

GENERAL INFORMATION

Applicant:	Aeon VP Bloomington, LLC (Owner and Developer)
Location:	1900 East 86 th Street
Request:	1) Rezoning from R-4 Multiple-Family Residential to RM-24(PD) High Density Residential (Planned Development). 2) Preliminary Development Plans and Final Development Plans to add 172 new residential units in two four-story multi-family residential apartment buildings to an existing multi-family residential site.
Existing Land Use and Zoning:	Multiple family residential – apartments; zoned R-4 Multiple Family Residential
Surrounding Land Use and Zoning:	North – Hotel and office; zoned C-4(PD) South – Single-family residential; zoned R-1 East – Townhomes and fire station; zoned R-4, R-4(PD) and R-1 West – State Highway 77
Comprehensive Plan Designation:	High Density Residential

HISTORY

City Council Action:	05/09/1988 – Approved the Preliminary Plat and Final Plat of Versailles 2 nd Addition (Case #6325A-88).
----------------------	--

CHRONOLOGY

Planning Commission	05/07/2020 – Recommended approval (Votes: 6-0 and 5-1)
City Council	05/18/2020 – Public hearing scheduled

DEADLINE FOR AGENCY ACTION

Application Date:	04/01/2020
60 Days:	05/31/2020
120 Days:	07/30/2020
Applicable Deadline:	07/30/2020 (Extended by City)
Newspaper Notification:	Confirmed (04/23/2020 Sun Current – 10 day notice)
Direct Mail Notification:	Confirmed (500-foot buffer – 10 day notice)

STAFF CONTACT

Nick Johnson, Planner
Phone: (952) 563-8925
E-mail: nmjohnson@BloomingtonMN.gov

PROPOSAL

Aeon, owner of the subject property, is proposing to develop 172 new housing units at various levels of affordability in two four-story multi-family residential apartment buildings (Buildings A and B on the plans) in the northeast portion of 1900 East 86th Street. The subject property is the location of the existing Village Club apartments (formerly called Versailles Apartments), which includes 306 units of housing. The proposed development would increase the total number of dwelling units at the site to 478 apartments, representing a residential density of 27.1 units per acre based on the site area (17.67 acres). The property owner is requesting that the site be rezoned from R-4 to RM-24(PD) in conjunction with the Preliminary and Final Development Plans submitted for the proposed apartment buildings. The new apartment buildings would include one-bedroom (16), two-bedroom (70), three-bedroom (67) and four-bedroom (19) units. Both buildings are proposed to have underground parking garages, totaling 157 enclosed parking stalls combined.

In addition to the two proposed apartment buildings in the northeast corner of the site, a variety of other site improvements are proposed, mostly focused on site parking. Surface parking areas would be constructed in multiple areas of the site, predominantly to the north and west of the existing buildings. The existing garage structures, housing 320 enclosed parking stalls, are proposed to be removed due to disrepair. A total of 720 parking stalls are proposed, resulting in a parking ratio of 1.51 parking stalls per unit, or 0.84 parking stalls per bedroom. In the northeast corner of the site, the existing tennis court and picnic area would be removed. Aeon is seeking a grant to install a new playground in the courtyard south of the northern proposed building. Site lighting and landscaping are proposed to be installed to bring the property into conformance with City Code requirements.

To demonstrate compliance with the City's Opportunity Housing Ordinance (OHO), Aeon has submitted an Affordable Housing Plan documenting the level of affordability proposed in the new apartment buildings. Of the 172 residential units proposed, 17 would be affordable at the 30 percent of Area Median Income (AMI) level, 104 units at the 60 percent of AMI level, and 51 units at the 70 percent of AMI level. As part of the application, Aeon is seeking to utilize affordable housing tools and incentives as permitted by City Code (Sec. 9.15), including density bonus and parking reduction.

BACKGROUND

The existing apartments were constructed in 1969 and are considered Naturally Occurring Affordable Housing (NOAH). On December 16, 2019 the City Council established the \$15.2 million Affordable Housing Trust Fund and authorized the issuance Taxable GO Tax Increment Revenue Bonds. The City Council approved a \$7 million award from the Affordable Housing Trust Fund to Aeon, including the establishment of Village Club Tax Increment Financing Housing District and the issuance of Conduit Revenue Bonds for the benefit of the Aeon rehabilitation project and new construction project. The City's commitment made it possible for Aeon, a non-profit affordable housing operator and developer, to acquire the property on December 27, 2019 and preserve existing affordable dwelling units.

There were multiple competing offers to acquire the property, mainly from institutional investors likely seeking to raise the rents. Through the adoption of an agreement with Aeon, a restrictive affordable covenant has been placed upon the land for a minimum of 30 years that requires that 60 percent of the existing units will remain affordable at 60% AMI and the remaining 40 percent at 80% AMI. The City's collaboration with Aeon has ensured that the existing 306 units on-site are rehabilitated, properly maintained and remain affordable for the existing residents and allows for the creation of more affordable housing in Bloomington that will assist in stabilizing the project as a whole.

In addition to the acquisition of existing and creation of new affordable housing, Aeon is required to rehabilitate the existing apartments on a schedule approved by the Bloomington Housing and Redevelopment Authority (HRA). A basic schedule for rehabilitation and improvement is outlined in Table 1. Aeon is responsible to provide a quarterly report to the HRA on the progress of the rehabilitation schedule and activities.

Table 1: Village Club Rehabilitation Schedule

Phase	Timeline	Activities
Phase I	Jan. – Dec. 2020	Physical Needs Assessment, life-safety upgrades, common areas, and Environmental Health Division priorities
Phase II	Jan. 2021 – Dec. 2022	Unit upgrades, system upgrades and long-term cost planning for larger improvements and stabilization
Phase III	Oct. 2020 – Dec. 2022	Roof replacement, plumbing replacement, unit upgrades and common area improvements

