

**RICHFIELD REDISCOVERED  
PROCEDURAL GUIDELINES  
REDEVELOPMENT CREDIT PROGRAM**

**Revised: July 25, 2011**

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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).

## **I. Program Objectives**

- To remove substandard, functionally obsolete housing on scattered sites throughout the city with new, higher-valued housing
- To eliminate the blighting influence of substandard housing, thus improving residential neighborhoods.
- To alleviate the shortage of housing choices for families.
- To facilitate “Market Rate Initiatives” which include:
  - Larger three- to four-bedroom, owner-occupied homes designed for families

These objectives will be achieved through the acquisition of property by private Buyers and the development of newly constructed homes.

## **II. Definitions**

*Buyer:* An individual(s) who will build, own and occupy a new single-family home 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 contract with the Buyer to build a single-family home on the lot identified in the application.

*Contract for Private Development:* A contract between the HRA and the Buyer or Builder 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.

*Seller:* Owner of property identified as eligible by the HRA based on condition, size and marketability.

*Redevelopment Credit:* To offset costs of acquisition and demolition, a redevelopment credit of \$50,000 is available from the HRA for a Buyer who acquires the property directly from the seller for redevelopment.

## **III. Program Basics**

- Program is first-come, first-serve, subject to funding availability.
- Buyer purchases property, hires builder to demolish existing structures and constructs a new single-family home in conformance with program requirements.
- A \$50,000 Redevelopment Credit is available per completed property.

- 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, in the form of a certified cashier's check made out to the Richfield HRA, must be paid at the time of application. This fee is non-refundable and is not part of the lot price.
2. Project Information Sheet
3. Purchase agreement  
The Buyer must present a valid purchase agreement for the lot it proposes to redevelop. The closing must be scheduled after the date of the HRA meeting.
4. Blueprints  
The layout of all levels, including basement and unfinished space, must be provided.
5. Elevations  
Elevations of all four sides of the house, including view of garage shall be provided.
6. Site plan  
The site plan shall indicate the location of the new house, walkways and garage.
7. Landscaping plan  
A landscaping plan may be hand-drawn by the applicants, but must indicate the location and type of trees, shrubbery, flowers and landscaping materials (e.g. rocks, mulch). 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.
8. Green Community Concepts Plan  
The plan should indicate what Green Community Concepts will be incorporated into the project.
9. Detail of construction materials to be used on the project.
10. Construction timeline  
Construction must be completed with one year of the purchase of the property.
11. Signed contract with Builder
12. Financial capability statement
  - a. A statement from a financial institution indicating willingness, with standard contingencies, to provide sufficient construction capital to complete the project.
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
  - a. To be provided to the Buyer, which guarantees at a minimum, warranted repairs as required by Minnesota State Statute.

## **V. Securing a Site**

Participants identify a property on their own or from a list of Richfield Rediscovered-eligible properties provided by HRA staff. If the property has not already been qualified for the program, it must be evaluated for substandardness or market obsolescence. Upon request of a prospective Buyer, HRA staff may research the property, and arrange for a "Substandard Evaluation" to be conducted. An evaluator will inspect the interior for substandard qualification.

The Buyer is responsible for negotiating with the Seller on a purchase price. Once a purchase agreement between the Seller and Buyer has been signed, the Buyer should submit an application form and required supporting documents. Only when HRA staff has received a complete application, can the \$50,000 Redevelopment Credit be reserved. The reservation of funds is not an approval by the HRA. All applications must be brought to the HRA at a regularly-scheduled meeting for approval.

## **VI. Property Evaluation Considerations and Procedures**

Properties with the lowest market values, poorest visibility, and/or a history of code violations, will be considered first for the program.

To be eligible for the Richfield Rediscovered program, a house must be structurally substandard and meet at least of one of the criteria in **Criteria A** and all of **Criteria B**.

### **Criteria A**

- Obsolete design for block and area in which it is located.
- Deteriorated to the point that it has caused blight to other adjoining properties.
- Detrimental to the health or safety of abutting properties.
- Less than \$140,000 in value, as determined by the City of Richfield Assessing Department.

