures:				
Other Services and Charges	-	1,000	1,000	1,000
Total Expenditures	-	1,000	1,000	1,000
Transfers From (To) Other Funds:				
Capital Project	-	-	-	-
General Fund	3,000	3,000	3,000	3,000
Net Transfers	3,000	3,000	3,000	3,000
FUND BALANCE - DECEMBER 31	$ (131,697)	$ (130,697)	$ (129,697)	$ (127,697)

CEDAR POINT COMMONS

PROGRAM FOCUS

The purpose of this program was to promote and facilitate the redevelopment of the Cedar Point Commons area and to administer the tax abatement and other public support needed for the redevelopment.

PROGRAM EXPENDITURE COMMENT

With the tax abatement district now closed (2022), the activity in this fund represents only the repayment of expenses incurred during the life of the district and minor budgeted funds for possible legal expenses.

FUND: **CEDAR POINT REDEVELOPMENT AREA**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **CEDAR POINT REDEVELOPMENT AREA - 93600**

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Other Financing Sources				
8051 Operating Transfers In	$ 3,000	$ 3,000	$ 3,000	$ 3,000
Other Financing Sources Total	$ 3,000	$ 3,000	$ 3,000	$ 3,000
CEDAR POINT REDEVELOPMENT AREA TOTAL	$ 3,000	$ 3,000	$ 3,000	$ 3,000

FUND: CEDAR POINT REDEVELOPMENT AREA
DEPARTMENT: Community Development
BUSINESS UNIT: CEDAR POINT REDEVELOPMENT AREA - 93600

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Other Services & Charges				
6103 Professional Services -General	$ -	$ 1,000	$ 1,000	$ 1,000
Other Services & Charges Total	$ -	$ 1,000	$ 1,000	$ 1,000
CEDAR POINT REDEVELOPMENT AREA TOTAL	$ -	$ 1,000	$ 1,000	$ 1,000

BUDGET SUMMARY - CEDAR CORRIDOR

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ 737,566	$ 737,566	$ 765,676	$ 765,676
Revenues:				
Intergovernmental	-	-	-	-
Local Grant	-			
Miscellaneous Revenues:				
Interest	28,268	-	-	-
Other		-	-	-
Total Revenues	28,268	-	-	-
Expenditures:				
Other Services and Charges	2,658	1,000	1,000	1,000
Capital Outlay	-	-	-	-
Total Expenditures	2,658	1,000	1,000	1,000
Excess (Deficiency) of Revenues Over Expenditures	25,610	(1,000)	(1,000)	(1,000)
Transfers From (To) Other Funds:				
Development TIF Funds	2,500	1,000	1,000	1,000
General Fund	-	-	-	-
Net Transfers	2,500	1,000	1,000	1,000
FUND BALANCE - DECEMBER 31	$ 765,676	$ 737,566	$ 765,676	$ 765,676

CEDAR CORRIDOR

MISSION STATEMENT

Promote and support redevelopment efforts in the Cedar Corridor in conformance with the Cedar Corridor Redevelopment Master Plan.

PROGRAM FOCUS

The purpose of this program is to promote the redevelopment of the affected blocks in the 87 db area that are impacted by aircraft noise from the runway.

PROGRAM GOALS

- Administer Tax Increment Financing (TIF) and other financial and administrative needs associated with the redevelopment projects.
- Reassess the feasibility and location of further redevelopment of the Cedar Corridor area and Richfield Parkway routing.
- More proactively market Housing and Redevelopment Authority (HRA) owned properties at 7200 Cedar and 1600 and 1710 E 78th Street to correspond to the construction of the 77th Street tunnel.
- Pursue grant funding as appropriate and available to facilitate redevelopment and implement project components.

PROGRAM EXPENDITURE COMMENT

- The majority of the initial costs were funded through an interfund loan from the HRA General Fund, which will eventually be reimbursed from TIF funds generated by the RF64 townhomes.
- 2026R and 2027 Budgets continue funding at a minimal baseline. Reassessment of the Cedar Corridor area will take place as part of the Comprehensive Plan update.

FUND: **CEDAR CORRIDOR TIF**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **CEDAR CORRIDOR - 93650**

DETAIL REVENUES BY BUSINESS UNIT

	CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Miscellaneous Revenues				
4607	Investment Earnings	$ 28,268	$ -	$ -	$ -
	Miscellaneous Revenues Total	$ 28,268	$ -	$ -	$ -
	Other Financing Sources				
8051	Operating Transfers In	$ 2,500	$ 1,000	$ 1,000	$ 1,000
	Other Financing Sources Total	$ 2,500	$ 1,000	$ 1,000	$ 1,000
	CEDAR CORRIDOR TOTAL	$ 30,768	$ 1,000	$ 1,000	$ 1,000

FUND: CEDAR CORRIDOR TIF
DEPARTMENT: Community Development
BUSINESS UNIT: CEDAR CORRIDOR - 93650