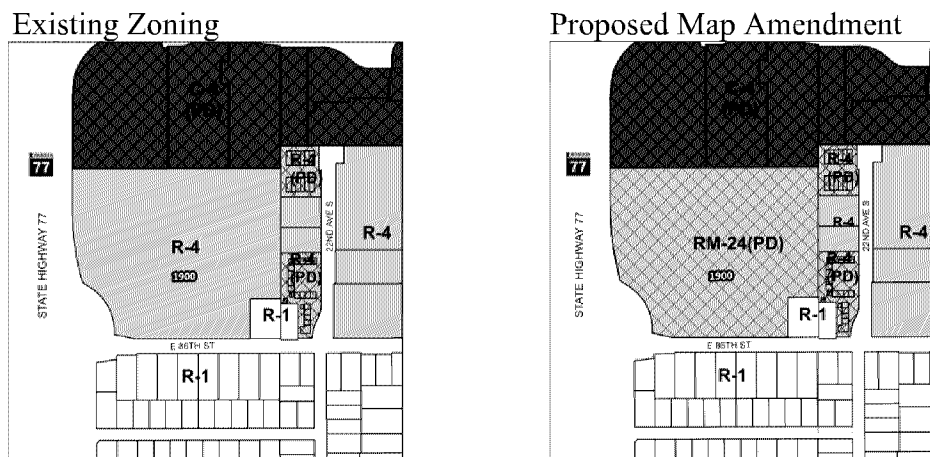
The existing apartment building rehabilitation and associated units is a critical component of the project and a significant factor spurring City participation or collaboration. As noted above, the goal of both parties is to maintain and create safe and affordable housing, both for existing and new residents. The activities proposed within the rehabilitation schedule help inform analysis of the public benefit associated with the overall project.

ANALYSIS

Rezoning/Land Use

To allow for the expansion of the existing multi-family residential development, the applicant requests rezoning the property from R-4 to RM-24(PD), as shown in Figure 1. The total number of dwelling units proposed would comply with the maximum density restrictions of the RM-24 zoning district when factoring in density bonuses permitted within the Opportunity Housing Ordinance (Sec. 9.16). The maximum density allowed in the RM-24 zoning district is 24 units per acre. Given the site area of 17.67 acres, a typical residential development could have a maximum number of 424 units or dwellings under the RM-24 zoning designation. However, the OHO would allow 138 bonus dwelling units above the maximum density as a result of the affordable units provided. More information about this calculation can be found in the Opportunity Housing Ordinance section that follows. As a result, this site could have 568 dwelling units based upon the quantity of affordable units proposed. The proposed quantity of 478 apartments would be compliant with the RM-24 base zoning designation in light of the OHO density bonus tool.

Figure 1: Rezoning from R-4 to RM-24(PD)



A rezoning action has a high level of City Council discretion. Although there are no explicit findings that must be made in conjunction with a rezoning, appropriate considerations include the following:

- Whether the proposed district is consistent with the Comprehensive Plan;
- How the proposed district differs from the existing district; and
- Whether there is a public benefit from the change.

In terms of consistency with the Comprehensive Plan, the subject property is designated High Density Residential. The High Density Residential designation is intended for residential properties with a residential density greater than 10 units per acre. In addition, the intent of the RM-24

District is to “provide appropriate development standards for multiple-family residential uses with access to arterial or collector streets in proximity to neighborhood commercial uses and public open space.” The subject property abuts East 86th Street, a major collector roadway, and State Highway 77, a principal arterial. The site is in proximity to neighborhood commercial uses along the East Old Shakopee Road corridor and the Mall of America. Wright’s Lake Park and Bass Ponds trail head provide nearby opportunities for public open space and recreation. Transit service (local routes 538A and 539B) is available on East 86th Street, as well as the Metro Blue Line LRT at Mall of America Station.

The R-4 zoning district, the current zoning of the subject property, is the zoning district that was historically applied to multiple-family residential properties in Bloomington when the site was developed. As multi-family residential properties develop or expand, it is common for sites to be rezoned to accommodate the residential density proposed, provided the proposed uses are consistent with the Comprehensive Plan. The proposed zoning district, RM-24, allows for a higher residential density desired by the applicant. The maximum residential density of the existing R-4 zoning district is 12 units per acre, whereas the RM-24 district allows 24 units per acre. Rezoning to the RM-24 zoning district is necessary to allow for the expansion of the existing multi-family residential campus, as the existing density of the site is already above what is permitted in the R-4 district.

To evaluate the public benefit associated with the requested zoning change, staff references the Comprehensive Plan to verify the proposed project is consistent with the City’s land use and housing goals. The Comprehensive Plan Housing Element encourages development of multi-family housing on sites near transit, services, amenities and employment. In addition, the Housing Element supports the development of life cycle housing. New multi-family residential development is a critical component of the diverse housing stock needed to achieve life cycle housing in the community. Both the Comprehensive Plan and the One Bloomington Strategic Plan also support the creation of additional affordable housing. The proposed rezoning supports multiple goals of the Comprehensive Plan and Strategic Plan and will benefit the public. Staff recommends approval of the request to rezone the property from R-1(PD) to RM-24(PD).

Code Compliance

The proposed apartment buildings and associated site improvements have been reviewed according to the performance standards for structures in the RM-24 zoning district. Rezoning the site to a Planned Development also allows flexibility to some City Code standards provided the applicant demonstrates the project meets the required findings and the City Council determines the flexibility provides public benefit. Table 2 identifies City Code requirements, what is proposed, and whether or not the proposal meets the requirement. Sections following Table 1 provide additional detail regarding Code compliance and requested City Code deviations, including a section on the Opportunity Housing Ordinance (OHO) and associated incentives or tools utilized.

Although the Final Development Plans focus on the two apartment buildings proposed in the northeast corner, certain aspects of the review focus on the full planned development, such as off-

street parking. As a result of the proposed floor area expansion beyond 25 percent, conformance for certain nonconforming site characteristics is triggered in City Code. Discussion about these site characteristics is also included in subsequent sections.

Table 2: City Code Compliance Analysis

Standard and Code Section	Proposed	Meets Standard?
Minimum Site Area – 40,000 square feet (Sec 21.301.01(c)(1)0)	789,806 square feet (17.67 acres)	Yes
Minimum Site Width – 200 feet (Sec. 21.301.01(c)(1))	600 feet	Yes
Density – Min. 12 units/acre, Max. 24 units/acre (Sec. 21.301.01(c)(1)) OHO density bonus (Sec. 9.16)	27.1 units/acre	Yes – OHO incentive utilized
Maximum Impervious Surface Area – 85 percent (Sec. 21.301.01(c)(1))	60.3 percent	Yes
Building Floor Area Minimum One Bedroom – 650 square feet Two Bedroom – 800 square feet Three Bedrooms or more – 950 square feet (Sec 21.301.01(c)(3)) OHO unit size reduction (Sec. 9.21)	One bedroom – 597 SF Two bedroom – 822 SF Three Bedroom – 1,211 SF Four bedroom – 1,407 SF	Yes – OHO incentive utilized
Minimum Structure Setbacks (Existing) Front – 40 feet (south and west) Rear – 30 feet (north) Side – 10 feet (east) (Sec. 21.301.02(d)(1))	Front – 30.3 feet Rear – 220 feet Side – 34 feet	Deviation requested – see further discussion
Minimum Structure Setbacks (Proposed) Front – 40 feet (south and west) Rear – 30 feet (north) Side – 14.07 feet (east) (10 feet + 0.25 feet for every foot over 30 feet in height) (Sec. 21.301.02(d)(1))	Front – 210 feet Rear – 41 feet Side – 15 feet	Yes
Minimum Parking Setbacks Front (along any street) – 20 feet Side/Rear – 5 feet (Sec. 21.301.06(c)(2)(I)(i))	Front (E 86 th St) – 13.3 feet Side (east) – subject to shared access easement	Deviation requested – see further discussion

