

## Section 3 • Housing Element

### 3.1 Introduction

Bloomington has long been considered a highly desirable places to live, fueling steady residential development since the 1960s. Today very little vacant land remains available for new housing development to meet current and future market demand for housing. To address this challenge, the City will need to maintain the quality of its housing stock, proactively seek out opportunities mostly through redevelopment to create new housing that expands lifestyle choices and ensures that people of all income levels have opportunities to live here.

### 3.2 Context – Existing Conditions and Trends

#### Bloomington Housing History

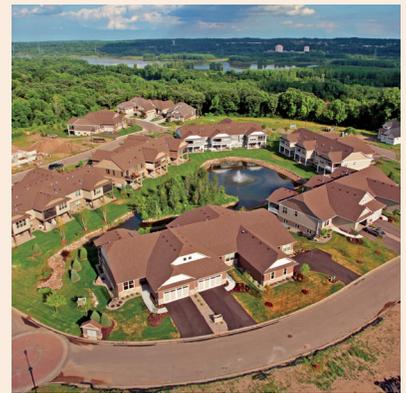
Before World War II, Bloomington was mostly rural and agricultural. Housing consisted of farm homes along with a few isolated subdivisions served by wells and septic systems. In the postwar era, Bloomington grew rapidly, aided by federal policies that encouraged development and ownership of single-family homes. By 1960, when Bloomington incorporated as a city, the population exceeded 50,000.

Early housing growth was concentrated in eastern Bloomington, gradually spreading west in the 1970s and 80s. In 1960, over 99% of the City's housing consisted of single-family, detached homes. At that time, the population consisted primarily of nuclear families in the child-rearing stage of life, resulting in an average household size of 4.2 people.

Since 1960, Bloomington's housing supply has diversified. Bloomington now offers a variety of housing choices to meet resident needs at all stages of the life cycle. With little remaining open land, new housing will primarily be created through redevelopment, particularly on land formerly occupied by non-residential uses.

#### Current Housing Supply

**Housing Type Mix:** Bloomington had an estimated 37,670 units of housing in 2016. The majority of units are detached single family homes, many built during Bloomington's high growth period in the 1950s and 60s. The share of single family homes relative to all housing in the City has declined from 99 percent in 1960 to about 60 percent today. Multi-family housing, townhomes, and senior housing now comprise over one third of all residential units. Table 3.1 summarizes the range of housing types in Bloomington.





Over 1,770 multifamily units were constructed in Bloomington between 2008 and 2016.

Table 3.1: Housing Units by Type, 2016

Type	# Units	Percent
1-Unit, detached (single family home)	22,066	58.6%
1-Unit, attached (townhome, side by side, two-family home)	3,118	8.3%
2-Unit (duplex, triplex, quad)	788	2.1%
Multi-unit with 5 or more units (apartments, condos)	11,508	30.6%
Manufactured (Mobile) home	130	0.4%
<b>Total</b>	<b>37,670</b>	<b>100%</b>

Source: American Community Survey, US Census Bureau, 2016

NOTE: Mobile home includes 23 RVs and vans

### Recent Changes in Housing Supply

Building permit, moving permit and demolition permit activity from 2008 to 2016 was dominated by multi-family housing types. This is a reflection of the lack of vacant developable land, high land prices, and strong market demand for multi-family housing. Over these nine years, permits were issued for 124 new single-family homes, while 7 single family homes were moved out of the City and 79 were demolished, resulting in a net gain of 38 single family homes. Over the same period, 1,787 permits were issued for for new multi-family units (including townhomes) and 14 multi-family units were demolished, resulting in a net gain of 1,773 multi-family units. This reflects an overall net gain of 201 units per year. By comparison, over the eight years from 2000 to 2007, the average net gain was 125 units per year. The increase is largely due to the strong housing market after the recession ended in 2009, particularly for multi-family rental and senior housing. Demographic and market trends indicate that Bloomington’s housing mix will continue to shift further toward multi-family housing types in the foreseeable future.

### Housing Age

The majority of the existing housing stock in Bloomington was built before 1990, with the median year built for all unit types being 1970. Table 3.2 indicates when housing structures, of various types, were constructed. Single-family homes are the oldest, with a median age of 57 years in 2018. Median ages for other housing types are lower, but many structures are at least 35 years old.

Table 3.2: Housing Structure Type by Year Built

Structure Type	Before 1960	1960-1975	1976-1990	1991-2007	2008-2017	Total*	Median Age
Single Family	49.7%	28.6%	18.5%	2.6%	0.6%	21,319	57
Apartment	2.8%	70.6%	15.3%	6.9%	4.4%	248	44
Two-family	8.7%	72.1%	18%	1.2%	0%	172	48
Townhouse	0%	22.4%	59.1%	13.8%	1.6%	2,266	38
Condo	0%	24.2%	57.6%	17.7%	0.4%	3,126	35

Source: City of Bloomington, Assessing Division, 2018

\*Note: the total represents number of structures/buildings, not total number of dwelling units.

## Housing Conditions

According to ratings assigned by the Bloomington Assessing Division during property inspections, over 89 percent of Bloomington's single family housing is in average or better condition (see Table 3.3). However, an increasing percentage of the City's housing is in need of major maintenance. As Bloomington's housing stock ages, the City will need to focus increasing attention on housing maintenance and rehabilitation in order to sustain satisfactory housing conditions and market appeal.

Table 3.3: Single Family Housing Condition Rating, 2018

Condition Rating	Number (Percent) of Units		
	1998	2006	2018
<b>Average, Good, and Excellent.</b> <i>Observable defects, if any, are minor in nature; no maintenance items deferred to point where permanent damage exists.</i>	26,037 (97.1%)	26,407 (96.3%)	25,033 (89.8%)
<b>Major Maintenance Required.</b> <i>Considerable deferred maintenance with permanent damage to structural items beginning to show.</i>	737 (2.7%)	983 (3.6%)	2,755 (9.9%)
<b>Critical Disrepair.</b> <i>Damage to major structural items; housing still habitable, but possibly beyond occupant's ability to restore or maintain it.</i>	39 (0.1%)	37 (0.1%)	96 (0.3%)

Source: City of Bloomington Assessing Division, 2018. Excludes multi-family units.

## Housing Tenure

The number of owner-occupied units in Bloomington has decreased over the past two decades as shown in Table 3.4 below. Some of this may be due to the housing market slowdown during the recession (2007-2009) and an increase in lender-mediated properties, which shifted more households toward rental housing. In 2016, about 65 percent of all Bloomington housing units were owner occupied. Given the construction of many owner-occupied condominium and senior cooperative projects since 2010, the rate of owner-occupancy is likely to remain steady or increase in the future.

The overall vacancy rate has declined slightly from a high of 4.6 percent in 2010 during the recession to 3.8% in 2016. The vacancy rate for rental properties is extremely low (1.3%). A healthy rental market typically maintains a vacancy rate of about 5%, which promotes competitive rates and allows for unit turnover. Such low vacancy rates indicates that the City's housing supply is not meeting demand. Insufficient housing supply – and lack of housing options – makes it difficult to attract new families and individuals to the community and exacerbates affordability challenges.

