



Penn Place

OPPORTUNITY HOUSING - AFFORDABLE HOUSING PLAN

Residential developments of 20 units or more must submit an Affordable Housing Plan to the City of Bloomington as a part of the application for a final site and building plan, a final development plan or for NOAH preservation. An Affordable Housing Plan is not required for a development in which the affordable housing obligation is satisfied by a payment in lieu. The developer's commitment to meet the requirements of the Opportunity Housing Ordinance and the description of the affordable housing tools and incentives requested in the Affordable Housing Plan will be included in the development agreement with the city.

Fill in a response beneath the italicized text for each section below and submit this document with your application to serve as your Affordable Housing Plan.

#	Section	Ordinance Requirement (text in grey) and Responses
1.	OPPORTUNITY HOUSING REQUIREMENTS SUMMARY	<p><i>Provide a summary of the tools, methods, and related approaches used to meet the requirements of § 9.06 and include options in § 9.07 to § 9.13 to construct rental or for sale residential development on-site or off-site, purchase and rehabilitate Naturally Occurring Affordable Housing, or acquire and rehabilitate existing market rate units</i></p> <p>The proposal is construction of a multi-family rental development of 68 affordable housing units on-site. A minimum of 5 and a maximum of 10 units will be available to High Priority Homeless and affordable at 30% AMI. The balance of the units will be affordable at 60% or if the awarded Investor allows the units will be considered income averaging and ranging from 40% AMI to 80% AMI. 7 affordable housing units are required to comply with the Opportunity Housing Ordinance.</p>
2.	PROJECT METRICS	<p><i>Provide the development philosophy and description of project performance metrics including, but not limited to, development returns such as return on costs, return on equity, and both leveraged and unleveraged internal rate of return to assist the city in analyzing public participation § 9.06 and § 9.32</i></p> <p>The applicant/Owner has been developing affordable housing since 1974. The land is available by a re-plat of an existing site the applicant owns; which currently consists of 45 units @ 30% AMI. The financing will be in part by Low Income Housing Tax Credits *LIHTC); wherein Investors receive a dollar for dollar tax credit; HUD 221d4; MN Housing or other Gap financing and 10% General Partner/Owner Equity. In the current environment Investors in LIHTC's are receiving an appx 8-95 return.,</p>
3.	PROPOSED MARKET RATE AND	<p><i>Provide the number, location, description of the structure such as but not limited to attached, semi-attached, or detached, size and cost of the proposed market rate and affordable units § 9.32</i></p>

CASE #PL2020-68

AFFORDABLE UNITS

All units are in an attached multi-family development located at 10041 Penn Ave. S, Bloomington, MN.

14 1-bedroom units; 797 square feet

36 2-bedroom units; 1,082-1,162 square feet

18 3-bedroom units; 1,341-1,441 square feet

All units are affordable housing units within our development.

Current Cost to build 68 units @ Affordable housing development cost is \$225,000 per unit.

4. AFFORDABILITY

Provide the income levels to which each affordable unit will be made affordable § 9.32

The 2019 annual income levels to which each affordable unit will be made affordable (for a family of four):

ELI (30% AMI): \$31,000 – 2020 AMI

2 - 1-bedroom units 797 square feet

4 - 2-bedroom units 1,082 square feet

4 - 3-bedroom units 1,341 square feet

VLI (50% AMI): \$51,700 – 2020 AMI

LI (60% AMI): 60,000 – 2019 AMI; 2020 LIHTC not released to date.

12 - 1-bedroom units; 797 square feet

32 - 2-bedroom units 1,082-1,162 square feet

14 - 3-bedroom units 1,341-1,441 square feet

5. TERM OF AFFORDABILITY

Provide the methods to be used to maintain affordability and the duration over which affordability will be maintained § 9.32

We commit to maintaining the affordability limits shown here for the Opportunity Housing units for a minimum of 20 years as provided for in the Department of HUD and MHFA finance agreement(s).

6. AFFORDABILITY MONITORING

Provide your plan to monitor ongoing affordability § 9.32

The Applicant/Owner has been managing affordable housing developments since 1974. We have an inhouse compliance department with well trained professional on site staff. MN Housing and the Department of HUD require monitoring compliance audits annually.

