



## 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, Port Authority or Housing and Redevelopment Authority.

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.

<b>DEVELOPMENT NAME:</b>	700 American Blvd W.
<b>ADDRESS:</b>	700 American Blvd W., Bloomington, MN 55420
<b>DEVELOPER:</b>	SRPB Strategic Housing, LLC, and affiliate of Schafer Richardson

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|----|---|---|
| #  | Section   | Ordinance Requirement (text in grey) and Responses  |
| 1. | <b>OPPORTUNITY HOUSING REQUIREMENTS SUMMARY</b> | <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, conversion or other option</i></p> <p><i>Provide a project summary paragraph including the type of development, number of buildings and stories, number of affordable and market rate units, amenities, proximity to jobs and transit and estimated construction start and completion dates</i></p> <p>700 American Blvd W is a new construction, mixed-use development set to anchor the prominent corner of American Blvd W and Lyndale Avenue S. The development offers 128 units of affordable housing available to those 55+ with approximately 1,500 SF of commercial space along Lyndale Avenue. The residential unit mix includes one-, two-, and three-bedroom units. The development will set aside 20% of the units for households at or below 50% Area Median Income (AMI). The development is pursuing project-based vouchers to allow for deeper affordability. The remaining units will be available to households earning 60% AMI. The building offers modern comforts that enable residents to live independently, including elevators, underground parking, single-level living, in-unit washer and dryer, secured access, onsite management, and maintenance services. There is roughly 6,000 SF of amenity space. The amenities are intentionally designed to accommodate the resident</p> |

population and foster community and include a plaza, community garden, community room, cafe, lounge, fitness center, and wellness room.

The development consists of one five-story building plus one level of underground parking. The site is in a transit-oriented corridor. The corner of American Blvd W and Lyndale Ave S offers transit stops for eastbound and westbound connections, as well as northbound and southbound connections. The westbound connection that travels along American Blvd is located on the site, connecting residents to the Orange Line in 4 minutes and Target/Southtown Shopping Center in 7 minutes. There are countless community amenities within walking distance from the site, including Goodwill (410 ft), multiple bank branches (0.2 miles), and a grocery stores (.4 miles). The location of this site allows residents the opportunity to forgo a car while still maintaining their independence through convenient access to a large variety of community resources.

The project is anticipating a construction start in Spring 2024. The construction timeline is approximately 15 months, placing the estimated building delivery in Fall 2025.

**2. PROJECT METRICS**

*Provide the development philosophy and description of project performance metrics including, but not limited to, total development cost, development cost per unit, 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*

Schafer Richardson intends to hold this asset for the long term. The total development costs are anticipated to be over \$42M. Schafer Richardson would like to see a return of 5.75%. At this time, the project is not able to meet this return given current market conditions.

**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 § 9.32*

700 American Blvd W. is a single, five-story building with one level of underground parking. The building will include 128 age-restricted, rental apartment homes. This is a fully affordable building, with 20% of units set aside for households at 50% AMI or less and the remaining units available at 60% AMI. The average size per unit is 639 sq ft for one bedroom, 896 sq ft for two bedrooms, and 1,245 sq ft for three bedrooms.

# BEDROOMS	30% AMI TOTAL UNITS	30% AMI UNITS RENTS	30% AMI UNITS SQ FT	50% AMI TOTAL UNITS	50% AMI UNITS RENTS	50% AMI UNITS SQ FT	60% AMI TOTAL UNITS	60% AMI UNITS RENTS	60% AMI UNITS SQ FT	MARKET RATE TOTAL UNITS	MARKET RATE UNITS RENTS	MARKET RATE UNITS SQ FT
Efficiency												
1 Bedroom				26*	\$1,113	639	44	\$1,346	639			
2 Bedroom							57	\$1,610	896			
3 Bedroom							5	\$1,857	1245			
4 Bedroom												
<b>TOTAL UNITS</b>				<b>26</b>			<b>102</b>					

*\*The project is pursuing project based vouchers (PBVs), which have not been committed at this point in time. The mix of units allocated to varying set asides may change.*

**4. AFFORDABILITY** *Provide the income levels to which each affordable unit will be made affordable § 9.32*

To qualify for certain OHO incentives, the development will set aside 20% of units at or below 50% AMI (Very Low Income). The development is pursuing project-based vouchers (PBV) to allow for deeper affordability. If PBVs are not received, the development will set aside 20% of units to be available at 50% AMI. The remaining 102 units will be available at 60% AMI.

The income limits for 2023 are:

	30%	50%	60%
1 Person	\$26,100	\$43,500	\$52,200
2 Person	\$29,820	\$49,700	\$59,640
3 Person	\$33,540	\$55,900	\$67,080
4 Person	\$37,260	\$62,100	\$74,520
5 Person	\$40,260	\$67,100	\$80,520
6 Person	\$43,230	\$72,050	\$86,460
7 Person	\$46,230	\$77,050	\$92,460
8 Person	\$49,200	\$82,000	\$98,400
9 Person	\$52,170	\$86,950	\$104,340
10 Person	\$55,140	\$91,900	\$110,280
11 Person	\$58,140	\$96,900	\$116,280
12 Person	\$61,110	\$101,850	\$122,220

**5. TERM OF AFFORDABILITY** *Provide the methods to be used to maintain affordability and the duration over which affordability will be maintained § 9.32*

The development will enter into a land use regulatory agreement that maintains the affordability of the project for a minimum of 20 years.