Table 3.4: Tenure and Vacancy

Tenure	2000	Percent	2010	Percent	2012-2016	Percent
Owner-occupied units	25,682	69.2%	24,737	65.7%	24,434	64.9%
Renter-occupied units	10,718	28.9%	11,168	29.7%	11,779	31.3%
Vacant units	704	1.9%	1,736	4.6%	1,457	3.8%
<b>Total</b>	<b>37,104</b>	<b>100</b>	<b>37,641</b>	<b>100</b>	<b>37,670</b>	<b>100</b>

Source: American Community Survey, US Census Bureau, 2016

## Housing Values

According to the U.S. Census Bureau, American Community Survey, the median value of an owner-occupied home in Bloomington was \$221,900 in 2016. Over half of all owner-occupied homes are valued at \$200,000 and higher, with 22% valued between \$200,000 and 249,999.

Home resale data indicate the median resale price in 2016 was \$232,000, noting some variation in home sale prices between east and west Bloomington. While single-family detached homes have higher sale prices in west Bloomington (\$279,900 versus \$214,900), owner-occupied townhomes and condominiums have higher sale prices in east Bloomington (\$179,900 versus \$163,000). This variation is due in part to the age of the homes.

## 3.3 Housing Forecasts and Demand

As shown in Table 3.5 below, over the next 20 years, Bloomington is anticipated to add over 4,800 new households. Households are a common indicator of housing needs because “household” is often defined as an occupied housing unit. Thus, household forecasts can be used as a proxy in estimating the number of additional housing units the City will need to accommodate anticipated population growth.

Table 3.5: Bloomington Population & Household Forecasts, 2016-2040

Year	Population	Households
2016	87,245	37,634
2020	88,939	38,585
2030	92,940	40,873
2040	95,862	42,511
Change 2016-2040	+8,617	+4,877

Source: Metropolitan Council (2016); City of Bloomington (forecasts)

Forecast growth in residential housing units is described in the Land Use element. According to the City’s development forecasting tool, over 5,100 new housing units could be built by 2040. Most will occur via redevelopment and densification of properties that are currently developed. The number of forecast new units is based on acres anticipated to redevelop with residential units (see Tables 2.10, 2.11, and 2.12 in the Land Use element).

About every five years, the City commissions a study to evaluate its housing supply and forecast future housing needs. The most recent *Comprehensive Housing Needs Analysis for the City of Bloomington*, completed in 2017 (revised in 2018), includes an inventory of the City’s existing housing stock, highlights demographic changes and trends affecting housing demand, and summarizes housing costs and market demand for specific housing types (e.g., senior, affordable, etc.) through 2030.

The Housing Needs Analysis estimates significantly higher demand for new housing than suggested by household forecasts alone. Whereas forecasts indicate 3,239 additional households by 2030, the Housing Needs Analysis estimates demand for over 6,000 new housing units by 2030. Estimated demand takes into account forecast household growth as well as household turnover, pent up demand, and assumes that Bloomington, with its excellent location and amenities, will continue to attract new residents.

It is important to also note that estimated demand reflects unconstrained growth potential. However, with very little land available for new housing development, actual growth potential is significantly restricted. As such, the study estimates growth potential for 1,475 to 1,915 new housing units, of various types, to meet the needs of current and future households through 2025 or 2030.

Tables 3.6 through 3.8 below, summarize demand estimates from the Housing Needs Analysis for owner-occupied (for-sale) housing, rental housing, and senior-oriented housing. As shown, demand for senior-oriented housing represents more than 50 percent of total estimated housing demand through 2030. Increasing the supply of housing attractive to senior residents may stimulate turnover in the housing supply, creating opportunities for new families to move into Bloomington.

Table 3.6: Demand for New For-Sale Housing, 2030

Type	Number of Units
Single Family	227
Multi-Family	721
<b>Total</b>	<b>948</b>

Source: Bloomington Comprehensive Housing Needs Analysis, Maxfield Research, LLC, 2018

\*Note: Estimate only includes households under age 65

Table 3.7: Demand for New Rental Housing, 2030

Type	Number of Units
Market Rate (81% and above AMI)	849
Shallow Subsidy (51-80% AMI)	745
Deep Subsidy (50% or less AMI)	319
<b>Total</b>	<b>1,913</b>

Source: Bloomington Comprehensive Housing Needs Analysis, Maxfield Research, LLC, 2018

Table 3.8: Demand for New Senior Housing, 2030

Type	Number	Tenure	
Independent Senior	1,409	538 (own)	871 (rent)
Congregate	402		
Assisted Living	553		
Memory Care	378		
<b>Total Market Rate Senior</b>	<b>2,742</b>		
<b>Affordable</b>			
Type	Number	Subsidy Level	
Affordable Senior	730	193 (deep)	537 (shallow)
<b>Total Senior Housing</b>	<b>3,472</b>		

Source: Bloomington Comprehensive Housing Needs Analysis, Maxfield Research, LLC, 2018



### Increasing Diverse Population

The diversity of our youngest residents provides an indication of future diversity in Bloomington. According to Bloomington ISD #271

**52%**

of Bloomington kindergarteners in 2016 are not white.

## 3.4 Factors Influencing Housing Demand

Demand for housing is affected by multiple factors including, demographic characteristics, locational considerations, and lifestyle preferences.

### Demographics Factors

Bloomington is experiencing two major demographic shifts: the population is becoming more racially diverse and seniors represent a growing share of the population. In addition, household composition has changed significantly over the past few decades, leading to an overall reduction in household size. These trends affect demand and preferences for specific types and sizes of housing.

**Increased Diversity:** The population of Bloomington has become increasingly diverse; reflecting regional and national trends. According to the U.S. Census Bureau the percentage of white residents in Bloomington dropped from 94.7% in 1990 to 74.2% in 2016.

As shown in Table 3.9, the Census Bureau reports that non-white households tend to have larger households on average. As the City becomes more diverse, demand for housing that can accommodate larger families may increase.

Table 3.9: Average Household Size by Race, 2010

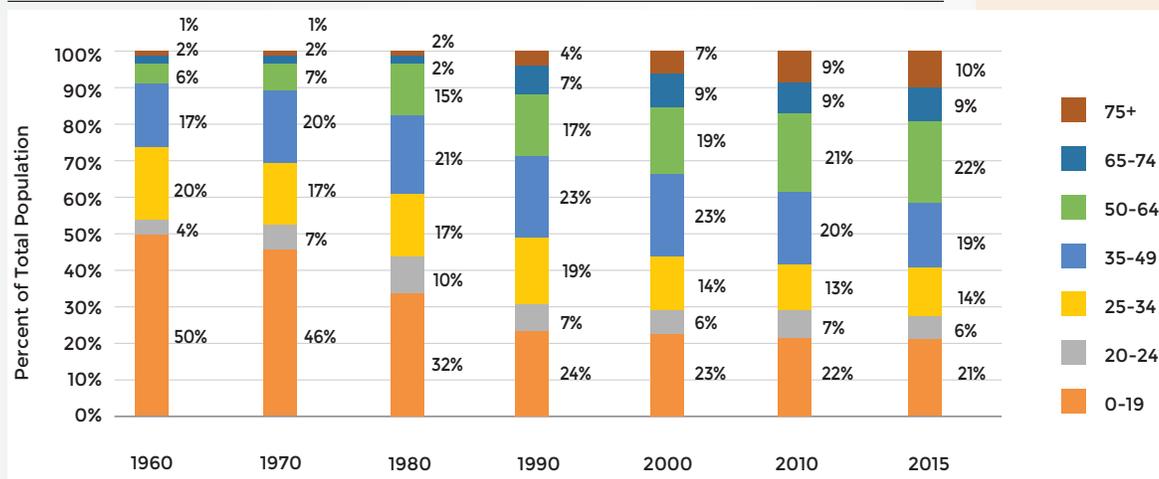
Race	Average Persons per Household	
	Owner-occupied	Renter-occupied
White	2.28	1.82
Black or African American	3.18	2.68
American Indian	2.56	2.48
Asian	3.41	2.3
Native Hawaiian	3.91	4
Some other	5.27	3.9
Two or more	2.97	2.56
Hispanic or Latino	4.39	3.59
White Alone not Hispanic or Latino	2.27	1.76

Source: US Census Bureau, 2010

**Ageing Residents:** The age distribution of Bloomington residents has changed dramatically over the last 60 years as shown in Figure 3.1. The share of older residents is growing while the share of younger residents has declined. From 1960 to 2016, the percentage of residents over age 65 rose from 1% to 10%. Over the same time period the percentage of residents under the age of 19 fell from 50% to 21%.

