Richfield Economic Development Authority Agenda
August 17, 2026 -- 7:15 PM
Note: Meeting begins immediately following HRA Meeting

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 Economic Development 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 Economic Development Authority Meeting of July 20, 2026.
6. **Presentations**
   a. **Small Business Resiliency Program Update.**
7. **Consent Calendar**

   Consent Calendar contains several separate items, which are acted upon by the Economic Development Authority in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further EDA action on these items is necessary. However, any EDA 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.

   a. **Consideration of a resolution accepting a transfer of unspent grant funds from the Housing and Redevelopment Authority for use in the Apartment Remodeling Loan Program.**
   b. **Consideration of an update to the Inclusionary Housing Policy.**
8. **Consideration of Items, if Any Removed From Consent Calendar**
9. **Public Hearings**
10. **Resolutions**
    a. **Consider resolutions approving the proposed 2027 Economic Development Authority Budget and Tax Levy and 2026 Revised Economic Development Authority Budget.**
11. **Other Business**
12. **Executive Director's Report**
13. **EDA 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 EDA agenda packet located by the entrance. The complete EDA agenda packet is available electronically on the City of Richfield's website.

Richfield — The Urban Hometown

Richfield Economic Development Authority Minutes
July 20, 2026
Note: Meeting begins immediately following HRA Meeting

Richfield Municipal Center
Council Chambers
6700 Portland Avenue South

1. **Call to Order**

The meeting was called to order by President Hanson at 7:14 p.m. in the Council Chambers.

2. **Roll Call**

Members Present:	Gordon Hanson, President; Sean Hayford Oleary; Mary Supple; John Young; and Brett Stursa.
Members Absent:	
Staff Present:	Melissa Poehlman, Executive Director; Julie Urban, Assistant Community Development Director; Hillary Lovelace, Housing Specialist; and 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 Economic Development Authority Agenda and Minutes page on the City's Website.**

   No open forum participants.

4. **Approval of the Agenda**

Commissioner Supple moved approval of the agenda with an amendment to move item 13a, Continuation of Transformation Home Loan Guideline Revisions, to 11a, Other Business.

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

5. **Approval of Minutes**

   a. **Approval of the Minutes of the Regular Economic Development Authority meeting of May 18, 2026.**

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

6. **Presentations**

None.

7. **Consent Calendar**

Executive Director Poehlman presented the consent calendar item.

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

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

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

None.

9. **Public Hearings**

None.

10. **Resolutions**

None.

11. **Other Business**

a. Continuation of Consideration of Transformation Home Loan Guideline Revisions.

Housing Specialist Lovelace presented additional information requested by the EDA regarding proposed revisions to the Transformation Home Loan Program. Housing Specialist Lovelace noted the revisions would establish income limits of 200% AMI for standard projects and 250% AMI for projects including an ADU, duplex conversion, or significant accessibility or energy-efficiency improvements, along with a $200,000 maximum project cost for standard projects. Staff noted the changes would better target public funds toward projects where the loan serves as an incentive and recommended approval of the revised guidelines.

EDA and staff discussed the proposed income limits and clarified that the program uses HUD's AMI figures, extrapolated to 200% and 250% AMI, rather than the Metropolitan Council figures referenced during discussion. Staff explained that the limits would be updated annually, and commissioners expressed greater comfort with the proposed thresholds and support for the limits.

MOTION: made by Commissioner Hayford Oleary, seconded by Commissioner Supple to approve the recommended revisions to the transformation loan program guidelines.

EDA members expressed appreciation for the additional information and clarification, noting that the revisions better ensure taxpayer resources are targeted to projects that would benefit from the incentive. Members also appreciated the clarification regarding the appeals process and expressed support for the added guidance for applicants and staff.

Voting Aye: Hayford Oleary, Supple, Hanson, Young, Stursa
Motion carried: 5-0

12. **Executive Director's Report**

Executive Director Poehlman provided an update on the Richfield Resiliency Program, noting that all 46 applications have been reviewed, with 10 small businesses determined eligible to receive approximately $64,000 in forgivable loans. Executive Director Poehlman noted that 24 applications were determined fraudulent and 12 were ineligible or did not respond to requests for additional information. Agreements were being finalized, with checks expected to be delivered in person to the 10 businesses that week.