7. CONFIRMATION OF RENTAL ASSISTANCE ACCEPTANCE

Provide written confirmation that households with U.S. Department of Housing and Urban Development (HUD) Housing Choice Voucher rent assistance will be considered for tenancy in rental development § 9.32

We confirm the applicant will accept HUD Housing Choice Vouchers for the life of the tenant voucher or a minimum of 20-year affordability period for all qualifying tenants.

8. INCENTIVES

Check and provide a description of the tools and incentives that your project is eligible for § 9.15 through § 9.31

- ☒ Density bonus
- ☐ Floor area ratio bonus
- ☒ Height bonus
- ☒ Parking stall reduction
- ☒ Enclosed parking space conversion
- ☒ Minimum size reduction
- ☐ Alternative exterior materials allowance
- ☒ Storage space reduction
- ☒ Landscape fee in-lieu reduction
- ☐ Development fee reimbursements
- ☒ Development fee deferment
- ☐ Expedited review of plans
- ☐ Land write down
- ☒ Tax increment financing
- ☒ Project based housing vouchers

9. MARKETING

Provide the methods to be used to advertise the availability of the affordable units § 9.32

Advertising methods for availability of units will occur using three primary channels:

1) Online, through the development's website and promotions through online partners MHFA, Housing Link, Craigs List, Apartments.com, Zillow, etc.

2) Social media, through the development's Instagram, Facebook and Twitter accounts

3) In print, through brochures that will be made available at selected affordable housing partners and non-profit organizations in Bloomington

10. DISPERSION

Describe how the Opportunity Housing units encourage racial and economic integration and distribute affordable housing units throughout the city § 9.36

The development will offer a range of affordable housing types and income options and will integrate into an existing 45-unit multi-family Project Based Section 8 site located along a transit corridor. The neighboring properties include a range of income levels and housing types @ multiple senior living properties, condos, townhomes, single family homes and commercial properties.

11. INTEGRATION

Describe how the affordable housing units in the development are mixed with and not clustered together or segregated in any way from market rate units § 9.36

The Opportunity Housing units are located throughout the development, are available on each floor and on each side of the building. All units are affordable.

12. DESIGN

Describe how the affordable housing units are comparable in construction quality and exterior design to the market rate units constructed as part of the development § 9.36

The Opportunity Housing units are designed and will be constructed to the same high quality of construction as the remainder of the development. The project is

seeking funding from MN Housing and will be required to comply with their design and construction standards which focus on increasing accessibility, durability and maintainability beyond typical market rate construction.

13. PHASING PLAN

For a phased development, describe how your phasing plan provides for the concurrent development of the number of affordable units proportionate to the number of market rate units for each proposed phase of development § 9.32 and § 9.36

The proposed project will be built in a single phase and no additional phases are envisioned.

14. CONSTRUCTION TIMING

Describe how the construction and occupation of affordable units will be proportionate construction and occupation of market rate units § 9.36

Construction completion and leasing of all units will occur on the same schedule. The request for a certificate of occupancy will be for 100% of the units on the same date.

15. PROJECT PLANS

Provide a site plan and a floor plan depicting the location of the affordable and the market rate units § 9.32

Please see attachments that include the site plan and the floorplan of the proposed development.

16. ADDITIONAL INFORMATION

Provide any additional information reasonably requested by the community development department to assist with evaluation of the affordable housing plan. Check with the community development department to discuss additional information requested. § 9.32

We do not have additional information to submit at this time, but are open to submitting any information requested of us by the City of Bloomington.

A developer or owner may propose an alternative method to meet the opportunity housing requirement. Based on evidence specified in the Affordable Housing Plan, the community development department may approve such an alternative if the alternative will provide as much or more affordable housing at the same or lower income levels, and of the same or superior quality of design and construction, and will otherwise provide greater public benefit than compliance with the requirements of this chapter.

Upon submittal, the community development department will determine if the affordable housing plan is complete and conforms to the provisions of this chapter and the opportunity housing guidelines. The Developer will receive written comments on their Affordable Housing Plan at the next scheduled Pre-Application or Post-Application Development Review Committee Meeting. The decision of the community development department may be appealed.

Applicant Name



Date