Looking forward, the number of Bloomington residents under 19 is expected to remain relatively stable over the next 20 years while the number of seniors is anticipated to increase as baby boomers enter their senior years. By 2040, the number of residents 65 and older are forecast to represent about 27% of Bloomington’s total population. Strong growth in the senior population is expected to increase demand for housing that accommodates the needs and preferences of seniors, including empty-nesters looking to downsize and reduce maintenance.

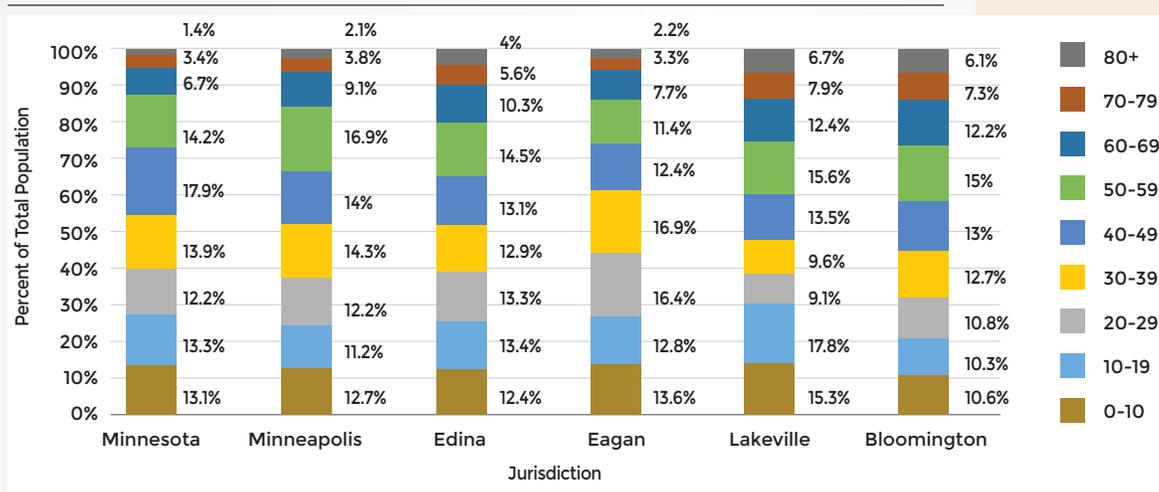
Figure 3.1: Age Distribution of Bloomington Population, 1960-2016



Source: US Census Bureau, American Community Survey 2016

The aging of the baby-boom generation and decline in relative share of younger people reflect regional and national trends. Figure 3.2 below, compares the age breakdown in Bloomington to the state and other metro cities. Bloomington residents are older than statewide averages. Bloomington residents are also older on average than residents of Minneapolis and newer suburban communities but slightly younger than residents of older suburban communities, like Edina.

Figure 3.2: Age Distribution by Jurisdiction, 2016



Source: US Census Bureau, American Community Survey 2016

**Changing Household Composition and Size:** The make up of households has changed dramatically from the 1960s and 70s when the predominant household type consisted of married couples with children. Over the past decade, single person and childless households have become more prevalent. Couples and people living alone now account for over 60% of all households in Bloomington.

Shifts in household composition have coincided with reductions in household size. Bloomington’s average household size fell during every decennial census period since 1960 declining from 4.2 persons per household in 1960 to 2.3 in 2010; where it remains today. Competing trends suggest that the average household size should remain roughly steady for the foreseeable future. On one hand, the continued growth in single and empty-nester senior households will depress citywide average household sizes.



**Desire to “age in place” –**

According to a study by the National Conference of State Legislatures and AARP Public Policy Institute, 90% of people over 65 want to stay in their communities, and their current home as long as possible. To facilitate aging in place, residents may need to remodel their homes to minimize physical and mobility barriers. The Bloomington HRA administers various home rehabilitation and maintenance programs that assist in funding improvements that help residents remain in their homes.

On the other hand, increasing ethnic diversity is likely to bring younger, larger families to Bloomington, contributing to an overall increase in average household size.

Household size and composition can affect tenure, as smaller households – particularly those without children - are more apt to rent than own. The relationship between household size and tenure in Bloomington is shown in Table 3.10.

Table 3.10: Tenure by Household Size in Bloomington, 2017

Persons per Household	Own	Rent
One	28.3 %	42.7%
Two	40.0%	30.2%
Three	13.5%	13.2%
Four	11.4%	7.6%

Source: Bloomington Comprehensive Housing Needs Analysis, Maxfield Research, LLC, 2018

**Lifestyle and Location Factors**

Housing demand is strongly influenced by location. Bloomington enjoys a location in the heart of a thriving metropolitan area, near a range of employment opportunities, transit corridors, major freeways and an international airport. These factors will continue to attract new residents and help retain existing residents.

Lifestyle preferences evolve as people move through different life stages. Changing preferences drive demand for specific types of housing and amenities. There is growing interest, across the age spectrum, in maintaining active, healthy lifestyles. Neighborhoods that are walkable and provide easy access to amenities such as parks, cultural and entertainment facilities, and restaurants generally enjoy high levels of demand. Designing the public realm to accommodate the oldest and youngest members of the community improves mobility and accessibility for all.

With the forecast increase in the senior population, demand is anticipated to increase for various types of low maintenance housing (condos and townhomes) and senior-oriented housing (independent living, assisted living, nursing homes). According to the *Comprehensive Housing Needs Analysis for the City of Bloomington, Minnesota*, in March 2017 there were 2,277 units of age-restricted housing in Bloomington, including both market rate and subsidized units. The vacancy rate of less than one percent is severely low, suggesting a high level of pent up demand for senior housing in Bloomington. To enhance mobility and access to services and amenities, senior-oriented housing should be located in areas with convenient access to services and amenities. Locations well served by transit and amenities such as parks and walking trails would benefit employees and visitors as well the more active residents of senior housing.

**3.5 Opportunities and Challenges**

**Preserve Existing Housing Quality**

Housing is a vital resource for any City and is crucial to retaining and attracting residents and businesses. The majority of Bloomington’s housing is in good repair, and the foremost housing goal is to keep our existing housing in good condition. Given the age of our housing, achieving this goal will require investment in maintenance and modernization. For many of Bloomington’s older homes, this may involve replacing major components such as roofs, furnaces, siding and windows.

Residents may face a variety of barriers that hinder reinvestment, including financial, language, know-how, time and health. Bloomington has established, and continues to support, a variety of programs aimed at reducing reinvestment barriers, including:

- Home improvement loan programs;
- Providing information in various languages;
- Translation assistance as homeowners navigate the permitting process;
- Connecting property owners with training, contractors and improvement ideas;
- Organizing and publicizing available volunteer programs that assist homeowners who are unable to maintain their property due to health or physical limitations.

