



PLANNING COMMISSION STAFF REPORT

PC MEETING DATE: NOVEMBER 9, 2009

ITEM FOR PLANNING COMMISSION CONSIDERATION:

Consideration of a resolution finding that the acquisition and disposition of single family residential property through the Richfield Rediscovered, New Home Program and Neighborhood Stabilization Program is consistent with the Richfield Comprehensive Plan.

I. RECOMMENDED ACTION:

By motion: Approve the attached resolution finding that the acquisition and disposition of single family residential property through the Richfield Rediscovered, New Home Program and Neighborhood Stabilization Program is consistent with the Richfield Comprehensive Plan.

II. BACKGROUND

For the past several years, staff has asked the Planning Commission to make a finding of consistency when the Housing and Redevelopment Authority (HRA) acquires and sells an individual property. Recently, it has become apparent that asking the Planning Commission to make a finding on each property individually is cumbersome and can result in the HRA missing out on an opportunity to purchase property for its housing programs.

The HRA is currently attempting to purchase foreclosed properties to either demolish and construct new homes through the Richfield Rediscovered and New Home Programs or to rehabilitate through the Neighborhood Stabilization Program (NSP). The competition and process for acquiring foreclosed properties is such that offers need to be made quickly after houses go on the market and with minimal or no contingencies.

One of the contingencies normally applied when the HRA purchases property is that the acquisition and disposition is in conformance with the Comprehensive Plan, as determined by the Planning Commission. It has, however, become clear that in order to work with bank-owned properties to secure the homes, there is a need to be able to act more quickly.

Based on advice from the City Attorney, staff is proposing that the Planning Commission make a finding of consistency for the acquisition and disposition of property through the Richfield Rediscovered, New Home Program and Neighborhood Stabilization Program under the following conditions:

- The property is currently zoned R (single family residential).
- The property is currently used as single family residential.
- The property is guided as low density residential.
- The proposed use is as single family residential.

III. BASIS OF RECOMMENDATION

A. POLICY

- The 2008-2018 Richfield Comprehensive Plan states as policy:
 - Encourage the creation of “move-up” housing through new construction and home remodeling.
 - Promote the development of a balanced housing stock that is available to a range of income levels.
- The HRA has demonstrated success through its Richfield Rediscovered Program and New Home programs in removing substandard, obsolete housing and facilitating the development of contemporary, replacement housing for families.

B. CRITICAL ISSUES

- Acquiring properties through the Richfield Rediscovered, and New Home programs would allow the replacement of functionally obsolete properties with newly constructed homes that offer features desirable to families.
- The NSP program allows the HRA to purchase foreclosed properties, rehabilitate them and sell them to income-qualified buyers.
- The construction of new single family homes will be consistent with the Comprehensive Plan.
- In the case of the Neighborhood Stabilization Program (NSP), funds will be lost if the HRA is unable to purchase and rehabilitate foreclosed properties by September, 2010.
- While funding through the Richfield Rediscovered and New Home programs will not be lost if not spent on foreclosed properties, opportunities to purchase deteriorated and substandard properties that are good candidates for demolition will be lost. Given the condition and pricing of these properties, it is of concern that the end-buyer will be an investor planning minimal rehabilitation and subsequent property rental.

C. FINANCIAL

- The HRA has sufficient funding to purchase properties through these programs.

D. LEGAL

- Chapter 462 of the Minnesota State Statutes requires that whenever any public agency buys or sells property within the City, the Planning Commission must review the proposed use of the site for consistency with the Richfield Comprehensive Plan.
- The City Attorney proposed that the Planning Commission make a general finding of consistency in cases where the existing use, zoning and guide plan are single family residential and the proposed use is also single family residential.

IV. ALTERNATIVE RECOMMENDATION(S)

- Do not make a finding that the acquisition and disposition of property through the Richfield Rediscovered, New Home Program and Neighborhood Stabilization Program is not consistent with the Richfield Comprehensive Plan.

V. ATTACHMENTS

- Resolution

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

- N/A

RESOLUTION NO. _____

**RESOLUTION OF THE RICHFIELD PLANNING COMMISSION
FINDING THAT THE ACQUISITION AND DISPOSITION
OF PROPERTY FOR HOUSING PROGRAM PURPOSES
IS IN CONFORMANCE WITH THE COMPREHENSIVE PLAN**

WHEREAS, the Planning Commission has reviewed the Comprehensive Plan regarding the acquisition and disposition of properties through the Richfield Rediscovered, New Home Program and Neighborhood Stabilization Program;

WHEREAS, the Planning Commission has found that the acquisition and disposition of single family properties for single family residential purposes would be consistent with the Richfield Comprehensive Plan in the following conditions:

- The property is zoned R (single family residential).
- The property is used as single family residential.
- The property is guided as low density residential.
- The proposed use is as single family residential.

NOW, THEREFORE BE IT RESOLVED, that the Planning Commission finds that the acquisition and disposition of single family residential properties, for single family residential use, is in conformance with the Richfield Comprehensive Plan.

Adopted this 9th day of November, 2009 by the Planning Commission of the City of Richfield, Minnesota.

Rick Jabs, Chairperson

ATTEST:

Thomas Rublein, Secretary