DETAIL EXPENDITURES BY BUSINESS UNIT

	CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Other Services & Charges				
6103	Professional Services -General	$ 2,573	$ 1,000	$ 1,000	$ 1,000
6301	Advertising & Publication	85	-	-	-
	Other Services & Charges Total	$ 2,658	$ 1,000	$ 1,000	$ 1,000
	CEDAR CORRIDOR TOTAL	$ 2,658	$ 1,000	$ 1,000	$ 1,000

BUDGET SUMMARY- PENN CORRIDOR

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ 89,265	$ 88,465	$ 87,968	$ 90,968
Revenues:				
Intergovernmental				
Local Grants	-	-	-	-
Interest	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Other Services and Charges	1,297	10,800	5,800	5,800
Capital Outlay	-	-	-	-
Total Expenditures	1,297	10,800	5,800	5,800
Excess (Deficiency) of Revenues Over Expenditures	(1,297)	(10,800)	(5,800)	(5,800)
Transfers From (To) Other Funds:				
General Fund		-	-	-
Development TIF Funds (Capital)	-	-	8,800	5,800
Net Transfers	-	-	8,800	5,800
FUND BALANCE - DECEMBER 31	$ 87,968	$ 77,665	$ 90,968	$ 90,968

PENN CORRIDOR PROGRAM

MISSION STATEMENT

To guide, encourage, and facilitate the revitalization and redevelopment of Penn Avenue between Highway 62 and 67th Street.

PROGRAM FOCUS

The purpose of this program is to foster the redevelopment of and reinvestment in the Penn Corridor to strengthen the economic vitality of the corridor and support local businesses.

2026 HIGHLIGHTS

- The Penn Station affordable housing project is expected to be completed in late 2026 / early 2027.
- Staff participated in many internal work sessions and public meetings related to the reconstruction of Penn Avenue; bringing a business and development perspective to the transportation project.

2027 PROGRAM GOALS

- Continue to guide, encourage, and facilitate redevelopment and reinvestment within the Corridor as opportunities arise and as practicable. (City Council Priority/Outcome 2b)
- Consider strategic acquisitions along the Corridor as opportunities become available.
- Monitor revitalization and redevelopment efforts to ensure conformance with the Comprehensive Plan and Design Guidelines, as well as compliance with City Codes.
- Continue to seek outside funding sources to assist with revitalization and redevelopment of the corridor.

EXPENDITURE COMMENT

- Maintaining baseline funding for 2026R and 2027. Expenditures related to the Penn Station project are primarily grants reimbursements and are seen in the Development Opportunities budget.

FUND: **PENN CORRIDOR**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **PENN CORRIDOR - 93750**

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS		2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Other Financing Sources				
8051	Operating Transfers In	$ -	$ -	$ 8,800	$ 5,800
	Other Financing Sources Total	$ -	$ -	$ 8,800	$ 5,800
	PENN CORRIDOR TOTAL	$ -	$ -	$ 8,800	$ 5,800

FUND: PENN CORRIDOR
DEPARTMENT: Community Development
BUSINESS UNIT: PENN CORRIDOR - 93750

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Other Services & Charges				
6103 Professional Services -General	$ -	$ 10,000	$ 5,000	$ 5,000
6315 Other Contractual Services	1,297	800	800	800
Other Services & Charges Total	$ 1,297	$ 10,800	$ 5,800	$ 5,800
PENN CORRIDOR TOTAL	$ 1,297	$ 10,800	$ 5,800	$ 5,800

BUDGET SUMMARY - HOUSING & REDEVELOPMENT FUND

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ 4,299,079	$ 4,378,499	$ 4,033,243	$ 7,866,863
Revenues:				
Miscellaneous Revenues:				
Interest	95,472	20,000	80,000	80,000
Sale of Property	-	-	81,500	80,000
Loan Repayment Revenue	-	15,000	15,000	15,000
Total Revenues	95,472	35,000	176,500	175,000
Expenditures:				
Other Services and Charges	-	50,000	50,000	50,000
Capital Outlay	946,959	155,000	185,600	365,200
Total Expenditures	946,959	205,000	235,600	415,200
Excess (Deficiency) of Revenues Over Expenditures	(851,487)	(170,000)	(59,100)	(240,200)
Transfers From (To) Other Funds:				
Interchange West - 98070	178,792	-	2,248,770	-
Urban Village - 98120	154,107	-	861,640	-
City Bella - 98150	105,893	101,370	635,450	105,890
Lyndale Gardens - 98130	53,838	53,160	53,840	53,840
TIF 2014-1 - 98165	29,260	28,530	29,260	29,260
Cedar Corridor - 98160	63,761	49,330	63,760	63,760
		-	-	-
		-	-	-
Net Transfers	585,651	232,390	3,892,720	252,750
FUND BALANCE - DECEMBER 31	$ 4,033,243	$ 4,440,889	$ 7,866,863	$ 7,879,413

HOUSING & REDEVELOPMENT FUND

MISSION STATEMENT

To fund qualifying Housing and Redevelopment Authority (HRA) housing and redevelopment projects and programs with tax increment revenues from various Tax Increment Financing (TIF) districts.