### Preserving Neighborhood Quality and Livability

Homeowners are most likely to invest in home and property maintenance when they feel confident in the future of their neighborhoods and the community in general. Factors that enhance community confidence and livability include: safe, clean and attractive neighborhoods; resident engagement; access to good schools, quality infrastructure and parks; and convenient shopping, social and cultural activities, and employment opportunities.

While many Bloomington neighborhoods have these attributes today, older areas of the City are in need of reinvestment to ensure continued confidence in its neighborhoods and in the City as a whole. Moving forward, it will be important to maintain and build on these attributes.

**Property Maintenance:** The City will continue to closely monitor code compliance and require owners to maintain their property to the standards in the City Code and the Property Maintenance Code. In addition to complaint driven enforcement, the City will also continue systematic enforcement with the goal of maximizing code compliance. Bloomington's Time-of-Sale Inspection Program addresses hazardous code deficiencies when an owner-occupied home is sold. The City will continue to communicate with neighborhood groups on code enforcement issues through its Neighborhood Block Booster program, which is designed to solicit input from neighbors in identifying problem properties.

**Investment in Public Infrastructure:** Just as private property owners are required to maintain their property, the City must keep its public facilities and infrastructure well maintained and target physical improvements in the areas of highest benefit. Well maintained physical infrastructure and strategic public investment can positively influence neighborhood pride and confidence.

**Strategic Redevelopment:** To ensure that the City's many commercial areas remain desirable and attractive and positively enhance surrounding residential areas, the City, HRA, and Port Authority will continue to strategically assist in commercial redevelopment. The 2008 Comprehensive Plan recommended strategic invest in the City's three redevelopment districts located along I-494. This successful strategy demonstrates that targeted public investments can effectively leverage significant private investment in redevelopment.

**Monitor Conditions:** In order to monitor neighborhood conditions and identify signs of decline in its earliest stages, the City will track changes in stability indicators such as property values, crime levels, Code violations, foreclosure rates and rehabilitation levels. Information gathered will help identify areas to target investments in rehabilitation.



### Bloomington Home Improvement Fair –

Every other year, the City hosts a home improvement fair at Civic Plaza that typically attracts over 1,500 guests. This event features many local home and landscape improvement vendors and how-to seminars.



*New apartments appeal to young professionals and empty-nester seniors alike.*



*Bloomington is experiencing high demand for senior housing.*

**Tell Our Story:** While City programs and investments can nurture community confidence, the full value of these investments can only be realized if current and prospective residents are aware of the amenities and investments directed into their neighborhoods. Toward this end, the City will continue communication and marketing initiatives to call attention to public and private investments, provide information on available resources, and encourage residents to participate in neighborhood improvement efforts.

**Foster Engagement:** Social and cultural connections are vital to creating a sense of belonging and community identity. Bloomington offers a variety of facilities for social and cultural activities, and will continue to sponsor community festivals and get togethers, provide recreational and artistic programming, encourage block groups and community organizations, and use City communications to increase awareness of Bloomington's neighborhoods and history. With new residents, it will be important to proactively reach out to make them feel welcomed.

**Promote Active Living:** To encourage healthy, active living for Bloomington residents the City will continue to invest in public infrastructure to make biking and walking more convenient and safe citywide; provide opportunities for integrated, mixed land uses; and direct most new higher density housing to locations within walking distance of services, amenities, transit and employment.

### Expanding Choices - Life Cycle Housing

As residents age, their housing needs and desires change. Families with children generally prefer single family detached homes with yard space, whereas, young adults and empty-nesters may prefer the low-maintenance lifestyle offered by apartments, townhomes, and condominiums. Seniors and residents with disabilities may need housing that offers supportive services.

Bloomington strives to provide housing to serve each stage of life, giving residents the choice to remain in Bloomington their entire lives. With a diverse housing supply at various price points, Bloomington compares favorably to most cities in meeting housing needs throughout the life cycle. To ensure that Bloomington's housing stock continues to meet diverse needs, the City will continue to monitor market demands and adjust land use controls as necessary to maintain flexibility to address unforeseen needs.

### Foster Affordability

Providing affordable housing choices helps build a stable, well-balanced, and economically resilient community. Many variables affect the cost of housing, including: unit size, age, location, and level of amenities. Overall supply and vacancy rates directly influence fluctuations in housing costs.

Aggravating the situation is persistent wage stagnation and increasing income disparities, regionally and nationally. It is particularly challenging for lower-wage workers to find housing they can afford that is also convenient to their places of employment. While this situation is not unique to Bloomington, given the predominance of service sector employment in the City, it underscores the challenge of providing housing affordable to our local workforce. The City recognizes that providing affordable housing is not only good for our workforce, but for area businesses as well. Construction of new affordable housing units and rehabilitation of existing homes also creates jobs and revenue for those in the construction trades and suppliers of building materials and services.

## What is “Affordable” Housing?

The definition of “affordable” is subject to a number of demographic and locational variables. Likewise, housing costs are subject to change as a result of local supply and demand. The general rule of thumb used by the U.S. Department of Housing and Urban Development (HUD) and other agencies defines housing as “affordable” when a household pays no more than 30% of its annual income on housing (including utilities). It is important to note that income definitions vary depending on the number of people in the household. A common metric used in defining affordability is a 4-person household. Because housing costs vary widely by region, affordability is often described relative to the local “Area Median Income” (AMI), which reflects the midpoint of the region’s income distribution.

Household income thresholds for the three AMI categories in the Twin Cities used to describe affordability are shown in Table 3.11.

Table 3.11: Income by AMI Range, Twin Cities, 2017

Income Category	AMI Range	Upper HH Income Threshold	30% HH Income	Affordable Monthly Housing Costs
Extremely Low Income	0%-30%	\$27,100	\$8,130	\$675
Very Low Income	31%-50%	\$45,200	\$13,560	\$1,130
Low Income	51%-80%	\$68,000	\$20,400	\$1,700

Source: US Dept of Housing and Urban Development/Metropolitan Council

**Cost Burdened:** Households paying more than 30% of their income on housing (either rent or mortgage) are considered “cost burdened” as the remaining portion of their income not spent on housing may be insufficient to cover other necessities such as food, clothing, transportation and medical care. As shown in Table 3.12, housing cost burden has increased in Bloomington. While the level reported in 2010 exceeds 2016, the spike likely reflects the impacts of the recession, when a number of people lost their jobs or were under-employed; lowering their household incomes. Historically, renters have higher levels of cost burden than home owners, with more than twice as many Bloomington renters (44%) as compared to homeowners (20%) experiencing cost burdens in 2016.

Table 3.12: Cost Burdened Households in Bloomington

Tenure	2000	2010	2016
Owner	16%	29%	20%
Renter	39%	49%	44%

Source: US Census Bureau, 2012-2016 American Community Survey

Generally, lower income households are the most vulnerable to housing cost increases and becoming cost burdened. Although higher-income households can also be cost-burdened, these households often have more housing choices and can usually find housing that fits their budget. Table 3.13 illustrates the breakdown, by income level, of Bloomington households with incomes at or below 80% AMI that experienced housing cost burdens in 2016.

## Housing Affordability and Health

There is growing evidence that a link exists between safe, affordable housing and physical and mental well-being. The availability of safe, affordable housing can reduce stress resulting from housing insecurity and enhance individual or family stability, which can contribute to success in school, work, and general health.