Standard and Code Section	Proposed	Meets Standard?
Maximum Building Height - 4 stories/60 feet and airport height limits (Sec. 21.301.10(b)(1))	4 stories/52.2 feet	Yes
Minimum Usable Open Space – 286,800 square feet (600 sq. ft. per unit) (Sec. 21.203.07(c)(1))	289,533 square feet	Yes
Minimum Storage Space – One lockable storage space outside of the unit, 96 cubic feet in size (w/bicycle parking) (Sec 21.302.09(d)(7))	Storage provided within all units, minimum of 140 cubic feet	Deviation requested – see further discussion
Parking Location – Sec 21.301.06(b)(1) Within 400 feet of entrance	Not all required parking located within 400 feet of main entrances	Deviation requested – see further discussion
Minimum Parking Spaces Required 850 parking spaces (see Table 3) (Sections 21.301.06(d) and 9.19 – OHO parking reduction)	720 spaces	Deviation requested – see further discussion
Minimum Parking Stall Size Surface – 9 feet by 18 feet Compact – 8 feet by 16 feet Underground – 8.5 feet by 18 feet (21.301.06(c)(2)(C) and (h)(2)(C))	Surface – 9' by 18' Compact – 8' by 16' Underground – 9' by 18'	Yes
Minimum Drive Aisle – 24 feet for 90 degree parking (21.301.06(c)(2)(C))	24 feet	Yes
Parking Islands – Minimum of 8 feet wide with one tree (Sec. 21.301.06(c)(2)(H))	Existing – 3.1 feet Proposed – 8 feet Some islands missing trees	Deviation requested – see further discussion
Minimum Sidewalk Width – Private – 5 feet unobstructed (7 feet when perpendicular to 90 degree parking), Public – 8 feet	Private (existing) – 4 ft. Private (proposed) 5 and 7 ft. Public – 8 ft.	Deviation requested – see further discussion
Lighting – Surface parking areas – 1.0 foot-candle, underground parking areas – 3.0 foot-candles (Sec. 21.301.07(c)(12))	Surface – 0.2 Underground – Unknown	No – see further discussion
Minimum Landscaping – 308 trees and 770 shrubs (Sec. 19.52(c)(2))	321 trees (168 new, 153 existing) 762.25 shrub units	Yes – see further discussion

Standard and Code Section	Proposed	Meets Standard?
Trash and Recycling Collection Existing Building – 1,602 square feet Building A – 505 square feet Building B – 685 square feet (Sec. 21.301.17)	Existing Bldg – 1,096 SF (Four detached enclosures) Building A – 546 SF Building B – 290 SF	Deviation requested – see further discussion

Opportunity Housing Ordinance and Incentives

For new residential development projects in Bloomington that propose greater than 20 total units, the Opportunity Housing Ordinance (OHO) requires a minimum of nine percent of the newly created units be affordable to households at or below 60 percent of Area Median Income (AMI). Based upon the proposed development of 172 new residential units, the opportunity housing ordinance would require 15 units be affordable at a level of 60 percent AMI. Aeon is proposing that 121 of the new 172 residential units (70.3 percent) be affordable at the 60 percent AMI level or below, complying with OHO requirement for new residential development. Table 2 outlines the range of affordability with the existing and proposed units combined.

Table 3: Village Club Summary of Affordability

Residential Units	30% AMI	60% AMI	70% AMI	80% AMI
Existing	-	184 Units (60%)	-	122 Units (40%)
Proposed	17 Units (9.8%)	104 Units (60.5%)	51 Units (29.7%)	-
Total	17 Units (3.6%)	288 Units (60.3%)	51 Units (10.7%)	122 Units (25.5%)

The quantity and type of affordability provided complies with the OHO and makes the planned development (PD) eligible for the tools and incentives available for residential development projects that provide a minimum of nine percent of total units affordable at or below 60% AMI. In the project description, the applicant notes that certain aspects of the project are eligible for OHO incentives associated with the 30% AMI level of affordability. While staff concurs that the new project in isolation of the existing apartments would qualify for these incentives, the planned development needs to be evaluated on a holistic basis due to the fact that the incentives utilized (density, parking, etc.) apply to the whole property or planned development (PD), not just the new apartments. The subsequent review of the subject Preliminary and Final Development Plans factor the allowances of the OHO tools and incentives into the overall review and recommendation. As required by City Code, the developer has submitted an Affordable Housing Plan to the Bloomington Housing and Redevelopment Authority (HRA) for review and approval, which is separate from the zoning public hearing and entitlement process.

Building Design

New Building A is proposed to have 75 units and Building B would have 97 units or dwellings. The two residential buildings offer one, two, three and four-bedroom units as shown in Table 3. It is rare in Bloomington for multi-family residential building to offer four-bedroom units. All of the residential unit sizes comply with City Code. There is a single one-bedroom unit in Building B that is below the minimum unit size, but falls within the ten percent area reduction allowed by the OHO (Sec. 9.21). Building B will be effectively split into two wings (east and west) with a joint lobby in the middle in order to foster a sense of community in each wing. Both residential buildings have fitness and community rooms on the first floor, with Building B also offering a children play area. Some balconies are offered on the first floor of the front elevation of both new residential buildings.

Both residential buildings are four stories in height, with the tallest structure height proposed being 52.2 feet. The structures comply with the maximum height requirements of both the City Code and airport height limits. A shadow study for the proposed building was submitted, showing minimal shadow encroachment on residential uses in only the afternoon hours during the winter season. The exterior building materials proposed are primarily fiber cement, which is a permitted material in the RM-24 zoning district.