FUND FOCUS

Within established districts, tax increment resources are dedicated to housing and redevelopment projects and programs by the HRA. The amount of funding available is limited by State Statute and can be utilized throughout the City. Presently, four redevelopment districts contribute to the Housing & Redevelopment Fund: City Bella, Lyndale Gardens, 2014-1 (Havenwood), and Cedar Point (Rya).

The fund supports the removal of substandard homes and replacement with new construction homes through the Richfield Rediscovered and New Home Programs and the acquisition of blighted, substandard and/or underutilized properties along the City's commercial corridors. The HRA also uses the fund to support the removal of blight by supporting the rehabilitation and demolition of substandard structures.

2026 HIGHLIGHTS

- Funds were made available for up to one credit and one purchase of a substandard property through the Richfield Rediscovered program.

2027 FUND GOALS

- Use budgeted funds to support the purchase of one substandard property for the construction of one market-rate home and one redevelopment credit under the Richfield Rediscovered Program and use funds to support the purchase of one substandard property for the construction of one affordable home through the New Home Program.

- Strategically acquire blighted, substandard and/or underutilized properties along the City's commercial corridors, as opportunities arise, to facilitate redevelopment in these areas.

FUND EXPENDITURE COMMENT

- The Housing & Redevelopment Fund pays for many programs and projects that may also be shown in other program/project budgets. This worksheet is intended to show in a holistic manner the way that "pooled" tax increment is being used throughout the community.

- Revenues drop significantly for 2026 and going forward with the decertification of the Interchange West and Urban Village TIF Districts at the end of 2025. The full tax capacity of these projects will be captured by all taxing jurisdictions going forward.

- This revenue drop is masked in 2026R by the transfer of pooled TIF back from the Temporary Spending Plan (expiring).

- It is required that the funds generated by each district be managed in separate accounts rather than “one fund.”

- State Statute strictly controls the use of these funds.

FUND: **HOUSING FUND GRAMERCY**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **Housing Fund Gramercy - 98500**

DETAIL REVENUES BY BUSINESS UNIT

	CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Miscellaneous Revenues				
4607	Investment Earnings	$ 95,472	$ 20,000	$ 80,000	$ 80,000
4647	HRA Land Sales			81,500	80,000
4648	Loan Repayment Revenue	-	15,000	15,000	15,000
	Miscellaneous Revenues Total	$ 95,472	$ 35,000	$ 176,500	$ 175,000
	Other Financing Sources				
8051	Operating Transfers In	$ 585,651	$ 232,390	$ 3,892,720	$ 252,750
	Other Financing Sources Total	$ 585,651	$ 232,390	$ 3,892,720	$ 252,750
	Housing Fund Gramercy TOTAL	$ 681,123	$ 267,390	$ 4,069,220	$ 427,750

FUND: **HOUSING FUND GRAMERCY**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **Housing Fund Gramercy - 98500**

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Other Services & Charges				
6511 Rehab Loan Program	$ -	$ 50,000	$ 50,000	$ 50,000
Other Services & Charges Total	$ -	$ 50,000	$ 50,000	$ 50,000
Capital Outlay				
7110 Land Purchases	$ 601,959	$ 155,000	$ 159,100	$ 318,200
7310 Site Improvements			26,500	47,000
7320 Public Utilities	345,000	-	-	-
Capital Outlay Total	$ 946,959	$ 155,000	$ 185,600	$ 365,200
Housing Fund Gramercy TOTAL	$ 946,959	$ 205,000	$ 235,600	$ 415,200

RESOLUTIONS

HRA RESOLUTION NO.

RESOLUTION APPROVING PROPOSED 2027 HOUSING AND REDEVELOPMENT AUTHORITY BUDGET AND CERTIFYING THE 2027 TAX LEVY

BE IT RESOLVED by the Housing and Redevelopment Authority of the City of Richfield, Minnesota as follows:

Section 1. The budget for the Housing and Redevelopment Authority General Fund of Richfield for the year 2027 in the amount of $610,231 is hereby ratified.

Section 2. The estimated gross revenue of the Housing and Redevelopment Authority General Fund of Richfield from all sources, including general ad valorem tax levies as hereinafter set forth for the year 2026, and as the same are more fully detailed in the Executive Director's official copy of the budget for the year 2027, in the amount of $835,230 is hereby approved.

Section 3. There is hereby levied upon all taxable property in the City of Richfield an ad valorem tax in 2026, payable in 2027 for the following purposes:

Housing and Redevelopment Authority	$742,230

Section 4. A certified copy of this resolution shall be transmitted to the County Auditor.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 17th day of August, 2026.