### Preservation of Naturally Occurring Affordable Housing (NOAH)

In 2016, City staff began engaging with community organizations, housing advocates, property owners, HRA and City officials and others to discuss strategies to address preservation of naturally occurring affordable housing (NOAH). Through a series of facilitated workshops, the work group developed and prioritized a list of strategies for the City to consider to preserve NOAH properties, and create additional affordable housing units. Priority strategies recommended by the City Council are described in the sidebar on page 3.20.

Table 3.13: Cost Burdened Households by Income Level, 2016

Income Level	# Cost Burdened Households
At or below 30% AMI	2,754
31% to 50% AMI	2,660
51% to 80% AMI	2,860

Source: Existing Housing Needs Assessment for the City of Bloomington, Metropolitan Council, Local Planning Handbook - 2016

Because incomes have not kept pace with raising housing costs, providing sufficient housing to meet affordability needs is a continual challenge. Characteristics of Bloomington’s existing housing supply are described in the next section.

### Affordable Housing Supply

Affordable housing available in Bloomington generally consists of “naturally occurring affordable housing” (NOAH) available through the private market, which is not publically subsidized, and housing that is affordable through receipt of public subsidy.

#### Naturally Occurring Affordable Housing (NOAH)

A variety of factors contribute to the affordability of existing housing available through the private market without public subsidies. These include: age, physical condition, size, available amenities, and location. These same factors make NOAH properties more vulnerable to acquisition by developers who renovate them and raise rents, reducing their affordability and potentially displacing existing residents.

Given the tight housing market in the region, concerns about housing affordability have intensified across the Twin Cities, bringing together housing and social service advocates, business leaders, and employers to explore solutions. The low vacancy rate and limited land available in Bloomington for new development pose challenges for the creation of new affordable housing. Consequently, preservation of existing affordable housing is critical to maintaining affordable housing options in the City.

Housing affordability differs for homeowners and renters. The supply of existing affordable owner and rental housing in Bloomington is described below.

**Affordable Owner Housing:** In 2016 the median household income of Bloomington homeowners was \$79,511. Applying the 30% rule of thumb, owner households should be able to afford a home costing about \$238,530. The 2016 purchase prices of homes in the Twin Cities region affordable at the three AMI levels are shown in Table 3.14. In 2016, the median resale price was \$232,000.

Table 3.14: Affordable Home Purchase Price, Twin Cities, 2016

AMI	Affordable Purchase Price 2016
30%	\$85,500
50%	\$153,500
80%	\$243,500

Source: Metropolitan Council, 2017

Bloomington home values for 2018 are illustrated on Figure 3.3. In 2018, 72.8% of owner-occupied homes in Bloomington were valued at \$243,000 or less, while 15.5% were valued between \$243,500 and \$300,000, 7.3% were valued at \$300,000-\$400,000, and 4.5% were valued above \$400,000.

**Affordable Renter Housing:** The Housing Needs Analysis included a survey of market rents in Bloomington. Average market rents in Bloomington (2017) are shown in Table 3.15 for all units. The 2016 median household income of renters in Bloomington was \$41,978. Applying the 30% rule of thumb, renter households at the median income should be able to afford units in older buildings (Class B and C), but could not afford newer units (Class A). Affordability is aggravated by a very low vacancy rate, which reduces the units available on the market and drives rents up. The current vacancy rate for all rental units overall is around 3%. Vacancy rates for affordable units are lowest. Generally, a vacancy rate of 5% is considered “healthy” and more reflective of a well-balanced market.

Table 3.15: Average Market Rents, Bloomington (Q1 2017)

Class	Year Built	# Units	Market Rent	Needed Income
A	2000 - present	1,159	\$1,639	\$59,004-\$68,839
B	1980-1999	2,363	\$1,166	\$41,976-\$48,972
C	1959-1979	5,284	\$1,024	\$36,864-\$43,008

Source: Bloomington Housing Needs Analysis, Maxfield Research, LLC, 2018

The Metropolitan Council compiled data on affordable rents in the Twin Cities region in 2017. These are summarized in Table 3.16 below.

Table 3.16: Affordable Rent, Twin Cities, 2017

# Bedrooms	Affordable Rent (including utilities)		
	30% AMI	50% AMI	80% AMI
Studio	\$474	\$791	\$1,265
1	\$508	\$848	\$1,356
2	\$610	\$1,017	\$1,627
3	\$705	\$1,175	\$1,880
4	\$786	\$1,311	\$2,097

Source: Metropolitan Council, 2017

Table 3.17 below compares rental affordability data from Bloomington’s annual rental survey with data for all units compiled by the Metropolitan Council. These data suggest that only 15-17% of all units in Bloomington are affordable to households earning 50% or less of AMI, and no rental units are affordable to households with incomes at 30% or less of AMI.

Table 3.17: Affordable Units, Bloomington, 2016

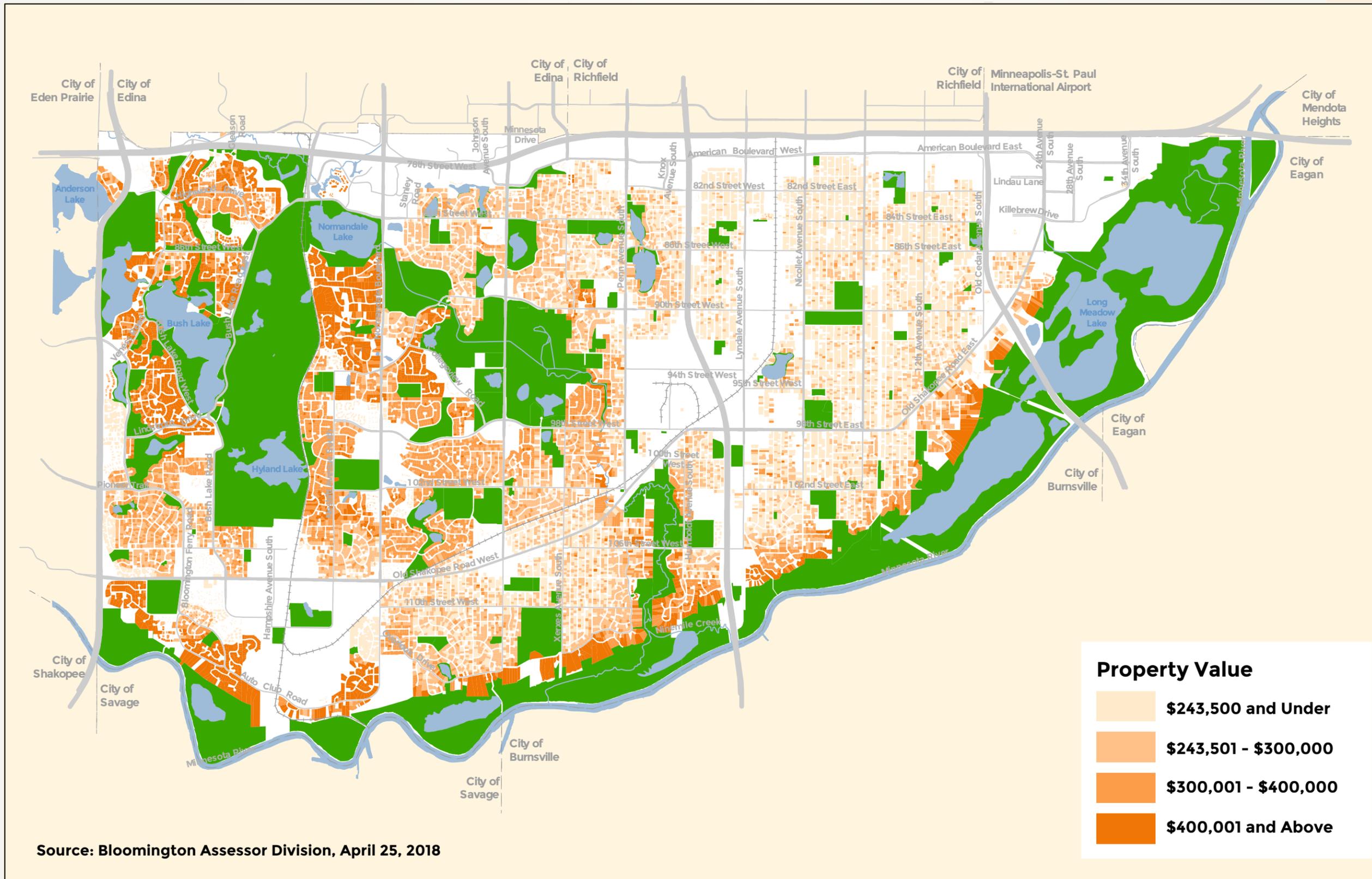
AMI	Rental Units Only (1)	% Total Rental	All Units (2)	% Total Units
30% and below	0	0	1,690	4.3
31-50%	1,334	15.1	4,975	12.7
51-80%	6,551	74.3	20,634	52.6
81% and above	930	10.5	11,914	30.4