Regarding residential storage, City Code requires a lockable storage area to be provided for each dwelling outside of the unit. A minimum of 175 cubic feet per unit must be provided except when separate bicycle storage/parking is provided within the building, then the minimum storage area per unit is 96 cubic feet, with specific minimum horizontal and vertical dimensions.

The applicant requests approval to eliminate the exterior storage requirement for new units. In reviewing the storage requirements, the current 306 units were developed with Code complying storage outside the unit. The OHO allows a reduction of up to 50 percent of the required storage for all the units. Therefore, using maximum flexibility allowed, the applicant must maintain a minimum of 239 units in the existing building and no units in the new building to meet the Code.

Bicycle storage is currently provided on the wall behind each individual underground parking space beneath both new buildings. With the removal of the garages for the existing building, the exterior storage is increasingly important for the tenants in those units. Therefore providing the required 239 storage units in the existing building and eliminating them from the new building is a reasonable allocation. 239 storage units would represent a reduction from current Environmental Health Orders, but these were established prior to Aeon taking ownership of the site and the adoption of the OHO. Aeon also notes that each new dwelling has storage space within the individual unit.

Access, Circulation, Sidewalks and Parking

Site access is not proposed to change with the proposed expansion of the Village Club campus. The site is served by two driveways (full access) to East 86th Street, a major collector roadway, and one

driveway (full access) to East Service Road, the frontage road along State Highway 77. The proposed site plan offers adequate site circulation. An auto-turn exhibit utilizing Bloomington Fire Ladder 3 has been provided, showing adequate turning radius for emergency vehicles to navigate the site. All drive aisles meet the minimum width requirement of 24 feet for 90 degree parking areas. There is a shared access easement in the southeast corner of the site with existing Fire Station #3 located at 2050 East 86th Street. The shared access to Fire Station #3 is proposed to remain.

There are a number of new sidewalks, both private and public, to be constructed in the proposed site improvements. New public sidewalk is proposed along East Service Road along the western boundary of the site, replacing nonconforming sidewalk. New private sidewalks are provided throughout the site plan, all of which meet minimum width requirements (typical – five feet, perpendicular to parking areas – seven feet). A new sidewalk connection to the existing public sidewalk network along East 86th Street is proposed along the eastern driveway and circulation drive, satisfying the Code requirement for connection to public sidewalks.

Given that the floor area expansion proposed in the overall planned development (PD) is more than 25 percent, City Code requires all nonconforming site characteristics be brought into compliance. There are a number of existing private sidewalks on site that are nonconforming for width, measuring four feet or less in some cases. Aeon is requesting a deviation through the planned development that existing nonconforming sidewalks and parking islands be allowed to remain. Given the focused locations of site disturbance proposed in the project and the substantial public benefit documented above, staff is supportive of allowing the existing nonconforming sidewalks and parking islands to remain. However, should these sidewalks or parking islands need to be replaced in the future as part of ongoing property maintenance activities, these site characteristics must be brought into conformance at that time. Staff is recommending a condition that all nonconforming sidewalks and parking islands on site be brought into conformance with City Code upon replacement.

Regarding site parking, the proposed development is proposing to have a parking supply of 552 surface stalls and 158 underground garage stalls, resulting in 710 total parking stalls. After applying the parking reduction incentives permitted within the OHO, the City Code parking requirement for the proposed development is 850 total parking spaces, 478 of which are enclosed (one per unit). Table 3 provides an overview of the Code-required parking associated with the proposed Village Club expansion. Aeon is seeking a 16.5 percent deviation from the total parking quantity requirement and a 67.8 percent deviation from the enclosed garage parking requirement.

Table 3: Parking Analysis for Village Club Apartments

Use/Unit Type	Standard	Unit/Area	Spaces Required
Studio/One-Bedroom	1.8 spaces per unit (1 inside a garage)	208 units	374.4 spaces (208 garage spaces)
Two-Bedroom	2.2 spaces per unit (1 inside a garage)	183 units	402.6 spaces (183 garage spaces)
Three-Bedroom	2.6 spaces per unit (1 inside a garage)	68 units	176.8 spaces (68 garage spaces)
Four-Bedroom	3.0 spaces per unit (1 inside a garage)	19 units	57.0 spaces (19 garage spaces)
Party Room	1 space per 100 sq. ft.	5,160 sq. ft.	51.6 spaces
Total Standard Parking Requirement			1,062 spaces (478 garage spaces)
OHO Reduced Parking Requirement (20% Reduction)			850 parking spaces (478 garage spaces)
Parking Proposed			710 parking spaces (154 inside a garage)
Parking Deviation			Total Quantity – 16.5% Garage Stalls – 67.8%

To evaluate the Village Club development parking supply and layout, an independent parking study was performed by Bolton & Menk, professional traffic engineers, and submitted on March 25, 2020. To analyze the proposed parking supply, the consultant utilized two methodologies – 1) ITE Parking Generation Manual (5th Addition), and 2) a Local Parking Model.

The Institute of Transportation Engineering (ITE) Parking Generation Manual provides peak parking rates for all land uses based upon analysis of sites nationwide. The specific land use and associated rate studied for the subject property was mid-size apartments in suburban locations. Utilizing the average peak parking rate per apartment and associated standard deviation of sites studied the ITE peak parking demand for the subject property would fall within a range between 627 and 732 parked vehicles.

The Local Parking Model of the subject parking study was created by utilizing parking counts and data from 12 existing apartment sites in Bloomington. New data was collected at the subject property and three other sites between 3:30-5:30 a.m. to capture peak parking rates at these sites, and existing data collected from other sites was reanalyzed. Graphing the peak parking counts compared to the number of units of the local sites, a significant correlation was found, producing an

equation of confidence to estimate that the peak parking demand of the proposed development is 559 parked vehicles.

Other factors that the parking study analyzed or considered was the impact on transit service, the possibility of parking overflow by or on adjacent properties, the location of the parking stalls proposed, and the proposed utilization of compact parking stalls on the site. As a basis to study the parking location and configuration, the consultant utilized the Bloomington City Code standard of all parking being located within 400 feet of main entrances (Sec. 21.301.06). The parking study reached three primary conclusions:

- 1) **Parking Supply** – The parking supply shown is sufficient for the development proposed based upon the results of the ITE Parking Generation Manual and Local Parking Model;
- 2) **Parking Lot Configuration** – The location of the parking proposed is not the ideal configuration or distribution for the existing and proposed apartments from a utilization and convenience standpoint. Building B would be better sited in the northwest corner of the site in comparison to the proposed location; and
- 3) **Compact Parking Stall Location** – Compact parking stalls should be brought closer to the existing and proposed buildings to increase proper utilization.