Gordon Hanson, Chair

ATTEST:

John Young, Secretary

RESOLUTION NO.

RESOLUTION AUTHORIZING REVISION OF THE 2026 BUDGET OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD

WHEREAS, Resolution No.__ appropriated funds for personal services and other expenses and capital outlay for the Housing and Redevelopment Authority for the year 2026 and

WHEREAS, The Executive Director has requested a revision of the 2026 budget as detailed in the 2027 budget document.

NOW, THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Authority of Richfield, Minnesota as follows:

Section 1. That the 2026 appropriation for the Housing and Redevelopment Authority General Fund is revised as follows:

$160,788 decrease

Section 2. Estimated 2026 gross revenue of the Housing and Redevelopment Authority General Fund from all sources, as the same is more fully detailed in the Executive Director's official copy of the 2027 budget document, are hereby revised as follows:

$78,698 decrease

Section 3. That the Executive Director bring into effect the provisions of this resolution.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 17th day of August, 2026.

____
Gordon Hanson, Chair

ATTEST:

____
John Young, Secretary

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HRA RESOLUTION NO.

RESOLUTION APPROVING PROPOSED 2027 HOUSING AND REDEVELOPMENT AUTHORITY BUDGET AND CERTIFYING THE 2027 TAX LEVY

BE IT RESOLVED by the Housing and Redevelopment Authority of the City of Richfield, Minnesota as follows:

Section 1. The budget for the Housing and Redevelopment Authority General Fund of Richfield for the year 2027 in the amount of $610,231 is hereby ratified.

Section 2. The estimated gross revenue of the Housing and Redevelopment Authority General Fund of Richfield from all sources, including general ad valorem tax levies as hereinafter set forth for the year 2026, and as the same are more fully detailed in the Executive Director's official copy of the budget for the year 2027, in the amount of $835,230 is hereby approved.

Section 3. There is hereby levied upon all taxable property in the City of Richfield an ad valorem tax in 2026, payable in 2027 for the following purposes:

Housing and Redevelopment Authority	$742,230

Section 4. A certified copy of this resolution shall be transmitted to the County Auditor.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 17th day of August, 2026.

____
Gordon Hanson, Chair

ATTEST:

____
John Young, Secretary

RESOLUTION NO.

RESOLUTION AUTHORIZING REVISION OF THE 2026 BUDGET OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD

WHEREAS, Resolution No.1513 appropriated funds for personal services and other expenses and capital outlay for the Housing and Redevelopment Authority for the year 2026 and

WHEREAS, The Executive Director has requested a revision of the 2026 budget as detailed in the 2027 budget document.

NOW, THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Authority of Richfield, Minnesota as follows:

Section 1. That the 2026 appropriation for the Housing and Redevelopment Authority General Fund is revised as follows:

$160,788 decrease

Section 2. Estimated 2026 gross revenue of the Housing and Redevelopment Authority General Fund from all sources, as the same is more fully detailed in the Executive Director's official copy of the 2027 budget document, are hereby revised as follows:

$78,698 decrease

Section 3. That the Executive Director bring into effect the provisions of this resolution.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 17th day of August, 2026.

____
Gordon Hanson, Chair

ATTEST:

____
John Young, Secretary

Housing and Redevelopment Authority Meeting 8/17/2026
Agenda Section: Resolutions
Agenda Item: 10.c.

Report Prepared By:
Julie Urban, Assistant Community Development Director

Department Director:
Melissa Poehlman, Community Development Director

Item for Consideration:
Consideration of an update to the Inclusionary Housing Policy.

EXECUTIVE SUMMARY

In 2019, the City, Housing and Redevelopment Authority (HRA), and Economic Development Authority (EDA) adopted an Inclusionary Housing Policy (IHP) to encourage the inclusion of affordable housing in development proposals. Under the IHP Policy, housing development projects that receive financial assistance from the City, HRA, or EDA must provide 10 - 20% affordable units, the exact number depending on the level of affordability. The IHP also requires a higher level of accessible units than required by code, a range of bedroom sizes, non-discrimination of rental subsidies, offers the option of providing a "payment-in-lieu" instead of constructing units, and provides for some optional incentives.

In June, the City adopted a 4d (1) Tax Classification Policy (4d Policy), following several work sessions where affordable housing priorities were considered. In light of those discussions and the resulting 4d Policy, staff undertook a review of the City's IHP and are proposing several updates.

The updates and basis for the changes are as follows:

- <u>Increase minimum project size from 5 units to 15 units</u>. The City is attempting to encourage small, infill projects. These are financially challenging and adding affordability makes them even more challenging. Ten to 20 units are the minimums typically required by our peer cities.
- <u>Add a provision that requires multi-family, owner-occupied projects to include a means to ensure ongoing affordability for a minimum of 15 years</u>. A financial investment should require that the property remain affordable for some length of time as is the HRA practice with its single-family affordable ownership programs.
- <u>Eliminate the "payment in lieu" option for accessible units</u>. Given the shortage of accessible units in the community, it's important to encourage construction of these units in new developments whenever possible.
- Update the language that any use of the 4d (1) tax classification be consistent with the recently adopted 4d Policy.
- Update the language relating to other optional incentives to be consistent with current ordinances.

