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**OPPORTUNITY HOUSING - AFFORDABLE HOUSING PLAN EXAMPLE**

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.

An example Affordable Housing Plan is shown below to provide guidance in submitting a plan to the City of Bloomington. Developers are encouraged to use this example as a starting point and to add as many additional details as needed to completely answer questions about the creation and maintenance of affordable housing within their development. 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 Example Responses |
|  | **OPPORTUNITY HOUSING REQUIREMENTS SUMMARY** | *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*  *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*  The proposed construction of a multi-family rental development of 100 units will include 10 affordable housing units on-site. 9 affordable housing units are required to comply with the Opportunity Housing Ordinance.  The project will be one four-story building located in a designated transit area, Tier I. Project is expected to start 20XX and complete in 12-15 months. |
|  | **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*  Our project will be developed to be held for a minimum of five years and will be built to a 6% yield to cost, with a target unleveraged IRR of 8% and leveraged IRR of 12%. We envision no public participation beyond allowed incentives. |
|  | **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*  All units are in an attached multi-family development located at 123 Any Road, Bloomington, MN.  70 1-bedroom units; 700 square feet  30 2-bedroom units; 950 square feet  There are 10 affordable housing units within our development.  Both market rate and affordable unit development cost is $250/PSF. |
| |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **# 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 | 3 | $699 | 700 | 4 | $1,165 | 700 |  |  |  | 63 | $2,000 | 700 | | 2 Bedroom |  |  |  | 3 | $1,397 | 950 |  |  |  | 27 | $2,400 | 950 | | 3 Bedroom |  |  |  |  |  |  |  |  |  |  |  |  | | 4 Bedroom |  |  |  |  |  |  |  |  |  |  |  |  | | **TOTAL UNITS** |  |  |  |  |  |  |  |  |  |  |  |  | | | |
|  | **AFFORDABILITY** | *Provide the income levels to which each affordable unit will be made affordable § 9.32*  The 2024 annual income levels to which each affordable unit will be made affordable (for a family of four):  ELI (30% AMI): 3 1-bedroom units; 650 square feet  VLI (50% AMI): 4 1-bedroom units; 650 square feet  VLI (50% AMI): 3 2-bedroom units; 950 square feet |
|  | **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 a deed restriction. |
|  | **AFFORDABILITY MONITORING** | *Provide your plan to monitor ongoing affordability § 9.32*  We plan to partner with our affordable housing partner, ABC Housing Non-profit, to implement a monitoring program for household affordability compliance. This partnership would have ABC manage initial tenant income verification and ongoing recertification annually. |
|  | **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 the proposed development would be open to tenant use of HUD Housing Choice Vouchers for the life of the tenant voucher or a minimum of 20 year affordability period. |
|  | **INCENTIVES** | *Check and provide a description of the tools and incentives that your project is eligible for § 9.15 through § 9.31*  Density bonus  The development qualifies for 16 units above current zoning density and will utilize the increased density.  Site area reduction  Side width reduction  Open space reduction  Floor area ratio bonus  Height bonus  The development will increase one extra story from 3 to 4 stories.  Parking stall reduction  The development is inside a designated transit area Tier I, and qualifies for a 15% outdoor parking stall reduction with 9% of the units qualifying as very low income or below.  Enclosed parking space conversion  The development qualifies for a 50% garage parking space conversion to canopy covered spaces with 9% of the units qualifying as low income or below.  Minimum unit size reduction  Although the development qualifies for a 10-30% reduction in minimum unit sizes for the opportunity units, we do not plan to take advantage of the incentive.  Alternative exterior materials allowance  The back and side facades of the development will utilize the 75% alternative exterior materials allowance and will incorporate a mix of fiber cement and metals.  Storage space reduction  The unit qualifies for a 50% reduction in required storage space and will utilize the reduction.  Landscape fee in-lieu reduction  Development fee reimbursements  Development fee deferment  The development will take advantage of the 12 month deferral of fees.  Expedited review of plans  The development includes ELI units and will be moved to front of development review queue.  Land write down  Affordable Housing Trust Fund  Tax increment financing  Project based housing vouchers |
|  | **MARKETING** | *Provide the methods to be used to advertise the availability of the affordable units § 9.32*  *Explain how advertising methods for availability of affordable and market rate units will occur using three primary channels:*  *1) Online, through the development’s website and promotions through online partners*  *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*  Advertising methods for availability of units will occur using three primary channels:  1) Online, affordable units will be promoted on the property webpage and through online local adverts. Affordable units will be posted on [HousingLink](https://www.housinglink.org/).  2) Social media, the affordable units will be promoted on our various social media accounts .  3) In print, an advert promoting the affordable units will run in the local Bloomington newspaper, the [Sun Current](https://www.hometownsource.com/site/sun_current_rate_cards.html). Brochures will be distributed to local non-profit orgs including [VEAP](https://veap.org/) and [Community Action Partnership of Hennepin County](https://caphennepin.org/). |
|  | **DISPERSION** | *Describe how the Opportunity Housing units encourage racial and economic integration and distribute affordable housing units throughout the city § 9.36*  The development is in a mixed-income and mixed-use transit corridor of the City and will encourage further racial and economic integration. The addition of 10 Opportunity Housing units in a mixed income building on this site assists in the distribution of affordable housing units throughout the City. |
|  | **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. Please see attached floor plans. |
|  | **DESIGN** | *Describe how the affordable housing units are comparable in construction quality, in-unit amenities, 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 Opportunity Housing units will have in-unit laundry just as the market rate units will. |
|  | **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. |
|  | **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. |
|  | **PROJECT PLANS** | *Provide a site plan and a floor plan depicting the location of the affordable and the market rate units*  *§ 9.32 Provide a jpeg project design rendering*  Please see attachments that include the site plan and the floorplan of the proposed development. Affordable and market rate units are fully dispersed and clearly marked on the plan. |
|  | **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

Contact Housing Development Specialist Kenny Niemeyer at [kniemeyer@bloomingtonmn.gov](mailto:kniemeyer@bloomingtonmn.gov) or 952-563-4981

or visit [blm.mn/OHO](http://blm.mn/OHO) for more information