

CITY OF RICHFIELD

# 2024 REPORT TO THE LEGISLATURE



**FEB 1, 2024**

**2021 Special Legislation  
Temporary Transfer of Tax Increment  
for Affordable Housing**

In 2021, the Legislature approved special legislation that allowed the cities of Minnetonka, Richfield, and St. Louis Park to transfer tax increment accumulated for housing development purposes to the cities' affordable housing trust funds. The transferred increment could be used to make grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing; or to match other funds from federal, state, or private resources for housing projects.

The Legislature requested that each city submit a report to the Legislature's Tax Committees by February 1, 2024, and February 1, 2026.

## Report to the Legislature

The City of Richfield has transferred \$750,000 (to-date) under the special legislation to its Affordable Housing Trust Fund. The funds have been designated as follows:

<b>Richfield Flats</b>	<b>\$200,000</b>
55 units affordable rental housing for families	
<b>Aster Commons</b>	<b>\$500,000</b>
38 units deeply affordable, supportive rental housing	
<b>Homes Within Reach</b>	<b>\$50,000</b>
1 unit affordable homeownership	

# Richfield Flats

Developer: MWF Properties

55 units affordable rental housing for families

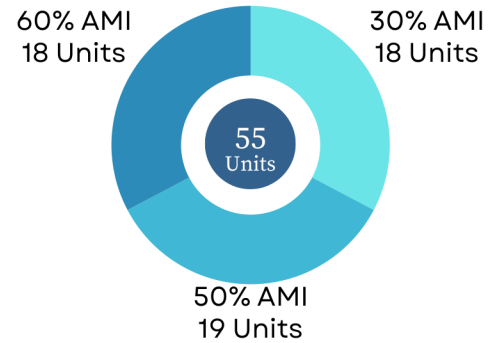


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Richfield Flats will provide 55 units of workforce family rental housing at 7700 Pillsbury Avenue, the former City Garage site. Five accessible units will provide housing opportunities for people with physical disabilities in Richfield where most of the rental housing was built in the 1960s, before elevators and other accessible features were required. The project's three- and four- bedroom units will provide much-needed housing for families with children.

In addition to providing tax increment to the project and agreeing to sell the land at a reduced price, the Richfield Housing and Redevelopment Authority (HRA) committed \$200,000 in special legislation funds toward energy-efficiency improvements that will lower the project's energy costs and increase affordability for the residents. The additional local support makes the project more competitive as it seeks financing through federal Low Income Housing Tax Credits (LIHTC).

## Affordability



## Total Development Cost

\$11.55 million

# Aster Commons

Developer: Beacon Interfaith Housing Collaborative

38 units deeply affordable, supportive rental housing



Aster Commons will provide 38 units of supportive rental housing to young adults with neuro-diverse conditions on land adjacent to a new D-line transit station at 66th Street and Portland Avenue. Twenty of the units will receive rental housing support through Hennepin County.

The HRA is contributing a \$500,000 grant from special legislation funds along with a land write-down. The strong local commitment reduces the gap and helps the project to compete for LIHTC financing.

## Affordability



## Total Development Cost

\$15.6 million



# Homes Within Reach

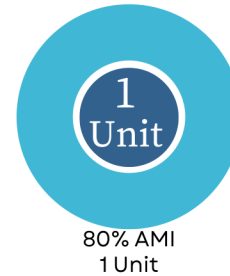
Developer: West Hennepin Affordable Housing Land Trust

1 unit affordable home ownership

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## Affordability



Total Development Cost
\$400,000

The Richfield HRA has been partnering with the West Hennepin Affordable Housing Land Trust (WHAHLT) and its Homes Within Reach program for over 20 years to build, rehabilitate, and sell homes to families through the land trust model.

The HRA has committed \$50,000 in special legislation funding to WHAHLT to further this partnership and continue creating and preserving long-term affordable homeownership opportunities.

## STAFF CONTACT

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