RECOMMENDED ACTION

By Motion: Adopt a resolution approving an update to the City's Inclusionary Housing Policy.

HISTORICAL CONTEXT

- From 2000 to 2019, the HRA followed a practice of requiring some measure of affordability or payment-in-lieu from all new developments receiving HRA financial assistance. In 2019, the City/HRA/EDA formally adopted an Inclusionary Housing Policy. In 2021, the City/HRA/EDA adopted a revised policy that added requirements relating to ranges of affordability, bedroom sizes and added accessibility requirements.
- The IHP has resulted in the construction of the following number of affordable units:

Affordability Level	Studio	1BR	2BR	3BR	4BR	TOTAL
30% AMI	0	8	8	0	0	**16**
50% AMI	42	20	12	4	2	**80**
60% AMI	0	0	12	4	2	**18**
TOTAL	**42**	**28**	**32**	**8**	**4**	**114**

Note: Penn Station is the only development that has occurred since the 2021 revisions have been in effect.

- In June 2026, the City Council adopted a 4d (1) Tax Classification Policy. The HRA/EDA ratified the 4d (1) Tax Classification Policy in July 2026.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

The IHP helps to further the Strategic Plan outcome of maintaining Richfield as an affordable place to live. Providing affordable housing options also helps to further equity inclusion by providing housing for people with low incomes and people with disabilities.

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

Several policies govern the HRA's use of financial assistance including the Inclusionary Housing Policy, 4d (1) Tax Classification Policy, and Affordable Housing Trust Fund priorities.

CRITICAL TIMING ISSUES

- The EDA will consider the update to the IHP on August 17 and the City Council on September 8.
- Updates to the Affordable Housing Trust Fund priorities is scheduled on the HRA agenda for August 17 and the Council agenda on September 8.

FINANCIAL IMPACT

- Requiring affordability in a development project comes at a cost. Under current economic conditions, it can be challenging for a development to be able to provide affordability without financial assistance from the City and other levels of government. All-affordable developments with access to tax-exempt bonds and/or federal tax credit equity are the projects most able to provide affordability at this time.

- The option to contribute pooled tax increment funds to the HRA's Housing and Redevelopment Fund (HRF) in lieu of actual construction of the units remains in the IHP. The HRA uses the HRF to fund a variety of housing and redevelopment-related activities.

LEGAL CONSIDERATIONS

The City's IHP is only applicable when financial assistance is provided, giving the City/HRA/EDA broad discretion in its policy.

ALTERNATIVE RECOMMENDATION(S)

1.Request additional information and defer consideration to the September meeting.
2. Update the Inclusionary Housing Policy with changes.
3. Decide not to update the Inclusionary Housing Policy.

ATTACHMENTS

1. 081726 Resolution IHP Revisions
2. DRAFT Inclusionary Hsg Policy revisions 2026

RESOLUTION NO.

RESOLUTION APPROVING THE ADOPTION OF UPDATES TO INCLUSIONARY HOUSING POLICY

WHEREAS, in 2019 the City of Richfield (the "City"), the Housing and Redevelopment Authority in and for the City of Richfield (the "HRA"), and the Richfield Economic Development Authority (the "EDA") adopted an Inclusionary Housing Policy (the "IHP") to encourage the inclusion of affordable housing in development proposals; and

WHEREAS, the Policy requires that a certain amount of affordable units be constructed whenever a Housing Development Project ("Project") receives financial assistance from the City, HRA or EDA or a payment be made to the HRA's Housing and Redevelopment Fund; and

WHEREAS, in 2021, the City, HRA, and EDA adopted revisions to the policy that provided for a range of affordability, require a mix of bedroom sizes, and requires accessible units; and

WHEREAS, in 2026, the HRA reviewed the IHP and determined there is a need to update the IHP Policy to bring it into consistency with current priorities, policies, and ordinances; and

WHEREAS, the City Council and EDA will also review the IHP on August 17 and September 8; and

NOW, THEREFORE, BE IT RESOLVED

1. The updates to the Inclusionary Housing Policy are hereby approved and adopted.

2. HRA staff is authorized to carry out the policy following approval by the EDA and City Council.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 17th day of August, 2026.

____
Gordon Hanson, Chair

ATTEST:

____
John Young, Secretary

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~~ 15 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.

      iv. Owner-occupied projects must include a means to ensure ongoing affordability for a minimum of 15 years.