### **Criteria B**

- Site can be developed with a new home within city code requirements, including conformance with the Zoning Code and the Comprehensive Plan
- Property does not cause negative impact on other redevelopment projects. Redevelopment projects may include:
  - Established commercial redevelopment areas
  - Right-of-way improvement projects such as I-494, I-35W, Crosstown Highway 62, , TH 77 and 66<sup>th</sup> Street
  - Negative airport noise zones
  - Stormwater/flood prevention improvement projects
  - Other, as determined by the HRA

At the request of an interested Buyer, staff will research the property and if it is believed that the property may qualify for the Richfield Rediscovered program, a “Substandard Evaluation” will be arranged. An evaluator will inspect the interior for substandard qualification.

If a property meets the substandard test during the independent “Substandard Evaluation”, application procedures can continue. If the substandard test cannot be met, the property cannot be considered for the Richfield Rediscovered program.

At the discretion of staff, properties over 50 years old may also be required to be evaluated for historical significance through the Minnesota Historical Society.

## **VII. House Design and Site Development Requirements**

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 criteria were created to ensure that the homes built on the identified 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.

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.

### **A. New Home Standards**

1. Existing buildings must be demolished. If an existing garage is in good condition, it may be retained upon review by HRA staff and the Building Official.
2. New dwelling must be owner-occupied and single-family.
3. Three finished bedrooms are required.
4. Two finished bathrooms are required.
5. Two-car garage is required.
6. 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.cityofrichfield.org>.

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 for specific sites. Construction and the finished structure must not have 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 must be protected during construction. A tree wrap with board reinforcements shall be used on trees directly adjacent to active grading and construction area. 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 should 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. Front-loaded 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 should 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 Ldn zones.
10. If a variance is required to construct the proposed development, the HRA may, at its sole discretion, choose to reject the application.
11. 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.

#### **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 cover letter submitted with the application.

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. When demolition occurs, consider the sorting and recycling of leftover materials and debris.

#### **VIII. City Review Procedure**

1. Applicant reviews proposed project with HRA staff before plans are finalized.
2. HRA Staff will review application to ensure conformance with House Design and Site Development Requirements.
3. HRA staff prepares a report and recommendation for the HRA.

4. A Contract for Private Redevelopment is reviewed and signed by applicants in advance of the HRA meeting.
5. HRA reviews application and takes action at the HRA meeting.
6. If approved, the Contract for Private Redevelopment is executed by the HRA.
7. Upon approval by the HRA, the applicant is responsible for acquiring the necessary building and demolition permits with the City of Richfield Inspections Department. If changes are required, the Buyer must notify HRA staff.

### **IX. Disbursement of Funds**

Approved projects are eligible for a \$50,000 Redevelopment Credit. The Credit will be dispersed upon completion of the project (including landscaping) and the issuance of a Certificate of Completion by the Building Official. A lender may require a portion of the Redevelopment Credit be held as an escrow as part of the interim financing of the project, only to be released upon project completion.

The Buyers may also request the Redevelopment Credit to be issued in three installments. The first installment of \$20,000 would be issued at the time of closing, the second for \$20,000 when permits are pulled and the third for \$10,000 when the project has been completed and a Certificate of Completion has been issued by the Building Official. A mortgage will be filed and a lien put on the house until the project has been completed. Filing fees are the responsibility of the applicant.

The disbursement of funds will be outlined in the Contract for Private Redevelopment, to be executed by the HRA and the Buyer.

### **X. Solicitation of New Development Proposals**

The HRA will advertise the Richfield Redevelopment program in publications or newspapers, by direct mail, or other methods as deemed appropriate, to solicit interest.

When the HRA has property information, it will provide the address of the property, lot dimensions and contact information of the seller. Interested parties may contact the owners directly. All purchase negotiations and timing issues must be resolved between the parties.

Properties identified by the applicant may also qualify. The HRA will review each one on a case-by-case basis.

A program information package will be available upon request to interested Buyers. The information packet will include the following:

- Richfield Rediscovered Procedural Guidelines
- Sample Contract for Private Redevelopment
- Application Cover Sheet
- Project Information Sheet
- Lot List

### **XI. General 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 family, 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.
  - c. .

## **XII. Data Privacy**

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