Sources: (1) Bloomington Comprehensive Housing Needs Analysis, Maxfield Research, LLC, 2018; (2) Metropolitan Council – Existing Housing Assessment for City of Bloomington, 2016

### Annual Rental Survey

The Bloomington HRA conducts an annual rental survey to assess the local rental housing market. The 2016 survey was sent to about 1,350 landlords and apartment managers and about 300 responses were received (16.7%). Responses indicate that contract rents for one and two bedroom units have increased the most since 2012 (19.4% and 17%, respectively). Over the same period, vacancy rates remained below 3% and are currently around 2%, well below the 5% vacancy rate associated with a healthy market and illustrates that the market remains very tight.

Figure 3.3: Owner-Occupied Housing Values



Source: Bloomington Assessor Division, April 25, 2018



## Workforce Housing

Wages for common jobs in Bloomington are not high enough for some single income households to afford to live in Bloomington. Retail, administrative support, and hospitality account for over one-third of jobs in Bloomington. According to Emsi, a labor market analysis firm, average income for these sectors is well below the City's 2017 median income of \$63,902. While households earning the median income can afford to rent in Bloomington, they could not afford to purchase a home.

## Publicly Subsidized Housing

The Bloomington HRA provides affordable housing opportunities through various programs for those not adequately served by the marketplace including: rental assistance, housing rehabilitation loans, first-time home buyer assistance and other development and redevelopment programs. More detailed descriptions of these programs are provided in the Implementation section of this element. Program funding comes from federal, state, regional and local sources.

A summary of estimated publicly subsidized housing units in Bloomington is provided below.

Table 3.18: Publicly Subsidized Housing Units, Bloomington 2017

Program	Number of Units
Housing Choice Vouchers	551
Project Based Section 8	405
Low Income Housing Tax Credits	143
Rental Housing for Future Homebuyers	21
Seniors and People with Disabilities	315
<b>Total</b>	<b>1,435</b>

Source: Bloomington HRA, 2017

## Affordable Housing Needs

**Local Demand:** According to the Housing Needs Analysis, about 1,794 units of affordable housing are needed to meet demand through 2030. About 59% of the demand is for rental housing and 41% is for senior (age-restricted) housing. A summary of demand by type and affordability level is provided in Tables 3.19 and 3.20 below.

Table 3.19: Demand for Affordable Rental Housing, Bloomington 2030

Type	Number of Units
Shallow Subsidy (51-80% AMI)	745
Deep Subsidy (50% or less AMI)	319
<b>Total Affordable Rental</b>	<b>1,064</b>

Source: Bloomington Housing Needs Analysis, Maxfield Research, LLC, 2018

Table 3.20: Demand for Affordable Senior Housing, Bloomington 2030

Type	Number
Shallow Subsidy	537
Deep Subsidy	193
<b>Total Affordable Senior</b>	<b>730</b>

Source: Bloomington Housing Needs Analysis, Maxfield Research, LLC, 2018

**Regional Affordable Housing Allocation:** State law requires cities to plan for “adequate housing opportunities to meet existing and projected local and regional housing needs” and to “promote the availability of land for the development of low and moderate income housing.” The Metropolitan Council estimates the region’s overall need for new affordable housing units and allocates that need among the region’s communities using four criteria:

- household growth potential;
- ratio of local low-wage jobs to low-wage workers; and
- current provision of affordable housing.

Using this process and adjusting for forecasted growth levels, the Metropolitan Council estimated the total regional need for 37,900 new units of affordable housing between 2021 and 2030. The allocation assigned to Bloomington is 842 additional affordable housing units distributed across the three AMI levels as follows:

Table 3.21: Affordable Housing Need Allocation, Bloomington, 2021-2030

AMI Range	# Housing Units Needed
At or below 30% AMI	445
31-50% AMI	246
51-80% AMI	151
Total New Units	842

Source: Metropolitan Council, 2018

This allocation of affordable housing is less than demand estimated in the Housing Needs Analysis described above. Bloomington will strive to add 842 new affordable housing units between 2021 and 2030 through a variety of strategies. The Land Use element includes a more detailed discussion of land capacity for future development (see subsection 2.5). Land use guiding and zoning are in place to direct most new development to areas well served by transit. As noted in Table 2.15, an estimated 77.5 acres located in the City’s three transit station areas are expected to redevelop with residential uses. Assuming a minimum density of 12 units per acre is achieved, redevelop could result in 930 new residential units in these areas alone. While the City will strive to provide housing at all affordability levels, increased federal funding is needed to provide housing affordable to the lower AMI levels.

The City is already making progress to expanding its supply of affordable housing. As of October 2018, there are 334 units of affordable housing in the City’s development pipeline (entitled or in proposal phase). In addition, a new apartment building that recently opened contains 32 affordable units. Several of these units are affordable at the 50-60% AMI level.

### Increase Housing Supply

Bloomington’s excellent location will continue to drive strong demand for new housing over the next 20 years. With very little remaining vacant land, most new housing will only occur through redevelopment. Increasing the overall housing supply – and housing options – can encourage turnover, allowing existing residents to remain in Bloomington and new families to move in.

**Appropriate Redevelopment Locations:** Due to the economics of redevelopment, most new housing is expected to be multi-family (apartments, condominiums, senior housing). The City’s land use and zoning guide most new high density housing to locations near transit, services, amenities and employment. Similarly, new medium density housing (generally townhomes) should be located in areas currently served by transit or that are likely to be in the future. Priority areas for new high density housing are depicted in Figure 3.4. To facilitate multi-family housing development in these locations, the City will control discretionary guide plan and zoning amendments.