   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~~,~~

d. ~~and~~;

e. Must agree to not discriminate against households utilizing Housing Choice Vouchers (Section 8) or other forms of rental assistance~~.~~, and

~~e.~~f. If funding is provided through a Housing Tax Increment District, must comply with all affordability requirements provided in Minnesota Statutes.

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.~~i. 4d(1) Property Tax Classification Reduction (rental projects) if consistent with the City's 4d(1) tax classification policy;
   ~~iii.~~ii. Consideration of code flexibility (e.g., ~~smaller setbacks, excessive impervious surface,~~number of units, parking, building coverage, etc.) in planned unit developments;
   ~~iv.~~iii. A housing unit density bonus of ~~5-~~up to ~~15~~25% (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) in planned units developments.

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~~ 15 and 19 units, the Community Development Director may grant exceptions to the policy as circumstances warrant.

~~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.~~6. This policy expresses the priorities and purposes of the City's efforts to encourage the construction of affordable housing. Like any policy, it cannot anticipate all circumstances or unique situations and is thus subject to adjustment and modification. 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 with the adoption of findings of the reasons for doing so. The City Council must provide final approval of any exceptions to this policy.

~~6.~~

Adopted as revised:

This ___ day of _____, ~~2021~~ 2026, by the Richfield City Council.

Mayor

City Manager

This ___ day of ________, ~~2021~~ 2026, by the Richfield Housing and Redevelopment Authority.

Chair

Secretary

This ___ day of __________, ~~2021~~ 2026, by the Richfield Economic Development Authority.

President

Secretary

Housing and Redevelopment Authority Meeting 8/17/2026
Agenda Section: Other Business
Agenda Item: 11.a.

Report Prepared By:
Julie Urban, Assistant Community Development Director

Department Director:
Melissa Poehlman, Community Development Director

Item for Consideration:
Consideration of updates to the City's Affordable Housing Trust Fund Priorities.

EXECUTIVE SUMMARY

In 2020, the City established an Affordable Housing Trust Fund to preserve and create affordable housing opportunities for households with the lowest incomes. Funds from the Trust Fund have been allocated to various Housing and Redevelopment Authority (HRA) programs such as the First-time Homebuyer and New Home Programs through the budget process. Funds can also be made available to developers to assist in the construction, preservation, and rehabilitation of affordable housing. The City and HRA adopted Priorities and Procedures in 2022 to guide the use of the Trust Fund when reviewing requests from developers.

In June, the City adopted a 4d (1) tax classification policy (4d Policy) following several work sessions where affordable housing priorities were considered. In light of those discussions and the resulting 4d Policy, staff undertook a review of the Trust Fund Priorities and Procedures and are proposing to establish two priority levels for the funds:

- First level: preservation and rehabilitation of Naturally Occurring Affordable Housing (NOAH), housing with larger bedrooms, accessible housing, and housing where current rental subsidy households live.
- Second level: housing affordable at 30% Area Median Income, housing with supportive services, and highly energy-efficient projects.

The proposed updates also add language specific to the consideration of 4d (1) tax classification as it relates to a financial award from the Trust Fund. The current 4d Policy requires a Declaration of Restrictive Covenants be filed against any property receiving Trust Fund assistance. Any Declaration that restricts both income and rents, however, will automatically qualify the property for the 4d (1) tax classification. The proposed updates clarify that any request for funds will involve a review of the impact of any 4d (1) tax classification and that any restrictions that trigger the 4d (1) tax classification will be reviewed in light of the 4d Policy and be subject to Council approval.

RECOMMENDED ACTION

By Motion: Approve updates to the City's Affordable Housing Trust Fund Priorities and Procedures.

HISTORICAL CONTEXT

- The Affordable Housing Trust Fund was created in 2020.
- In June 2026, the City Council approved a 4d Policy. The 4d Policy was ratified by the HRA in July 2026.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

The Trust Fund and its priorities further the Strategic Plan outcome to maintain Richfield as an affordable place to live. They also further equity and inclusion by encouraging the creation, preservation, and rehabilitation of affordable housing.

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

- Minnesota State Statutes 462C.16 governs the establishment and use of local Affordable Housing Trust Funds.
- While not a formal policy, the Trust Fund Priorities and Procedures provide staff and the HRA with guidance for responding to requests for financial assistance from the Trust Fund.

CRITICAL TIMING ISSUES

The City Council will review the Priorities and Procedures on September 8. The HRA as the administrator of the Trust Fund is considering the changes first, which will provide guidance to the Council.

FINANCIAL IMPACT

There is approximately $90,000 of uncommitted funds in the Trust Fund. Before the end of the year, the HRA will consider the potential transfer of additional funding from the Spending Plan into the Trust Fund.

LEGAL CONSIDERATIONS

- The City has broad discretion in establishing priorities and procedures governing the granting and lending of funds from the Trust Fund as long as the requirements of State Statute are met.
- The Priorities and Procedures are consistent with the City's Trust Fund ordinance.