13. **EDA Discussion Items**

Item 13a moved to 11a under Other Business.

14. **Approval of Claims**

U.S. BANK Check Dates 5/15/26-7/16/26	7/20/2026
EDA Check (Check #'s 23922-23966)	$32,623.75
TOTAL	**$32,623.75**

MOTION: made by Commissioner Young, seconded by Commissioner Supple to approve EDA claims as presented.

Voting Aye: Hayford Oleary, Supple, Hanson, Young, and Stursa.
Motion carried: 5-0

15. **Adjournment**
EDA meeting adjourned with unanimous consent at 7:29 p.m.

Date Approved: August 17, 2026

Gordon Hanson
EDA President

Michelle Friedrich
City Clerk

Melissa Poehlman
Executive Director

Economic Development Authority Meeting 8/17/2026
Agenda Section: Consent Calendar
Agenda Item: 7.a.

Report Prepared By:
Julie Urban, Assistant Community Development Director

Department Director:
Melissa Poehlman, Community Development Director

Item for Consideration:

Consideration of a resolution accepting a transfer of unspent grant funds from the Housing and Redevelopment 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 accepting the transfer of $55,000 in unspent Affordable Suburban Housing grant funds from the Housing and Redevelopment 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 accept the transferred funds.

ATTACHMENTS

1. 081726 Resolution ASH Funds transfer from HRA

RESOLUTION NO.

RESOLUTION AUTHORIZING ACCEPTANCE OF TRANSFERED AFFORDABLE HOUSING GRANT FUNDS FROM THE HOUSING AND REDEVELOPMENT 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 EDA authorizes its Executive Director to accept the transfer of $55,000 in ASH grant funds from the HRA.

____
Gordon Hanson, President

ATTEST:

____
Melissa Poehlman, Executive Director

Economic Development Authority Meeting 8/17/2026
Agenda Section: Consent Calendar
Agenda Item: 7.b.

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:

- Increase minimum project size from 5 units to 15 units. 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.
- Add a provision that requires owner-occupied projects to include a means to ensure ongoing affordability for a minimum of 15 years. A financial investment in affordability should require that the property remain affordable for some length of time as is the HRA practice with its single-family affordable ownership programs.
- Eliminate the "payment in lieu" option for accessible units. Given the shortage of accessible units in the community, it's important to encourage construction of these units 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 the IHP. In 2021, the City/HRA/EDA adopted a revised IHP 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 EDA's use of financial assistance including the Inclusionary Housing Policy and 4d (1) Tax Classification Policy.

CRITICAL TIMING ISSUES

- The HRA will consider the update to the IHP on August 17 and the City Council 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 .

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

Adopted by the Richfield Economic Development Authority this 17th day of August, 2026.

____
Gordon Hanson, President

ATTEST:

____
Melissa Poehlman, Executive Director

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

Economic Development Authority Meeting 8/17/2026
Agenda Section: Resolutions
Agenda Item: 10.a.

Report Prepared By:
Melissa Poehlman, Community Development Director

Department Director:
Melissa Poehlman, Community Development Director

Item for Consideration:

Consider resolutions approving the proposed 2027 Economic Development Authority Budget and Tax Levy and 2026 Revised Economic Development Authority Budget.

EXECUTIVE SUMMARY

The bylaws of the Richfield Economic Development Authority (EDA) require that an annual budget be submitted to the EDA Commissioners for approval. Accordingly, the Revised 2026 EDA Budget and Proposed 2027 EDA 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 EDA tax levy is part of the City's budget process.

The recommended EDA tax levy as proposed represents a 3.5% increase from the previous year’s levy.

The proposed 2027 General Fund Budget for the EDA is $957,580. The details of the 2026 Revised and 2027 Proposed EDA Budgets are provided in the attached Budget Book and will be presented by staff at the EDA meeting.

RECOMMENDED ACTION

By Motion: Adopt the attached resolutions approving the 2027 Proposed Economic Development Authority Budget and Tax Levy and 2026 Revised Economic Development Authority Budget.

HISTORICAL CONTEXT

N/A

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

The mission of the EDA relates directly to Community Development priorities of the Strategic Plan.

