

**RICHFIELD REDISCOVERED
PROGRAM GUIDELINES
LOT SALE PROGRAM**

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

I. Program Objectives

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

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

II. Definitions

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

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

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

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

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

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

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

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

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

III. Program Basics

1. HRA publishes a list of available vacant lots for purchase including sale price and development criteria.
2. Builder/Buyer team proposes a plan for a lot consistent with development criteria and program requirements and makes an offer to purchase.
3. HRA approves lot sale.
4. Lot is sold to Builder or Buyer.
5. Builder constructs new home.
6. Projects must be completed within one year of HRA approval of the project.

IV. Application Requirements

The following must be submitted for application to the program:

1. \$525 application fee
An application fee must be paid at the time of application. This fee is non-refundable and is not part of the lot price.
2. Application Form
3. Blueprints
The layout of all levels, including basement and unfinished space, must be provided.
4. Elevations
Elevations of all four sides of the house, including view of garage shall be provided. Colored renderings may also be required.
5. Site plan
The site plan shall indicate the location of the new house, walkways and garage.
6. Landscaping plan
A landscaping plan must indicate the location and type of trees, shrubbery, flowers and landscaping materials (e.g. rocks, mulch) and any existing trees to be preserved.
7. Detail of construction materials to be used on the project.
8. Green Community Concepts Plan
The plan should indicate what Green Community Concepts will be incorporated into the project.
9. Construction timeline
Construction must be completed with one year of the purchase of the property.
10. Signed contract with Builder
11. Purchase agreement
If the Builder plans to purchase the lot, the application must include a valid purchase agreement between the Buyer and the Builder for the lot to be developed.
12. Financial capability statement
A statement from a financial institution indicating willingness to provide sufficient construction capital to complete the project must be provided.

13. Builder References
 - a. Five previous customers
 - b. Three major suppliers, one being the construction supplier
 - c. Building inspectors from two cities where the Builder has constructed new housing within the past three years
14. Proof of Builder's Comprehensive General Liability with Property Damage Protection.
15. Proof of sufficient worker's compensation insurance coverage by the Builder.
16. Written warranty program
To be provided to the Buyer, which guarantees at a minimum, warranted repairs as required by Minnesota State Statute.

V. Additional Program Requirements

1. The Applicant is expected to meet with an architectural/design consultant prior to submitting an application. A two-hour consultation is available through the HRA at a cost of \$25 to the applicant. See the City's website (www.cityofrichfield.org) for more information. This requirement may be waived if the applicant is using an architect for the project.
2. The site will be sold to the Builder or Buyer at the fair market value as appears on the Lot List. The HRA will not accept offers for less than the established sale price.
3. A Contract for Private Development is signed by the HRA and the Builder or the Buyer. The Contract is a standard form which includes conditions for acquisition and development of the property. The Contract will also establish a minimum required end-value for the property based on construction estimates provided by the applicant. The Builder or Buyer will be expected to agree to the terms of the Contract before the application can be scheduled on the HRA agenda.
4. All lots will have a required minimum end value that will be established in the Contract for Private Redevelopment.
5. The lot can be sold to either the Builder or the Buyer. If the lot is sold to the Builder, the Builder will pay cash for the lot at closing and submit a Letter of Credit or cash escrow for \$10,000. The Letter of Credit must be from a financial institution incorporated in the Twin Cities metropolitan area. The cash escrow will be held in a non-interest bearing account. The Letter of Credit or cash escrow will be released once the construction and landscape work are completed and a final Certificate of Occupancy is issued.
6. If the lot is sold to the Builder and the Builder fails to complete construction as approved by the HRA, the Letter of Credit or cash escrow may be drawn upon by the HRA. In addition, the Contract for Private Development will contain a reverter provision, which will enable the HRA to reclaim ownership of the property in the event of a default in the Contract. In the event that the Builder fails to complete construction, the HRA may exercise its rights under the reverter provision, as well as draw upon the Letter of Credit or cash escrow.
7. If the lot is sold to the Buyer, the Buyer will pay cash for the lot at closing and a \$10,000 mortgage in favor of the HRA will be filed on the property. The mortgage will be in first position. The HRA may consider subordinating its interest in appropriate cases.
8. If the lot is sold to the Buyer and the Buyer fails to complete construction as approved by the HRA, the HRA may exercise its rights provided in the mortgage.

VI. House Design and Site Development Requirements

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

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

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

A. New House Standards

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

B. Site Standards

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

At a minimum, the applicant must meet the "Landscaping and Screening Requirements" in the City's Zoning Code under Section 544.03, Subd. 4, General landscaping requirements and Subd. 5, Residential sites. The code is available on the City's website: <http://www.ci.richfield.mn.us>

To the greatest extent possible, existing trees should be preserved. Any trees removed must be replaced (they do not have to be the same species or in the same location) and should be labeled on the required landscape plan.