ALTERNATIVE RECOMMENDATION(S)

1. Request additional information and defer consideration to the September meeting.
2. Update the Trust Fund Priorities and Procedures with changes.
3. Decide not to update the Priorities and Procedures.

ATTACHMENTS

1. Richfield Affordable Housing Trust Fund Priorities and Procedures REVISIONS 2026
2. 05-26 Bill No. 2020-6

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, preservation, and rehabilitation of affordable housing.

Priorities

A. Multi-family projects that address the following city priorities will be considered for funding:
- Preservation and rehabilitation of naturally occurring affordable housing (NOAH)
- Housing with three- and four-~~-~~bedroom units
- Housing with accessible units
- Housing ~~with resident rental subsidies~~with current residents who hold rental subsidies administered by the Richfield HRA

B. Multi-family projects that address these additional city priorities may also be considered for funding (with priority given to those in Group A):
- Housing with units affordable at 30% of the Area Median Income
- ~~Housing with accessible units~~
- Housing with supportive services
- Projects that improve energy-efficiency
- ~~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

Adopted: 12/13/22; Revised 9/8/26

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~~ may be filed against the property to ensure ongoing compliance. Applicants ~~will~~ may be required to demonstrate that they have the capacity to conduct income compliance and collect and maintain appropriate documentation and/or to provide a rent roll indicating compliance with any rent limits. Funding recipients may be required to submit ~~A~~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.

4d (1) Tax Classification

Local government restrictions that allow a project to qualify for the 4d (1) tax classification under Minnesota Statutes, section 273.13, subd. 25 will not be automatically approved with a Trust Fund award. The impact of the reduced tax rate will be analyzed by the HRA's financial consultant and reviewed by HRA staff for consistency with the City's 4d (1) Tax Classification Policy.

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.

Adopted: 12/13/22; Revised 9/8/26

Questions: Contact Julie Urban, Assistant Community Development Director, at 612-861-9777 or jurban@richfieldmn.gov.

BILL NO. 2020-6
TRANSITORY ORDINANCE NO. 19.14

AN ORDINANCE ESTABLISHING AN AFFORDABLE HOUSING TRUST FUND

THE CITY OF RICHFIELD DOES ORDAIN:

Section 1. Preamble.

1.01. In order to provide the City of Richfield (the "City") with additional tools to support the rehabilitation and preservation of existing affordable housing within the City, promote the development of additional affordable housing within the City, and assist individuals with rental and down payment assistance, the City has determined to create an Affordable Housing Trust Fund.

Section 2. Definitions.

2.01. *Persons of very low income* means families and individuals whose incomes do not exceed 50 percent of area median income, as median income was most recently determined by the United States Department of Housing and Urban development for the Minneapolis-St. Paul- Bloomington, Minnesota Metropolitan Statistical Area, as adjusted for smaller and larger families.

2.02. *Persons of low income* means families and individuals whose incomes do not exceed 80 percent of the area median income, as median income was most recently determined by the United States Department of Housing and Urban development for the Minneapolis-St. Paul- Bloomington, Minnesota Metropolitan Statistical Area, as adjusted for smaller and larger families.

2.03. *Persons of moderate income* means families and individuals whose incomes exceed 80 percent, but do not exceed 120 percent, of area median income, as median income was most recently determined by the United States Department of Housing and Urban development for the Minneapolis-St. Paul-Bloomington, Minnesota Metropolitan Statistical Area, as adjusted for smaller and larger families.

Section 3**.** Establishing Affordable Housing Trust Fund.

3.01. Pursuant to the authority granted to the City under Minnesota Statutes Section 462C.16, an affordable housing trust fund is established for the following purposes: provide loans and grants to for-profit and non-profit housing developers for the acquisition and capital and soft costs necessary for the creation of new affordable rental and owner-occupied housing, for the rehabilitation and preservation of existing multi-family residential rental housing including naturally occurring affordable housing and rental assistance and homeownership assistance to persons of very low, low, and moderate income.

Section 4. Funding Sources.

4.01. The Affordable Housing Trust Fund shall be funded by an annual budgeted allocation of funds from the Housing and Redevelopment Authority in and for the City of Richfield (HRA) levy and funds from the Richfield Economic Development Authority (EDA) levy, as approved by the City Council. Other sources of funding may include, but are not limited to:

(a) Private cash donations from individuals and corporations designated for the Affordable Housing Trust Fund.

(b) Payments in lieu of participation in current or future affordable housing programs.

(c) Matching funds from a federal or state affordable housing trust fund; or a state program designated to fund an affordable housing trust fund.

(d) Principal and interest from Affordable Housing Trust Fund loan repayments and all other income from Affordable Housing Trust Fund activities.

(e) The sale of real and personal property.

(f) Local government appropriations, development fees and other funds as designated from time to time by the City Council.

(g) Tax Increment Finance (TIF) pooled funds.