**6. AFFORDABILITY MONITORING** *Provide your plan to monitor ongoing affordability § 9.32*

This development will be a part of the Section 42 Housing Tax Credit program. As such, the property will be required to monitor and abide by affordability requirements under this program. Schafer Richardson is experienced in managing and operating affordable housing assets. Schafer Richardson has an internal manual that outlines the procedures for determining tenant eligibility and for certifying and recertifying incomes. Additionally, the ongoing compliance of the property will be overseen by Schafer Richardson's in-house Director of Compliance.

**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*  
Households with U.S. Department of Housing and Urban Development (HUD) Housing Choice Vouchers will be considered for tenancy.

**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
- Site area reduction
- Site width reduction
- Impervious surface reduction

Open space reduction

The development qualifies for a 25% reduction in the minimum usable open space requirement with more than 9% of unit affordable at the very low-income threshold.

Floor area ratio bonus

Height bonus

Parking stall reduction

700 American Blvd W is in a Tier II Transit Area. The project is setting aside 20% of units at or below 50% AMI. The OHO allows for a 20% reduction in the parking stall requirement for projects located in a Tier II Transit Area that offers 20% of units qualifying as very low income.

Enclosed parking space conversion

Minimum size reduction

Alternative exterior materials allowance

The OHO allows a development with 9% of units qualifying as very low-income affordable housing may cover up to 75% of qualifying facades with listed alternative exterior materials. 700 American Blvd W satisfies this incentive requirement because 20% of units qualify as very low-income housing, set aside at 50% AMI or below.

Storage space reduction

Landscape fee in-lieu reduction

Development fee reimbursements

The OHO provides a 30% reduction in development fees for developments located in the Gateway Area that provide 20% of units affordable to households earning at or below 50% AMI. 700 American Blvd W is located in the upper northwest corner of the Gateway Area. 700 American Blvd W satisfies this incentive requirement because 20% of units qualify as very low-income housing, set aside at 50% AMI or below.

Development fee deferment

Expedited review of plans

The OHO offers expedited plan review for developments located in the Gateway Area that provide a minimum of 15% of units affordable to households at or below 60% AMI. As mentioned above, 700 American Blvd W is located in the Gateway Area. The development satisfies this incentive requirement because 100% of the units are affordable to households at or below 60% AMI.

Land write down

The OHO offers a land write-down on City-owned land for developments with a minimum 20% of units affordable at 60% AMI or less upon a showing of demonstrated need. 700 American Blvd W satisfies this incentive requirement because 100% of the units are affordable to households at or below 60% AMI. The project may pursue a land write down.

Affordable Housing Trust Fund

700 American Blvd W. may pursue funds from the Affordable Housing Trust Fund.

Tax increment financing

700 American Blvd W. may pursue Tax Increment Financing from the City of Bloomington.

Project based housing vouchers

700 American Blvd W. is pursuing project-based housing vouchers for this development as discussed under Section 4 of this plan.

## 9. MARKETING

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

Led by Schafer Richardson's Director of Marketing, a marketing plan is developed to reach a diverse set of potential residents through traditional internet marketing, the AFHMP, resident referrals, organizational partnerships, and involvement in causes that reflect the diverse interests of our residents.

Marketing meetings are conducted monthly to review results and prioritize effective rental lead sources that produce the desired results for the property.

### Primary Marketing Channels

#### Internet Advertising

- Property website page with real-time availability pulling pricing from Yardi (property management software)
- Internet listing services (i.e., Apartments.com, Rent.com, ApartmentGuide.com, ApartmentList.com and Zillow.com) All of these channels also retarget on social media and other websites to reach the renter after they have visited the website listing.
- Free web listings (craigslist.com, housinglink.org, Facebook Marketplace)

#### Referral Marketing

- By providing our current residents with an outstanding rental experience; a quality living environment through activities and programs; and an atmosphere of caring and respect, we can rely more heavily on referrals.

#### Partnerships with Relevant Organizations

- Outreach with local businesses, community groups and centers, etc.
- Communicate with the PHA on any waitlists that are available

#### Cause Marketing

- Public relations
- Community volunteerism

Print Advertising (if needed)

- Local Community Newspaper
- Flyers
- Brochures

**10. DISPERSION**

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

The 700 American Blvd W. project aligns with the Lyndale Avenue Retrofit Plan. The Lyndale Avenue Retrofit Plan recommends increasing housing density along Lyndale Avenue to complement and support the retail along the corridor. The development will add 128 households to the area, transforming a vacant, unused parcel into safe, accessible housing for a growing senior population in Bloomington. The site is close to retail and connects residents to vital community resources. The American Blvd W and Lyndale Ave S corner offers transit stops for east-, west-, north-, and south-bound bus connections, including the stop located on the south side of the project site. Using transit, residents can get to resources like the Orange Line, Target/Southtown Shopping Center, Sam’s Club, Walmart, Walgreens, and the Mall of America in a matter of minutes. The convenient access to transit enables residents to opt out of car travel while still maintaining their independence. In sum, the development at 700 American Blvd W integrates housing into a historically retail-focused corridor, providing a mutually beneficial relationship for the retail uses and residents alike.

**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*

This is a fully affordable project. The varying set asides will be dispersed throughout the building, not clustered together. Property Management will assign units to a set aside once the property begins pre-leasing. Set asides may float around the building based on availability, but will remain integrated across income levels.

**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*

This is a fully affordable project. All the units will follow a consistent design and construction standard, regardless of the level of affordability of the specific unit. Furthermore, Schafer Richardson is committed to the highest level of design and construction quality in all our multi-family developments regardless of target income levels.