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

- Minnesota Statutes require adoption of a preliminary levy from each taxing authority.
- A public hearing is not required. However, this does not preclude the EDA 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 Revised 2026 Budget authority is increased by $176,190 and funded through the use of an existing fund balance and a grant award.
- The Proposed 2027 EDA levy represents a 3.5% increase ($22,580) from the previous year. The proposed levy is approximately $247,000 less than the maximum permitted by Statute.

LEGAL CONSIDERATIONS

N/A

ALTERNATIVE RECOMMENDATION(S)

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

ATTACHMENTS

1. 081726 Revise 2026 EDA Budget Resolution
2. 081726 2027 EDA Budget Resolutions
3. 2027 DRAFT EDA Budget 08.02.26 (1)

EDA RESOLUTION NO.

RESOLUTION AUTHORIZING REVISION OF THE 2026 BUDGET OF THE ECONOMIC DEVELOPMENT AUTHORITY OF RICHFIELD

WHEREAS, Resolution No. 51 appropriated funds for personal services and other expenses for the Economic Development 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 Economic Development Authority of Richfield, Minnesota as follows:

Section 1. That the 2026 appropriation for the Economic Development Authority General Fund is revised as follows:

$176,190 increase

Section 2. Estimated 2026 gross revenue of the Economic Development 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:

$18,250 increase

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

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

____
Gordan Hanson, President

ATTEST:

____
Melissa Poehlman, Executive Director

EDA RESOLUTION NO.

RESOLUTION APPROVING PROPOSED 2027 ECONOMIC DEVELOPMENT 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 Economic Development Authority General Fund of Richfield for the year 2027 in the amount of $957,580 is hereby ratified.

Section 2. The estimated gross revenue of the Economic Development Authority General Fund of Richfield from all sources, including general ad valorem tax levies as hereinafter set forth for the year 2027, 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 $772,890 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:

Economic Development Authority	$667,740

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

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

____
Gordan Hanson, President

ATTEST:

____
Melissa Poehlman, Executive Director

2027 BUDGET

ECONOMIC DEVELOPMENT AUTHORITY

JANUARY 1, 2027 - DECEMBER 31, 2027

6700 PORTLAND AVENUE
RICHFIELD, MN 55423
richfieldmn.gov

Richfield
The Urban Hometown

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EDA COMMISSIONERS

GORDAN HANSON- PRESIDENT

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 / ASSISTANT TREASURER

August 7, 2026

Economic Development Authority Commissioners
City of Richfield

Dear Commissioners:

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

Pursuant to State law, the EDA 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 certification is December 30, 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 in the tax levy are permissible after that date, only reductions. Final certification of the EDA tax levy is part of the City's budget process.

The revised 2026 budget includes the following changes:

- $150,000 to fund an emergency business resiliency program to help Richfield businesses that were severely impacted by Operation Metro Surge.
- An increase of $17,500 to the Transformation Loan Program budget to allow full funding of one additional project.
- A modest increase to staffing costs (approximately $5,000) to reflect actuals; and
- Grant-reimbursable costs for the implementation of the branding and placemaking study.

The proposed 2027 budget serves to advance city goals of increasing and diversifying the tax base, investing in a vibrant downtown, and maintaining Richfield as an affordable place live. The 2027 budget includes the following programs:

- $162,500 for implementation of the downtown branding and placemaking project. In addition to the grant funds that will provide for smaller implementation pieces, $150,000 is proposed to support one or more larger pieces of public art.

- $155,000 in funding for the Apartment Remodeling Program which provides forgivable loans for the rehabilitation of existing affordable rental housing. This includes an additional $55,000 in grant funding that will be transferred from the HRA to the EDA.
- $117,000 for business assistance programming. In addition to continued funding for the Energy Efficient Business Rebate, Displaced Business, and Sewer Availability Charge (SAC) Assistance programs, this budget includes $70,000 in funding for the new REVIVE Program for small businesses.
- $156,000 is budgeted for the Kids@Home Program to provide shallow rent subsidies and supportive services to families with children in a Richfield school. In 2026 and 2027, the program will again include 12 “Parent Share” group meetings as well as approximately 8-12 individual family meetings. Approximately 20 families will be served by the program.
- $141,000 in funding for the Transformation Loan Program. This program provides a 15% forgivable loan for large-scale remodeling projects. This funding is projected to assist six to eight Richfield families in making major improvements to their homes.
- The EDA will also continue to fund its partnership with Hennepin County for the Elevate Hennepin initiative, which provides professional business advising and resources to Richfield businesses.
- The EDA levy also funds the staff, overhead, and consultant/partner fees related to administration of programming. Beginning in 2027, IT services which were previously covered by the HRA will be separated out and assigned to the EDA directly (approximately $13,000). Additional staff costs will also be borne by the EDA as we continue to build out programming and focus our efforts and investments on EDA work. Staffing costs increase to cover roughly 1.3 FTEs in 2027.
- Revenues for revised 2026 include a small loan repayment and half of the Hennepin County grant funds for Branding and Placemaking implementation. The other half of the County grand funds and the transfer of grant funds from the HRA to the Apartment Remodeling Program are reflected in 2027 revenues.