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

C. Construction Requirements

1. Existing trees identified on the landscape plan as being preserved, must be protected during construction. A tree wrap with board reinforcements shall be used on trees directly adjacent to active grading and construction areas. Damaged or destroyed trees must be replaced.
2. The construction site, neighboring properties and adjacent public streets shall be kept free of construction debris at all times.
3. No construction workers, construction equipment or construction material shall encroach upon neighboring properties.
4. The property shall have a new sanitary service line installed to the City sanitary sewer main consisting of schedule 40 PVC or equivalent. If there is an existing 6" sewer stub at the property line, it must be lined with 4" schedule 40 PVC or equivalent to the City's sanitary main, and it must include a "donut" at the end with cement.

The line must be televised after installation to ensure the following:

1. There are no obstructions in the line.
2. The PVC liner is not protruding into the City's sanitary sewer main line.

D. General Standards

1. The value of the new home must meet or exceed the minimum value specified in the Contract for Private Redevelopment.
2. All homes in the Richfield Rediscovered Program must be stick-built or high-quality modular, new construction.
3. Exterior materials (siding, soffit, doors and windows) should be low-maintenance and durable. Brick, aluminum, vinyl and fiber cement siding are preferred. Natural cedar lap is acceptable if properly stained or painted. Hardboard panels or hardboard lap siding are prohibited. Roof valleys must have metal valleys and not be woven.
4. Unit height and mass of the new house shall be compatible with the scale of the surrounding homes in the neighborhood.
5. Plans must present a balanced and pleasing distribution of wall, door and window areas from all views.
6. The dominance of the garage door must be minimized through placement, architectural detail, door design and utilization and design of windows. Garages, where the garage door faces the street, shall not be located closer to the front lot line than the foremost facade of the principal building facing the front property line. Garage sidewalls that face the street should appear to contain habitable space. This can be accomplished by incorporating windows and other design elements into the garage wall that are in character with the remainder of the dwelling. For lots that have alley access, the garage should be oriented to access the alley.
7. All building plans must have been prepared in consultation with an architect or qualified draftsman. All requirements by the Building Inspections Division must be met.
8. All Richfield Rediscovered houses must meet or exceed Minnesota Energy Code requirements.

9. All new homes shall be built to provide high quality sound insulation. Recommendations for sound insulation measures may be provided on a site-by-site basis. All construction must conform to current sound attenuation building standards for properties located in 65-69 and 70-74 DNL zones.
9. If a variance is required to construct the proposed development, the HRA may, at its sole discretion, choose to reject the application.
10. If the HRA accepts an application that needs a variance(s), sale of the property will be contingent upon the applicant obtaining the necessary variance(s). The Applicant is responsible for applying for the variance(s) at its own expense. The HRA, as owner of the property, will, however, cooperate with the application.

E. Green Community Concepts

Priority will be given to projects incorporating the green community concepts listed below. Any concepts the applicant would like considered during the application process should be explained in a written plan submitted with the application. A \$5,000 rebate will be provided to the Applicant for projects that obtain certification through LEED for Homes, Minnesota GreenStar or Minnesota Green Communities.

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

VII. City Review Procedure

1. Applicant reviews proposed project with HRA staff before plans are finalized.
2. Applicant submits application, plans, and application fee at least 45 days prior to the HRA meeting.
3. An application is considered to be received when delivered personally to HRA staff in a pre-arranged meeting. Following this meeting and upon receipt of the application fee, the lot will be considered reserved and no additional applications will be accepted for the proposed lot while the application is under review.

4. If an application is determined to be incomplete, the applicant will have 30 days to submit a complete application. If a complete application is not received within 30 days, the application will be rejected and the lot will be made available for new applications.
5. HRA staff review application to ensure conformance with House Design and Site Development Requirements.
6. HRA staff may reject or accept an application at its sole discretion.
7. The Builder or Buyer executes a Contract for Private Redevelopment.
8. An application is determined to be complete and the Contract executed at least three weeks prior to the HRA meeting.
9. HRA staff publishes a legal notice of the public hearing and prepares a report and recommendation for the HRA.
10. HRA reviews application, conducts a public hearing, and takes action at the HRA meeting.
11. If approved, the Contract for Private Redevelopment is executed by the HRA.

VIII. Lot Sale to Builder or Buyer

1. Upon approval of the application by the HRA, a closing will be scheduled between the HRA and the Builder or Buyer.
2. The HRA will prepare all statements, affidavits, documents, and general release forms required for closing.
3. The Builder applies for a building permit prior to closing. The Builder is responsible for acquiring the necessary building permits with the City of Richfield Building Inspections Division. If changes to the plans are required by the Inspections Division, the applicant must notify HRA staff.
4. The Applicant provides evidence to HRA staff that all requirements to proceed with construction, as determined in the Contract for Private Redevelopment, have been met.
5. The HRA conveys the property to the Builder or Buyer by Quit Claim Deed. The site will be sold to the Builder or Buyer at the fair market value as appears on the Lot List.
6. At closing with the Builder, the Builder provides a Letter of Credit or cash escrow for \$10,000 to the HRA.
7. At closing with the Buyer, the Buyer signs a mortgage and promissory note for \$10,000 in favor of the HRA.
8. Upon completion of the project, the Letter of Credit or cash escrow is released to the Builder or the Buyer's mortgage is released. A Certificate of Completion is executed by the HRA, releasing the obligations of the Contract for Private Redevelopment.

IX. Program Marketing

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

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

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

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

X. Data Privacy

All information secured through the program is subject to the Data Privacy Act.