



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	<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> In December of 2019, Aeon worked side by side with the City of Bloomington to acquire a 306-unit NOAH (naturally occurring affordable housing) project called Village Club of Bloomington. This development sits on over 17 acres of land just south of the Mall of America. The rents were naturally affordable, but through the acquisition of the property, an affordable covenant was placed on the land that restricts 60% (184) of the units to 60% AMI and then remaining 40% (122) of the units to 80% AMI. In addition, Aeon is proposing construction of 172 new construction affordable housing units, spread over two buildings. The new buildings will be located in the northeast corner of the site. Of the 172 units, 17 will be affordable at 30% AMI or 9.8% of the new construction units. Additionally, 104 will be affordable at 60% AMI or 60.5%. The remaining units will be affordable at 70% AMI. The project will qualify for incentives under both Extremely Low Income – At or Below 30% AMI because more than 9% of the units are restricted to 30% AMI and Low Income – 51% to 60% AMI because more than 60% of the units are restricted to 60% AMI.
2.	PROJECT PERFORMANCE	<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,</i>

METRICS

and both leveraged and unleveraged internal rate of return to assist the city in analyzing public participation § 9.06 and § 9.32

As a nonprofit, mission-driven developer, Aeon's focus is to maintain affordability in perpetuity. The acquisition of Village Club and the construction of newly affordable units demonstrates our passion for preserving and creating affordable housing opportunities within the City of Bloomington.

Aeon is working thorough underwriting on the project and will continue to work closely with the City of Bloomington with regards to any financial incentives contributed to the project.

**3. PROPOSED
MARKET RATE
AND
AFFORDABLE
UNITS**

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 (including the number of studio, 1 bedroom, 2 bedroom, 3 bedroom of 4 bedroom units, affordability level and rents) § 9.32

All units are located within two new construction buildings in the northeast corner of the existing Village Club property, located at 1930 E 86th Street.

The affordable and market rate units will be distributed evenly between the two buildings.

# BEDROOMS	Avg Sq. Ft.	30% AMI	60% AMI	MARKET RATE	RENTS
Studio					
1 Bedroom	660	10	10		\$700, \$1047
2 Bedroom	980	7	32	27	\$700, \$1255, \$1480
3 Bedroom	1200		56	11	\$1447, \$1707
4 Bedroom	1400		6	13	\$1610, \$1800
TOTAL UNITS		17	104	51	172

4. AFFORDABILITY

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

The proposed income levels pair with the rent levels:

17 units at 30% rent and 30% AMI

104 units at 60% rent and 60% AMI

52 units at 70% rent and 70% AMI

**5. TERM OF
AFFORDABILITY**

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

Aeon is a mission-driven, nonprofit provider of quality apartment homes for low- and moderate-income individuals and families. Aeon was founded in 1986 to replace 350 apartment homes that were demolished to build the Minneapolis Convention Center. Our first development, Buri Manor, provided 38 homes for low-wage workers. Driven by our belief that everyone deserves a home, Aeon's portfolio has grown to 58 properties that nearly 12,000 residents call home each year.

Aeon's mission is to create and sustain quality affordable homes that strengthen lives and communities. Aeon prides itself on acting boldly to create and preserve affordable homes. We encourage residents to take ownership of their home and connect with their community.

As a nonprofit, mission-driven developer, Aeon's focus is to maintain affordability in perpetuity. The acquisition of Village Club and the construction of newly affordable units demonstrates our passion for preserving and creating affordable housing opportunities within the City of Bloomington.

The affordability covenant will run with the land for at least 30 years, but Aeon will likely elect to extend our affordability covenant to 40 years.

6. **AFFORDABILITY MONITORING** *Provide your plan to monitor ongoing affordability § 9.32*
 The project will be overseen by our internal compliance team to ensure that the affordable restrictions are met at initial income verification and ongoing recertification, if necessary. The compliance team will also annually report to Minnesota Housing Finance Agency.
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 that Housing Choice Vouchers will be accepted at the proposed development for a minimum of 30 years – the term of the affordability covenant.
8. **INCENTIVES** *Check and provide a description of the tools and incentives that your project is eligible for § 9.15 through § 9.31*

A project narrative is attached, detailing the requested deviations from City Code and the utilization of the Opportunity Housing Ordinance.

- ☒ 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.
- 3) In print, through brochures and flyers in and around the community.
- 4) Affirmative Fair Housing Marketing – ensuring that individuals that are least likely to apply are informed about opportunities for housing.

10. DISPERSION

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

The proposed development offers housing units affordable at a range of income levels from 30% AMI to 70% AMI. Additionally, the project will provide new affordable housing units in an area that is rich with transit and employment opportunities.

Finally, Aeon will implement affirmative fair housing marketing strategies that will market to households that are least likely to apply. Affirmative fair housing marketing targets households that are from underrepresented populations within the community.

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.

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.

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, although the buildings themselves will be phased within the same construction schedule.

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 and completion 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

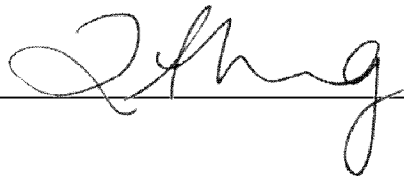
Provide any additional information reasonably requested by the community development department to assist with evaluation of the affordable housing plan. Check with the community development department to discuss additional information requested. § 9.32

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 April 1, 2020

blm.mn/opportunityhousing