The total parking supply and unit mix studied by Bolton & Menk was slightly modified by the applicant after the study. The proposed parking supply analyzed was 732 parking stalls, whereas 710 parking stalls are proposed. Bloomington Traffic Division staff analyzed the updated parking quantity and found it consistent with the study findings and within the tolerance of peak parking demand identified. The parking supply proposed is 151 parking stalls greater than the peak parking demand estimate generated in the Local Parking Model. Staff finds that the proposed total parking supply is adequate and therefore supports the 15.3 percent deviation to the off-street parking requirement.

To respond to the other findings of the parking study, Aeon provided a revised site plan on April 17, 2020. The updated site plan replaced 16 parallel parking stalls along the east-west circulation drive in between the existing building and new Building B with 47 90-degree parking stalls, a net increase of 31 parking stalls in this more proximate and convenient location. The updated design represents an improved condition with regards to parking configuration and location compared to the site plan studied by Bolton & Menk.

Aeon notes in their project description certain complexities pertaining to the rules of Low Income Housing Tax Credit financing inform which improvements can be included in the project area of the new buildings. While staff concurs with the consultant that locating Building B in the northwest portion of the site would be a more ideal layout, staff supports the new parking lot configuration based upon the parking modifications put forth as part of the updated site plan, the intricacies of the financing structure of the project, and the significant public benefit associated with 172 new units of affordable housing. Aeon is requesting a deviation to the requirement that all Code-required

parking be located with 400 feet of primary entrances. Staff is supportive of the requested deviation as there are several secondary entrances to each building.

The Bolton & Menk studies raised a concern about the location of compact parking stalls along the northern boundary. The study recommends compact parking stalls be located closer to building entrances. This recommendation by the consultant conflicts with City Code (Sec.

21.301.06(c)(2)(iii)(bb)) in that compact stalls are not to have preferential locations to discourage use by non-compact vehicles. As a result, staff finds the location of compact vehicle parking to be acceptable. The quantity of compact vehicles (95 stalls – 13.4 percent of total parking) does not exceed the 20 percent limit established in City Code.

The most significant deviation pertains to the quantity of enclosed parking stalls. City Code requires that one stall per residential unit at a multi-family residential site be fully enclosed. Aeon is proposing 154 enclosed garage spaces for 478 units of housing, a deviation of 67.8 percent of the requirement. To support this deviation, Aeon notes that of the 320 existing at-grade garages, only 48 are currently leased and utilized, a utilization rate of 15 percent. The past practice at this site has been to charge for the garage parking, which is not allowed under the OHO provisions. Utilization would be higher if the stalls were provided with the unit.

The existing garages are in a significant state of disrepair, unable to be salvaged, and proposed to be demolished as a result. In their project description, the applicant references an OHO incentive that reduces the required amount of garage parking. Given the level of affordability provided, the application qualifies for a 10 percent conversion of enclosed spaces to carport covered spaces. So the request to reduce the total number of required enclosed stalls requires approval of flexibility through the Planned Development Overlay District. As with all requests for flexibility for a PD, the request is subject to a public benefit test.

Through the support and partnership of the Bloomington HRA and City of Bloomington, Aeon is tasked with rehabilitating the existing apartment building and preserving safe and affordable housing. This task remains the chief priority of the project, in addition to the creation of additional affordable housing. The level of public benefit associated with the overall project is on a high level of significance in comparison to other housing developments in Bloomington. Given this factor, in addition to the existing low utilization rate of enclosed garage stalls, staff is supportive of the requested deviation for garage parking. If not for the substantial public benefit associated with the rehabilitation and preservation of existing affordable housing and the large number of affordable units provided, staff would not recommend approval of this deviation.

Regarding the utilization of the proposed underground parking garage stalls, the OHO prohibits charging fees to opportunity housing units for access to parking. Opportunity housing units must not be charged for access to garage or surface parking at the Village Club development. Staff is recommending an ongoing condition of approval that opportunity housing units not be charged for access to parking. Implementation details pertaining to the use of parking must also be verified and approved by the HRA through the review of the Affordable Housing Plan.

Regarding the design of surface and garage parking areas, all the parking proposed meets City Code from a design standpoint with few exceptions. There are multiple parking islands that must be reduced in depth to 15 feet, as islands must be three feet shorter than the adjacent parking stall. These longer parking islands are mainly located within the east-west and north-south circulation lanes between the existing building and new buildings. Shorter parking islands promote easier ingress and egress from the parking stall. As noted in the sidewalk review paragraph in this subsection, there are a number of existing substandard parking islands at the property. Aeon is requesting a deviation to allow these existing islands to remain undisturbed. Staff is supportive of this deviation with the caveat that should these islands be reconstructed in the future, they must be brought into conformance with the City Code from a design standpoint. Staff has added a condition of approval related to this guidance.

Landscaping, Screening and Lighting

The City Code requires one tree be planted for every 2,500 square feet, and one shrub for every 1,000 square feet of developable area. The 769,867 square-foot site requires 308 trees and 770 shrubs. Due to the proposed expansion of floor area, the full site or planned development must be in conformance with landscaping requirements. Aeon has submitted a landscape plan showing 168 new trees and 762.25 shrub units. They also note that 153 existing trees have been identified and planned for preservation on-site. In order to receive credit for the existing trees, the applicant has submitted a tree inventory identifying size and species of the trees to remain. The tree inventory is still under review by staff – the health of the preserved trees must be verified. Prior to the issuance of a building permit, a code-compliant quantity of trees must be provided on-site, which would be verified through the review of the final landscape plan and tree inventory.

In addition to review comments about the quantity of landscape material, staff evaluated other aspects and requirements of the landscaping ordinance. Staff has identified seven new or modified parking islands that do not currently have trees. Two of these islands are proposed to be utilized for sidewalk connections at crosswalks. Aeon is requesting a specific deviation to allow this design at these specific islands to improve pedestrian safety. Staff is supportive of this minor deviation. However, all other parking islands must have deciduous trees. There are also some trees proposed to be located within drainage and utility easements. This material must be removed from public easements to prevent future disruption or damage. Finally, shrubs are located in close proximity to fire hydrants in some locations. Landscaping must not conflict with access to fire hydrants. The landscape plan will need to be updated to reflect these review comments.