The revised 2026 budget has increased by 25.3% ($176,290), primarily to allow for the emergency business support described in the first section of this letter. The 2027 budget will increase by 38% over the 2026 Adopted and a proposed levy increase of 3.5% ($22,581) is proposed. As has been mentioned in past budget messages, the EDA has been building a fund balance that would allow for significant investment in our business community. The expenditures in the proposed 2027 budget show this money flowing back into the community with expenditures exceeding revenues.

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 budget document.

Respectfully submitted,

Melissa Poehlman, AICP
Executive Director

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GENERAL FUND

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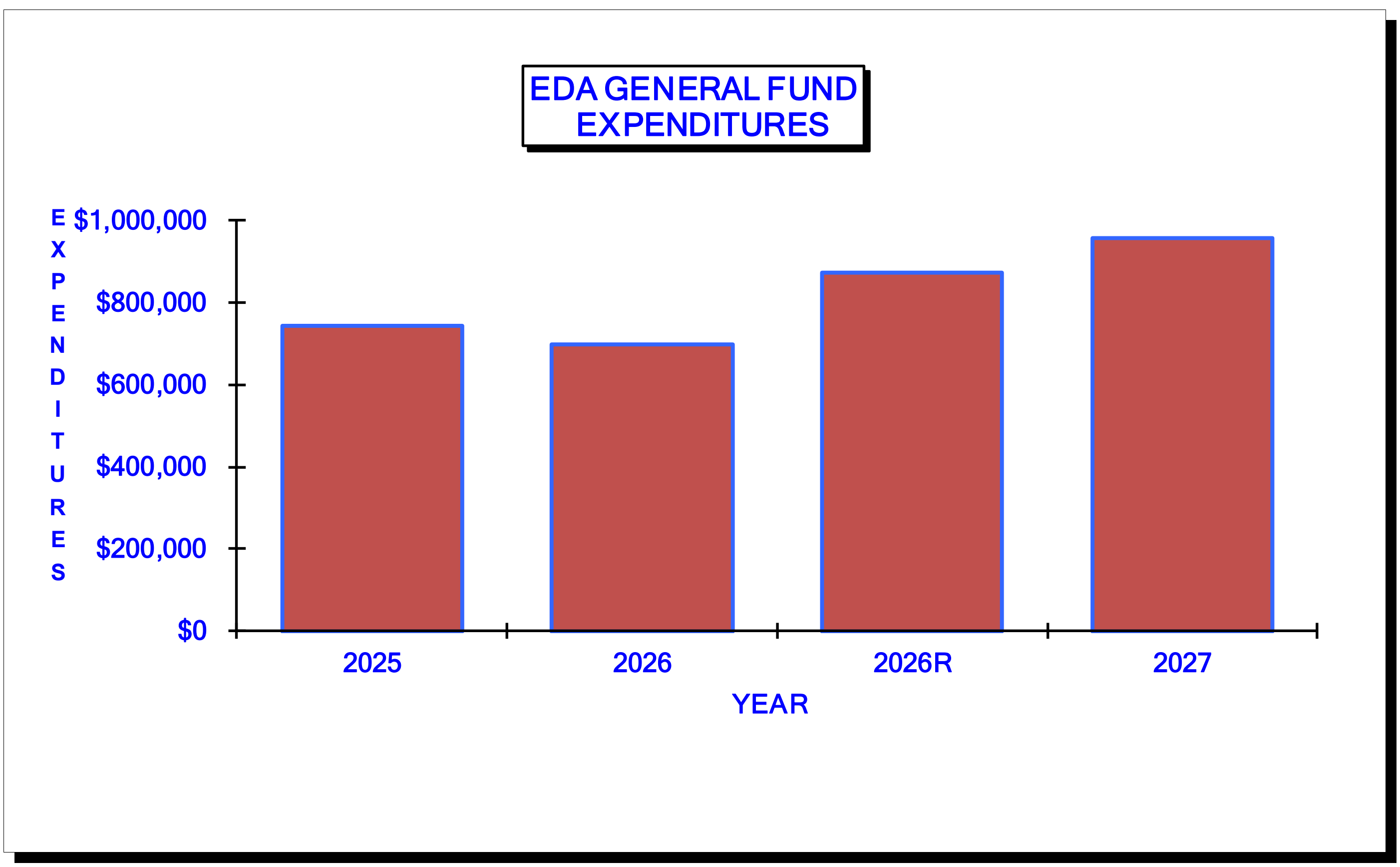
BUDGET SUMMARY - GENERAL FUND