Section 5. Purpose of Affordable Housing Trust Fund.

5.01. The City may use money from the Affordable Housing Trust Fund to assist proposed projects or programs to develop or preserve affordable housing for persons of very low, low, and moderate income to include:

(a) Making loans at interest rates below or at market rates in order to strengthen the financial feasibility of proposed projects;

(b) Guaranteeing of loans;

(c) Providing gap financing for affordable housing developments;

(d) Financing the acquisition, demolition, and disposition of property for affordable housing projects;

(e) Financing construction of public improvements and utilities to aid proposed affordable residential developments;

(f) Financing the rehabilitation, remodeling, or new construction of affordable housing;

(g) Tenant and project based rental assistance;

(h) Funding for acquisition and rehabilitation in conjunction with or related to affordable housing projects;

(i) Funding to facilitate affordable homeownership opportunities including down payment assistance, second mortgages, closing costs, etc.;

(j) Administrative costs associated with affordable housing programs that do not exceed ten percent of the balance fund;

(k) Interim financing of public costs for affordable housing projects in anticipation of a permanent financing source (i.e. construction financing, bond sale, etc.); and

(l) Other uses as permitted by law and approved by the City Council.

Section 6. Administration of Affordable Housing Trust Fund.

6.01. The Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority") shall administer the Affordable Housing Trust Fund on behalf of the City.

6.02 The Authority shall determine the terms and conditions of repayment of loans and grants from the Affordable Housing Trust Fund including the appropriate security and interest, if any, should repayment be required. Interest on loans and grants shall be as established by the Authority from time to time or at the time of approval of a specific project or program.

6.03. The Authority shall report annually to the City on the use of the funds in the Affordable Housing Trust Fund, including the number of loans and grants made, the number and types of residential units assisted, and the number of households for which rental assistance or down payment assistance were provided. The City shall post the annual report on its Website.

6.04. The expenditures of funds from the Affordable Housing Trust Fund to provide assistance for persons of moderate income must be approved by a supermajority of the City Council.

Section 7. Council Action.

7.01. The City Council of the City of Richfield hereby ordains the implementation of the Affordable Housing Trust Fund.

7.02. This Ordinance shall be effective on the 30th day following the publication of a summary of this ordinance approved by the City Council of the City of Richfield in the official newspaper of the City of Richfield.

7.03. The summary of this Ordinance was reviewed and approved by the City Council of the City of Richfield and the City Council finds that the summary of this Ordinance clearly informs the public of the intent and effect of this Ordinance.

Section 8. This Ordinance will be effective in accordance with Section 3.09 of the City Charter.

Adopted by the City Council of the City of Richfield, Minnesota on this 26th day of May, 2020.

Maria Regan Gonzalez

Maria Regan Gonzalez, Mayor

ATTEST:

EVanHoose

Elizabeth VanHoose, City Clerk

AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA) ss
COUNTY OF HENNEPIN

Diane Erickson being duly sworn on an oath, states or affirms that he/she is the Publisher's Designated Agent of the newspaper(s) known as:

SC Bloomington Richfield

with the known office of issue being located in the county of:
HENNEPIN
with additional circulation in the counties of:
HENNEPIN
and has full knowledge of the facts stated below:

(A) The newspaper has complied with all of the requirements constituting qualification as a qualified newspaper as provided by Minn. Stat. §331A.02.

(B) This Public Notice was printed and published in said newspaper(s) once each week, for 1 successive week(s); the first insertion being on 06/04/2020 and the last insertion being on 06/04/2020.

MORTGAGE FORECLOSURE NOTICES
Pursuant to Minnesota Stat. §580.033 relating to the publication of mortgage foreclosure notices: The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

By: Diane Erickson
Designated Agent

Subscribed and sworn to or affirmed before me on 06/04/2020 by Diane Erickson.

Darlene M MacPherson
Notary Public

DARLENE MARIE MACPHERSON
Notary Public
Minnesota
My Commission Expires January 31, 2024

Rate Information:
(1) Lowest classified rate paid by commercial users for comparable space:
$34.45 per column inch

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CITY OF RICHFIELD
SUMMARY PUBLICATION
BILL NO. 2020-6
TRANSITORY
ORDINANCE NO. 19.14
AN ORDINANCE
ESTABLISHING AN
AFFORDABLE HOUSING
TRUST FUND

This summary of the ordinance is published pursuant to Section 3.12 of the Richfield City Charter.

This ordinance establishes an affordable housing trust fund in order to provide additional tools to support the rehabilitation and preservation of affordable housing, promote the development of additional affordable housing and assist individuals with rental and down payment assistance.

Copies of the ordinance are available for public inspection in the City Clerk's office during normal business hours or upon request by calling the Department of Community Development at (612) 861-9760.

Adopted by the City Council of the City of Richfield, Minnesota this 26th day of May, 2020.

Published in the
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June 4, 2020
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