Screening is provided for surface parking areas located within 40 feet of the public right-of-way of East Service Road in the form of a three-foot fence. All new roof-top mechanical equipment on the existing or new buildings visible to public or private streets and sidewalks adjacent to the subject property must be screened (Sec. 21.301.18). Staff is recommending an ongoing condition that required forms of screening be maintained.

Photometric lighting plans have been submitted for the surface parking areas of the full development. For multi-family residential properties, City Code requires surface parking areas to

have a minimum illumination of 1.0 foot-candle, while the perimeter 25 feet of the parking lot can be reduced by 50 percent to 0.5 foot-candles. The majority of the parking areas where lighting is shown meet the minimum illumination requirement. However, the associated drive aisles have low, non-compliant illumination levels. In addition, three existing parking areas, immediately west, south and east of the existing building, are not planned for the installation of new lighting, as they are not planned to be disturbed. The property owner must demonstrate that these parking areas are presently compliant for parking lot lighting or include them in the photometric plans for the full site. As noted before, the expansion of the floor area on the site beyond 25 percent triggers nonconforming site characteristics, of which site lighting is one.

No photometric plans have been submitted for the two proposed underground parking garages. Underground garage parking for multi-family residential uses must have a minimum illumination level of 3.0 foot-candles, which can be reduced by 50 percent along the parking area perimeter. Vehicle entrance/exit areas within the ramp must have an illumination level of 25 foot-candles within 35 feet of the parking ramp entrance/exit on the inside of the enclosed parking structure.

Aeon will need to submit revised lighting plans addressing the corrections noted above and new photometric plans for the underground parking garages. Lighting plans for the full site must be approved prior to the issuance of a building permit for the project. Staff is recommending a condition requiring compliance with the lighting ordinance (Sec. 21.301.07).

Stormwater Management

Stormwater must be managed to meet the City's requirements for stormwater rate control (quantity), stormwater quality and volume. Four underground stormwater facilities are proposed to meet rate, quality and volume requirements. The location of subsurface storm chambers must be evaluated related to conflicts with required landscaping in parking islands. The Stormwater Management plan calculations and narrative are under review and must meet the requirements in the City of Bloomington Comprehensive Surface Water Management Plan. A maintenance plan has not yet been provided and will be required to be signed and filed at Hennepin County. This site is located within the Richfield-Bloomington Watershed Management Organization. A separate watershed district permit is not required in this case.

Utilities

The subject property is currently served by City sanitary sewer and water service. Fire hydrants must be provided at the spacing and locations required by the Fire Code. The Utilities Division can work with Aeon on design and construction methods to avoid service disruptions to the existing apartments on site. It should be noted that a large storm sewer runs east-west in between the proposed buildings and along the drive aisle proposed north of the existing building within a utility easement. This storm pipe and associated easement would remain, and the surface improvements proposed within the easement do not conflict with the future maintenance of this infrastructure.

Traffic Analysis

The subject property is served by East 86th Street, a major collector road, and East Service Road along State Highway 77. Access to State Highway 77 and Interstate Highway 494 is available via Killebrew Drive or East Old Shakopee Road in proximity to the site. As the primary roadway to serve the site, East 86th Street has adequate capacity and design to serve the increase in trips associated with the proposed expansion of the Village Club site. No significant impacts to the adjacent traffic patterns due to this building addition have currently been identified.

Fire Prevention and Public Safety

The access and circulation design must meet or exceed the minimum standards of the Fire Code with a minimum 20-foot wide access for all new and existing buildings and be maintained in accordance to the approved plan including a surface to provide all weather driving capabilities. Apparatus access roads shall be asphalt or concrete and support a minimum of 80,000 pounds with a turning radius to accommodate BFD ladder 3.

A looped water supply feeding a single, combined water service into the new buildings are required for the domestic and sprinkler system water demand. Hydrant coverage shall be provided within 150 feet of all exterior walls and within 50 feet of the fire department connection. Hydrant coverage for the existing buildings shall be maintained and/or provided within 150 feet of all exterior walls. Hydrant locations will be approved by the Utilities and Fire Prevention Divisions. The applicant shall ensure the proposed landscaping does not interfere with access to fire hydrant or the buildings.

The buildings must be addressed plainly and visible from the street or road using numbers that contrast with the background. The numbers must be a minimum of four inches, be Arabic numbers or alphabetic letters with a minimum stroke width of 0.5 inches. Knox boxes and annunciator panels will be required at the main entrances and other areas as designated by the Fire Prevention Division. All stairwells shall have an access door to the interior on all floors, including the first floor. The Fire Code requires wet standpipe hose valves within 200 feet of all areas within the structure. Provide for emergency responder radio coverage throughout the complex and in all structures per the requirements of Appendix L in the 2015 Minnesota State Fire Code.

Any changes made to the current plans, including building location, access roads, water supply and addressing, shall be reviewed by the Fire Marshal to ensure continued compliance with the Fire Code.

MSP Airport Zoning Ordinance

The subject property is located within Safety Zone C of the MSP International Airport Zoning Ordinance. The height of the proposed structures does not trigger an Airport Zoning Permit. However, the applicant will be responsible to obtain an FAA No Hazard Determination (Form 7460-1) for the proposed construction crane or any other related equipment prior to deployment.

Staff is recommending a condition that the No Hazard Determination be provided to the Community Development Director prior to issuance of the full building permit.

Miscellaneous

Regarding site signage, Village Club has a nonconforming freestanding sign located one foot from the front property line along East 86th Street. The required setback from a property line along a street for a freestanding sign in the RM-24 zoning district is 15 feet. Aeon is requesting flexibility that the freestanding sign be allowed to remain as part of the planned development approval and the City's nonconformity provisions (Sec. 21.504). Staff is comfortable that the sign remain as long as Aeon enters into an easement encroachment agreement for the subject sign. A condition has been added related to this freestanding sign. The other freestanding sign along East Service Road is proposed to be removed according to the site plan. All other signage for the property must comply with the provisions of the Class II Sign District (Sec. 19.111).

Regarding refuse requirements, City Code (Sec. 21.301.17) requires new multi-family residential buildings to have trash and recycling storage in an enclosed space attached to the principal building. New Buildings A and B both have interior trash rooms in the underground parking garage levels. The size of the trash room in Building A is compliant, but the area for the trash storage facility in Building B is noncompliant. The trash and recycling storage area in Building B must be revised.

There are four existing illegal detached trash enclosures on the property that are separated from the existing building which they serve. When the existing building was constructed, the City Code required all trash be within a building. While staff has no record of the original trash location, it was commonplace for the trash to be located in a garage stall. The indoor trash requirement has been proven to improve cleanliness, rodent control and eliminate other nuisance characteristics generally associated with partially or fully exposed trash.