AVAILABLE FOR APPROPRIATION	2025 Actual	2026 Budget	2026 Revised	2027 Budget
FUND BALANCE - JANUARY 1	$ 1,286,785	$ 1,264,339	$ 1,456,090	$ 1,282,880
Revenues:				
Taxes:				
Current	623,343	645,160	645,160	667,740
Total Taxes	623,343	645,160	645,160	667,740
Intergovernmental	38,875	-	12,500	12,500
Miscellaneous Revenues:				
Interest	46,213	35,000	35,000	35,000
Loan Repayment Revenue	201,771		5,200	
Other Miscellaneous Revenues	2,100	2,100	2,650	2,650
Total Miscellaneous Revenues	250,084	37,100	42,850	37,650
Transfer In	-	-	-	55,000
Total Revenues	912,302	682,260	700,510	772,890
Expenditures:				
Personal Services	161,049	158,920	163,810	189,790
Other Services and Charges	581,948	538,610	709,910	767,790
Total Expenditures	742,997	697,530	873,720	957,580
Excess (Deficiency) of Revenues Over Expenditures	169,305	(15,270)	(173,210)	(184,690)
FUND BALANCE - DECEMBER 31	$ 1,456,090	$ 1,249,069	$ 1,282,880	$ 1,098,190

FUND: **EDA GENERAL FUND**
DEPARTMENT: **Community Development**

DEPARTMENT SUMMARY BY BUSINESS UNIT

BUSINESS UNIT		2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET	Increase/ (Decrease) 2026 Budget/ 2027 Budget
99600	EDA General Fund	$ 524,600	$ 402,230	$ 569,820	$ 660,480	64.20%
99601	Kids @ Home	124,344	154,300	145,400	156,100	1.17%
99602	Transformation Loans	94,053	141,000	158,500	141,000	0.00%
	Community Development TOTAL	$ 742,997	$ 697,530	$ 873,720	$ 957,580	37.28%
REVENUES						
99600	EDA General Fund	$ 912,302	$ 682,260	$ 700,510	$ 772,890	13.28%



FUND: EDA GENERAL FUND
DEPARTMENT: Community Development
BUSINESS UNIT: EDA General Fund - 99600

DETAIL REVENUES BY BUSINESS UNIT

CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
Taxes				
4005 Current	$ 528,749	$ 645,160	$ 645,160	$ 667,740
4010 Delinquent	(445)	-	-	-
4025 Fiscal Disparities	95,039	-	-	-
Taxes Total	$ 623,343	$ 645,160	$ 645,160	$ 667,740
Intergovernmental Revenues				
4286 County Grants - Other	$ 38,875	$ -	$ 12,500	$ 12,500
Intergovernmental Revenues Total	$ 38,875	$ -	$ 12,500	$ 12,500
Miscellaneous Revenues				
4607 Investment Earnings	$ 46,213	$ 35,000	$ 35,000	$ 35,000
4644 Other Miscellaneous Revenues	2,100	2,100	2,650	2,650
4648 Loan Repayment Revenue	201,771	-	5,200	-
Miscellaneous Revenues Total	$ 250,084	$ 37,100	$ 42,850	$ 37,650
Other Financing Sources				
8051 Operating Transfers In	$	$	$	$ 55,000
Other Financing Sources Total	$	$	$	$ 55,000
EDA General Fund TOTAL	$ 912,302	$ 682,260	$ 700,510	$ 772,890