### Creation of Affordable Housing

- There are currently almost 1,690 new residential units in Bloomington’s development pipeline. Of these, 334 units are planned to be affordable to households at 80% AMI (40 units), 60% AMI (210 units) and 50% AMI (84 units). These 334 affordable units account for about 40% of the City’s affordable housing allocation goal to construct 842 units by 2030.
- The Bloomington City Council adopted an Opportunity Housing Ordinance (effective September 1, 2019) that requires at least 9% of the units in new residential projects be affordable to households at 60% AMI and below. Developers may use a variety of tools (e.g., parking reduction, fee waivers) to offset the higher costs of creating affordable units. Incentives increase as both the level of affordability and the number of affordable units increases.
- According to the City’s development forecasts, over 3,400 new units are estimated to be built by 2030 (see Table 2.11, Land Use element). Applying the minimum 9% affordable requirement in the Opportunity Housing Ordinance, suggests a minimum of 310 new affordable units could be created by 2030. These new units, combined with the 334 entitled units, could result in 644 new affordable units available by 2030. That amounts to over 76% of Bloomington’s 2030 regional allocation.

Market trends indicate strong demand for locations offering a mix of uses. Since 2000, almost all new multi-family units have been developed on land that was formerly used in a non-residential fashion. Much of this has occurred in the City's three development districts – South Loop, Penn-American, and Normandale Lake – and through redevelopment of commercial nodes and corridors such as France and Old Shakopee Road and along Lyndale Avenue (see Figure 3.4).

The City's land use controls allow integration of new housing in many commercial areas. In particular, the three development districts are zoned and guided to facilitate an integrated mix of uses, allow for high densities, and encourage an attractive, walkable built environment. The City also anticipates the conversion of non-residential land for residential uses as older neighborhood commercial centers are redeveloped and repurposed.

Since the adoption of the 1980 Comprehensive Plan, Bloomington has guided selected residential areas to require higher densities upon redevelopment. This lets developers know up front that the City will support redevelopment at higher densities in these areas if the developer is able to assemble sufficient land area. Having the property guided for higher densities up front reduces the uncertainty, risk, fees and review time that can inhibit redevelopment projects.

Figure 3.4: Priority Areas for Additional High Density Housing

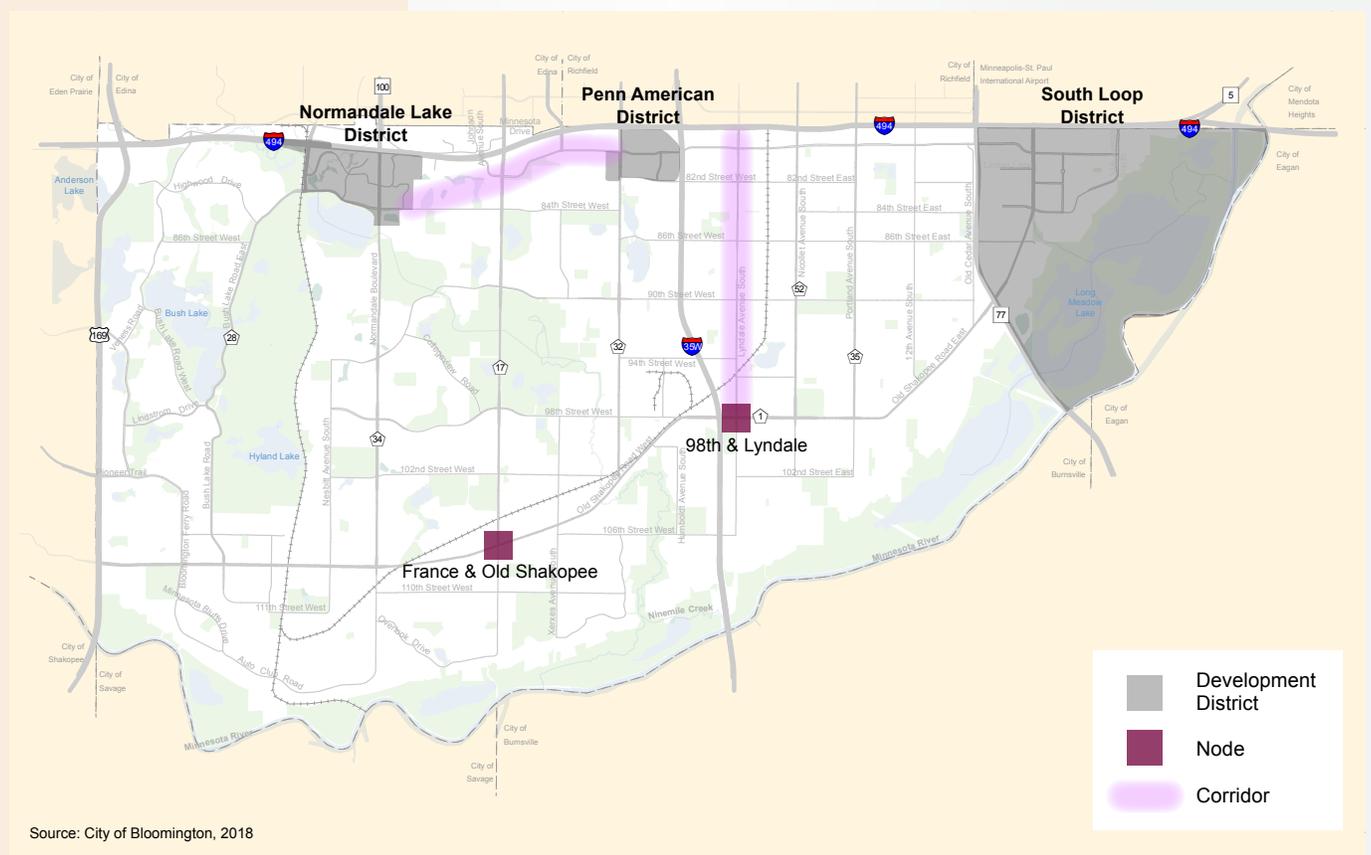
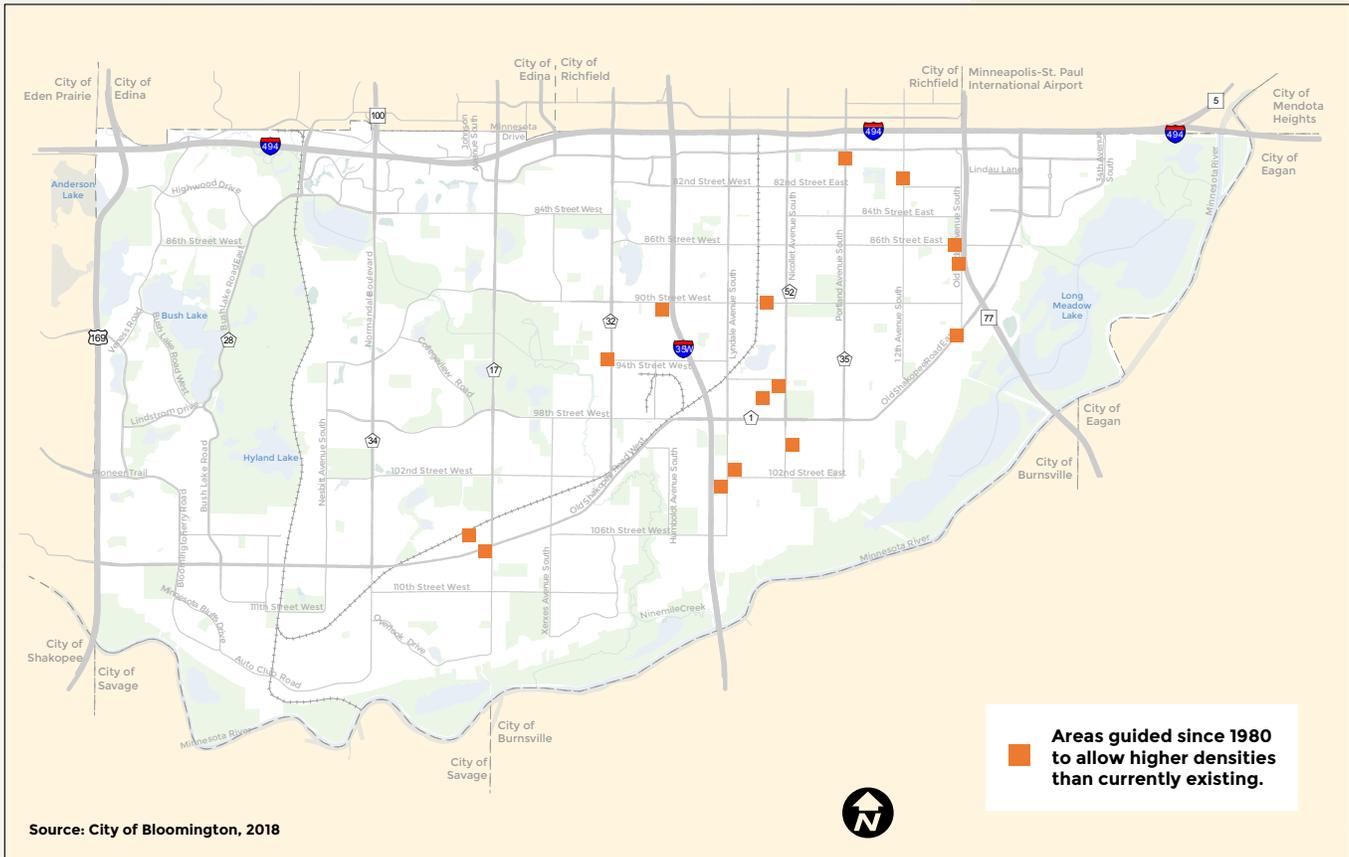