Aeon is proposing to relocate three of the four enclosures, two enclosures to locations that are in close proximity to the existing building at the northwest and northeast corners. The southeast trash enclosure would be relocated on the west side of the nearby north-south drive aisle for ease of pickup. The southwest trash enclosure would remain in the same location. All trash enclosures are proposed to be improved with new burnished block and roofs and swing gates. The gap between the wall and roof is proposed to be enclosed with metal screen. This would not meet the requirement that the trash be inside a fully enclosed building.

The design of these enclosures would not be considered "fully enclosed", and all four enclosures are technically detached from the principal building they serve. Aeon is seeking flexibility through the planned development to allow these alternative trash facilities for the existing building. The "fully enclosed" storage requirement has proven for decades to reduce issues with trash collection and storage in locations fully or partially open to the elements. Gates typically do not get closed and have a larger gap to allow easier access to rodents or stray animals. Staff has found that gates have increased a maintenance issues compared to two 36-inch man doors or a traditional overhead garage door. Staff is supportive of the requested locations of the trash enclosures, but does not support the

structure design deviation and believes there are low cost options to fully enclose the trash storage areas.

Status of Enforcement Orders

The property is subject to ongoing orders related to interior building and exterior site maintenance. Many of the outstanding maintenance violations are likely to be resolved as a result of the new development and associated site improvements. For example, some surface parking areas are in disrepair and would be reconstructed. The garages that are in disrepair would be demolished. Other outstanding violations relate to the existing residential buildings. Aeon is working with the Environmental Health and HRA Divisions to resolve these violations per the rehabilitation schedule noted in the Background section of the report.

Public Correspondence

Prior to the May 7th Planning Commission, staff received an email from a neighboring resident. The email included recommendations about roadway and access modifications to East 86th Street and reducing the proposed structure height of the new buildings to three stories. The correspondence received was read into the record at the Planning Commission meeting during the public hearing. This correspondence is included in the City Council agenda packet.

Planning Commission Review

The Planning Commission held a public hearing on May 7, 2020 for the subject application. As noted above, one email from a neighboring resident was read into the record. Except for the applicant's representative, no other members of the public provided testimony at the public hearing. Following the staff presentation, the Planning Commission engaged in an extensive discussion about the subject applications. The Commission was very supportive of the preservation and expansion of affordable housing proposed at the site. Discussion about the application focused on total site parking, garage or enclosed parking, and resident storage. The Planning Commission unanimously recommended approval of the requested rezoning action (Vote: 6-0). The Commission also recommended approval of the subject Preliminary and Final Development Plans (Vote: 5-1). The member of the Commission who voted against the motion to recommend approval of the development plans stated that additional garage or enclosed parking should be provided to serve the existing residential apartments. The full details of the Planning Commission discussion can be found in the attached meeting minutes.

FINDINGS

Required Preliminary Development Plan Findings - Section 21.501.02(d)(1-6):

Required Finding	Finding Outcome/Discussion
(1) The proposed use is not in conflict with the Comprehensive Plan.	Finding Made – The subject property is guided High Density Residential. The Comprehensive Plan encourages the development of affordable and life-cycle housing. The plan to construct two new four-story multi-family residential buildings at an existing multi-family residential site does is not in conflict with the Comprehensive Plan.
(2) The proposed use is not in conflict with any adopted District Plan for the area.	Finding Made – The subject property is located within the South Loop District and subject to the South Loop District Plan. The proposed use is not in conflict with the South Loop District Plan.
(3) All deviations from City Code requirements are in the public interest and within the parameters allowed under the Planned Development Overlay Zoning District or have previously received variance approval.	Finding Made - The building's height, density, massing, design and other characteristics are consistent with existing structure and the property to the north. The flexibility or deviations are consistent with the purpose of the Opportunity Housing Ordinance, would not have an adverse impact on the surrounding neighborhood, and are in the public interest, as the project furthers multiple goals of the Comprehensive Plan, specifically the Housing Element. All deviations from City Code requirements are in the public interest and within the parameters allowed under the Planned Development Overlay District.
(4) Each phase of the proposed development is of sufficient size, composition, and arrangement that its construction, marketing, and operation is feasible as a complete unit without dependence upon any subsequent unit.	Finding Made - The planned development is proposed to be completed in one phase. The development is not dependent on a subsequent unit.
(5) The proposed development will not create an excessive burden on parks, schools, streets, and other public facilities and utilities which serve or are proposed to serve the planned development; and	Finding Made – The subject property is located on a major collector roadway with adequate capacity. The public utilities and other public facilities that serve the site area are also adequate. Given the size and characteristics of the proposed development, an excessive burden is not anticipated on parks, schools, streets, the sanitary sewer system or the water system.

Required Finding	Finding Outcome/Discussion
(6) The proposed development will not be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare.	Finding Made – The proposed development is not anticipated to be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare. The building location and height is compliant with City Code and the structure design is consistent with multi-family developments in the City. The associated site improvements will provide compliant landscaping and adequate parking and circulation.

Required Final Development Plan Findings – Section 21.501.03(e)(1-7)

Required Finding	Finding Outcome/Discussion
(1) The proposed use is not in conflict with the Comprehensive Plan.	Finding Made – The subject property is guided High Density Residential. The Comprehensive Plan encourages the development of affordable and life-cycle housing. The plan to construct two new four-story multi-family residential buildings at an existing multi-family residential site does is not in conflict with the Comprehensive Plan.
(2) The proposed use is not in conflict with any adopted District Plan for the area.	Finding Made – The subject property is located within the South Loop District and subject to the South Loop District Plan. The proposed use is not in conflict with the South Loop District Plan.
(3) The proposed development is not in conflict with the approved preliminary development plan for the site.	Finding Made - The proposed development would rezone the site and create a Preliminary Development Plan to construct 172 additional affordable units in two four-story buildings with associated site improvements at the existing multi-family residential site. The Final Development Plan is consistent with this Preliminary Development Plan submitted.
(4) All deviations from City Code requirements are in the public interest and within the parameters allowed under the Planned Development Overlay Zoning District or have previously received variance approval.	Finding Made - The building's height, density, massing, design and other characteristics are consistent with existing structure and the property to the north. The flexibility or deviations are consistent with the purpose of the Opportunity Housing Ordinance, would not have an adverse impact on the surrounding neighborhood, and are in the public interest, as the project furthers multiple goals of the Comprehensive Plan, specifically the Housing Element. All deviations from City Code requirements are in the public interest and within the parameters allowed under the Planned Development Overlay District.