FUND: EDA GENERAL FUND
DEPARTMENT: Community Development
BUSINESS UNIT: EDA General Fund - 99600

DETAIL EXPENDITURES BY BUSINESS UNIT

	CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Personal Services				
6051	Interdepartmental Labor	$ 161,049	$ 158,920	$ 163,810	$ 189,790
	Personal Services Total	$ 161,049	$ 158,920	$ 163,810	$ 189,790
	Other Services & Charges				
6103	Professional Services -General	$ 57,942	$ 22,500	$ 35,100	$ 186,500
6202	Data Processing Rental				13,210
6301	Advertising & Publication	-	500	500	500
6303	Professional Development	2,169	1,440	1,440	1,530
6305	Subscriptions & Memberships	1,002	1,070	1,070	1,100
6401	Office Supplies	39	-	100	100
6402	Copy Charges	188	100	200	200
6403	Postage	-	250	150	200
6414	Other Supplies	-	250	250	150
6511	Rehab Loan Program	302,211	217,200	367,200	267,200
	Other Services & Charges Total	$ 363,551	$ 243,310	$ 406,010	$ 470,690
	EDA General Fund TOTAL	$ 524,600	$ 402,230	$ 569,820	$ 660,480

FUND: **EDA GENERAL FUND**
DEPARTMENT: **Community Development**
BUSINESS UNIT: **Kids @ Home - 99601**

DETAIL EXPENDITURES BY BUSINESS UNIT

CLASSIFICATIONS		2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Other Services & Charges				
6103	Professional Services -General	$ 11,850	$ 12,200	$ 13,300	$ 13,800
6403	Postage	-	100	100	100
6414	Other Supplies	1,694	2,000	2,000	2,200
6504	Kids@Home Payments	110,800	140,000	130,000	140,000
	Other Services & Charges Total	$ 124,344	$ 154,300	$ 145,400	$ 156,100
	Kids @ Home TOTAL	$ 124,344	$ 154,300	$ 145,400	$ 156,100

FUND: EDA GENERAL FUND
DEPARTMENT: Community Development
BUSINESS UNIT: Transformation Loans - 99602

DETAIL EXPENDITURES BY BUSINESS UNIT

	CLASSIFICATIONS	2025 ACTUAL	2026 BUDGET	2026 REVISED	2027 BUDGET
	Other Services & Charges				
6103	Professional Services -General	$ 583	$ 1,000	$ 1,000	$ 1,000
6511	Rehab Loan Program	93,470	140,000	157,500	140,000
	Other Services & Charges Total	$ 94,053	$ 141,000	$ 158,500	$ 141,000
	Transformation Loans TOTAL	$ 94,053	$ 141,000	$ 158,500	$ 141,000

RESOLUTIONS

EDA RESOLUTION NO.

RESOLUTION APPROVING PROPOSED 2027 ECONOMIC DEVELOPMENT 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 Economic Development Authority General Fund of Richfield for the year 2027 in the amount of $957,580 is hereby ratified.

Section 2. The estimated gross revenue of the Economic Development Authority General Fund of Richfield from all sources, including general ad valorem tax levies as hereinafter set forth for the year 2027, 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 $772,890 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:

Economic Development Authority	$667,740

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

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

____
Gordan Hanson, President

ATTEST:

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Melissa Poehlman, Executive Director

EDA RESOLUTION NO.

RESOLUTION AUTHORIZING REVISION OF THE 2026 BUDGET OF THE ECONOMIC DEVELOPMENT AUTHORITY OF RICHFIELD

WHEREAS, Resolution No. 51 appropriated funds for personal services and other expenses for the Economic Development 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 Economic Development Authority of Richfield, Minnesota as follows:

Section 1. That the 2026 appropriation for the Economic Development Authority General Fund is revised as follows:

$176,190 increase

Section 2. Estimated 2026 gross revenue of the Economic Development 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:

$18,250 increase

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

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

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Gordan Hanson, President

ATTEST:

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Melissa Poehlman, Executive Director

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