Required Finding	Finding Outcome/Discussion
(5) The proposed development is of sufficient size, composition, and arrangement that its construction, marketing, and operation is feasible as a complete unit without dependence upon any subsequent unit.	Finding Made - The planned development is proposed to be completed in one phase. The development is not dependent on a subsequent unit.
(6) The proposed development will not create an excessive burden on parks, schools, streets, and other public facilities and utilities which serve or are proposed to serve the planned development; and	Finding Made – The subject property is located on a major collector roadway with adequate capacity. The public utilities and other public facilities that serve the site area are also adequate. Given the size and characteristics of the proposed development, an excessive burden is not anticipated on parks, schools, streets, the sanitary sewer system or the water system.
(7) The proposed development will not be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare.	Finding Made – The proposed development is not anticipated to be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare. The building location and height is compliant with City Code and the structure design is consistent with multi-family developments in the City. The associated site improvements will provide compliant landscaping and adequate parking and circulation.

RECOMMENDATION

Planning Commission and staff recommend approval through the following motions:

In Case #PL2020-69, I move to adopt an ordinance rezoning 1900 East 86th Street from R-4 to RM-24(PD).

In Case #PL2020-69, having been able to make the required findings, I move to approve Preliminary Development Plans and Final Development Plans to construct two new multi-family residential building with a total of 172 units at an existing 306-unit multi-family residential campus located at 1900 East 86th Street, subject to the conditions and Code requirements attached to the staff report.

RECOMMENDED CONDITIONS OF APPROVAL

Case PL2020-69

Project Description: Rezoning from R-4 to RM-24(PD), Preliminary Development Plans, and Final Development Plans to add 172 new residential units in two four-story multi-family residential apartment buildings to an existing multi-family residential site.

Address: 1900 East 86th Street

The following conditions of approval are arranged according to when they must be satisfied. In addition to conditions of approval, the use and improvements must also comply with all applicable local, state, and federal codes. Codes to which the applicant should pay particular attention are included below.

1. Prior to Permit A Site Development Agreement, including all conditions of approval, must be executed by the applicant and the City and must be properly recorded by the applicant with proof of recording provided to the Director of Community Development.
2. Prior to Permit A building permit for all required changes to accommodate the proposed use be obtained.
3. Prior to Permit A Construction Management Plan must be submitted for review and approval by the City.
4. Prior to Permit Sewer Availability Charges (SAC) must be satisfied.
5. Prior to Permit Access, circulation and parking plans must include modifications discussed in the staff report and must be approved by the City Engineer.
6. Prior to Permit Bicycle parking spaces must be provided and located throughout the site as approved by the City Engineer.
7. Prior to Permit Grading, Drainage, Utility and Erosion Control plans must be approved by the City Engineer.
8. Prior to Permit Storm Water Management Plan must be provided that demonstrates compliance with the City's Comprehensive Surface Water Management Plan. A maintenance plan must be signed by the property owners and must be filed of record with Hennepin County.
9. Prior to Permit A National Pollutant Discharge Elimination System (NPDES) construction site permit and a Storm Water Pollution Prevention Plan (SWPPP) must be provided if greater than one acre is disturbed (State of MN and Federal regulation).
10. Prior to Permit An erosion control surety must be provided (16.08(b)).
11. Prior to Permit Utility plan showing location of existing and proposed water main and fire hydrant locations must be approved by the Fire Marshal and Utilities Engineer (City Code Sec. 6.20, Minnesota State Fire Code Sec. 508).
12. Prior to Permit A Minnesota Department of Health (MDH) watermain review and approval must be obtained or notification from MDH that this permit is not required must be submitted to the City (State of MN).
13. Prior to Permit A Minnesota Pollution Control Agency (MPCA) Sanitary Sewer Extension or Modification Permit must be obtained or notification from the MPCA that this permit is not required must be submitted to the City (State of MN).

14. Prior to Permit Landscape plan, including tree inventory for trees to remain and modifications discussed in the staff report, must be approved by the Planning Manager and landscape surety must be filed (Sec 19.52).
15. Prior to Permit Parking lot and site security lighting plans must be revised to satisfy the requirements of Section 21.301.07 of the City Code.
16. Prior to Permit All trash and recycling storage facilities for the new residential buildings must comply with City Code (Sec. 21.301.17). Trash and recycling storage enclosures for the existing apartments must be fully enclosed in locations approved in the Final Development Plans.
17. Prior to Permit A FAA No Hazard Determination (Form 7460-1) must be submitted to the Community Development Director for any crane or structure on site that exceeds 60 feet in height above existing grade (MSP Airport Zoning Ordinance Section VIII (A)).
18. Prior to C/O Buildings shall meet the requirements of the Minnesota State Fire Code Appendix L (Emergency Responder Radio Coverage) adopted through City Ordinance to have approved radio coverage for emergency responders based upon the existing coverage levels of the public safety communication systems.
19. Prior to C/O Fire lanes must be posted as approved by the Fire Marshal (MN State Fire Code Sec. 503.3).
20. Prior to C/O Building must be provided with an automatic fire sprinkler system as approved by the Fire Marshal (MN Bldg. Code Sec. 903, MN Rules Chapter 1306; MN State Fire Code Sec. 903).
21. Prior to C/O Prior to occupancy, life safety requirements must be reviewed and approved by the Fire Marshal.
22. Prior to C/O The developer must submit electronic utility as-builts to the Public Works Department prior to the issuance of the Certificate of Occupancy.
23. Ongoing Development must comply with the Minnesota State Accessibility Code.
24. Ongoing Opportunity housing units may not be charged fees for access to parking on-site.
25. Ongoing An easement encroachment agreement must be completed for the existing freestanding sign along East 86th Street. All other signage must be in compliance with the requirements of Chapter 19, Article X of the City Code.
26. Ongoing All rooftop equipment must be fully screened (Sec. 19.52.01).
27. Ongoing Three foot high parking lot screening must be provided along East Service Road as approved by the Planning Manager (Sec. 19.52).
28. Ongoing All construction related loading, unloading, pick-up, drop-off, staging, stockpiling or parking must occur on site and off public streets.
29. Ongoing All existing nonconforming sidewalks and parking islands on-site approved to remain in the Final Development Plans must be brought into conformance with width and design requirements should they be replaced in the future (Sec. 21.301.04 and Sec. 21.301.06).