Figure 3.5 depicts areas that are guided for future densities that are higher than what currently exists. Areas were identified for higher density in 1980 for a variety of reasons, including location near transit, surrounding land uses, large lot sizes, and functional obsolescence. To date, market economics have not justified private acquisition and investment and redevelopment has not occurred. Market conditions may change enough in the future that private redevelopment of these areas becomes economically feasible.

Figure 3.5: Residential Land Guided for Increased Density



### Fostering Affordable Home Ownership

Bloomington strives to make homeownership affordable to low/moderate income households through various programs provided by the HRA.

- The *Rental Homes for Future Homebuyer* program works with eligible families to help them become ready to purchase their own home. The families rent a single-family home from the HRA for up to 5 years. The HRA saves a portion of rent to use as a down payment for a home purchase.
- The HRA partners with the West Hennepin Affordable Housing Land Trust to rehabilitate two to three homes in a program year for resale to low/moderate income households. The trust acquires and rehabilitates the homes. The Bloomington HRA utilizes CDBG funds to provide gap financing.

## 3.6 Implementation Plan

This section summarizes the various programs, tools, and plans used by the City and the Bloomington Housing and Redevelopment Authority (HRA) to address the City’s housing needs. The HRA leads the City’s efforts around affordable housing; preservation and maintenance of neighborhoods and housing stock; and promotes development and redevelopment. Funding for HRA activities comes from federal, state, regional and local sources. The HRA is governed by a five-member commission appointed by the City Council.

Based on analysis of future housing demand and identified opportunities and challenges, the City and HRA will work to address the following housing needs through 2040:

- Preserving housing quality and livability;
- Expanding housing choices to accommodate life-cycle housing needs and demand;
- Increasing the supply and access to affordable housing (new and preservation of existing affordable units);
- Fostering housing stability; and
- Increasing the supply of housing overall.

Table 3.22: Summary of Housing Programs to Address Bloomington Housing Needs

Identified Need: Preserve Housing Quality and Livability	
Available Tools	Circumstances and Sequence of Use
Blighted Properties	<ul style="list-style-type: none"> <li>• The City will continue to implement this program as funding allows.</li> <li>• HRA/City program focuses on properties/ homes determined to be substandard through City’s inspection programs.</li> <li>• HRA has pool of funds available to purchase properties from willing owners and demolish substandard homes.</li> <li>• Cleared lots are resold for new home construction to private individuals or developers.</li> <li>• New owner must live in the home.</li> </ul>
Single Family Housing Rehab Loans	<ul style="list-style-type: none"> <li>• The City will continue to implement three low interest, deferred loan programs focused on home improvements.                             <ul style="list-style-type: none"> <li>• CDBG Rehab Loan Program limited to 80% AMI.</li> <li>• Neighborhood Loan Program and Curb Appeal Loan Program (both City funded) eligible to households at 100% AMI.</li> </ul> </li> <li>• Loans are awarded annually under two programs: one city-wide; one focused on a specific neighborhood.</li> <li>• Volume of loans awarded depends on available funding.</li> </ul>

HOME Program – Senior Community Services	<ul style="list-style-type: none"> <li>The City will continue to implement this program using CDBG funds to provide exterior maintenance chore services.</li> <li>Projects are awarded annually to seniors 62 and older. City typically serves about 100 households annually.</li> <li>Fees for services provided on sliding scale based on income</li> </ul>
Housing Improvement Area (HIA) Loan Program	<ul style="list-style-type: none"> <li>The City will continue to consider awarding HIAs loans to provide limited funds to assist condo and townhome associations with needed common area improvements.</li> <li>To qualify, applicants must prove that other sources of financing are not available and at least 60% of owners must sign a petition.</li> <li>The minimum project size is \$250,000 and loans are repaid through assessments.</li> </ul>
Rental Housing Licensing and Inspection Program	<ul style="list-style-type: none"> <li>The City will continue its rental license housing and inspection program.</li> <li>City conducts routine, annual inspections of all rental units and with rental license applications.</li> <li>Compliance issues noted and information provided to remedy.</li> </ul>
Residential Property Code Compliance	<ul style="list-style-type: none"> <li>The City will continue implementing residential property code compliance.</li> <li>City conducts systematic annual inspections of all residential properties.</li> <li>Corrective orders are issued for observed violations and owners are given reasonable time to comply.</li> </ul>
Lead-based Paint Abatement	<ul style="list-style-type: none"> <li>The City will continue to use this program in conjunction with CDBG rehab loans and Section 8 rental assistance.</li> <li>Complies with requirements of Title X-Residential Paint Hazard Reduction Act of 1992.</li> </ul>

**Identified Need: Expand Housing Choices**

Available Tools	Circumstances and Sequence of Use
Rental Homes for Future Homebuyers	<ul style="list-style-type: none"> <li>This program is available to families of 3-6 people with incomes at 50% AMI who rent a home owned by the HRA.</li> <li>City/HRA current owns 21 homes and will consider purchasing additional properties as opportunities arise.</li> <li>Participants must enter into a five-year contract and identify the goals to become a homeowner.</li> <li>The HRA places a portion of the rent in escrow that can be used as a down payment to purchase the home.</li> </ul>
West Hennepin Affordable Housing Land Trust	<ul style="list-style-type: none"> <li>HRA will continue to partner with WHAHLT to provide gap financing to assist in acquisition and rehabilitation of single family homes.</li> <li>Income-based application capped at 80% AMI.</li> </ul>

**Strategies to Create Affordable Housing**

To facilitate creation of new affordable housing units, Bloomington will continue to pursue multiple strategies, such as:

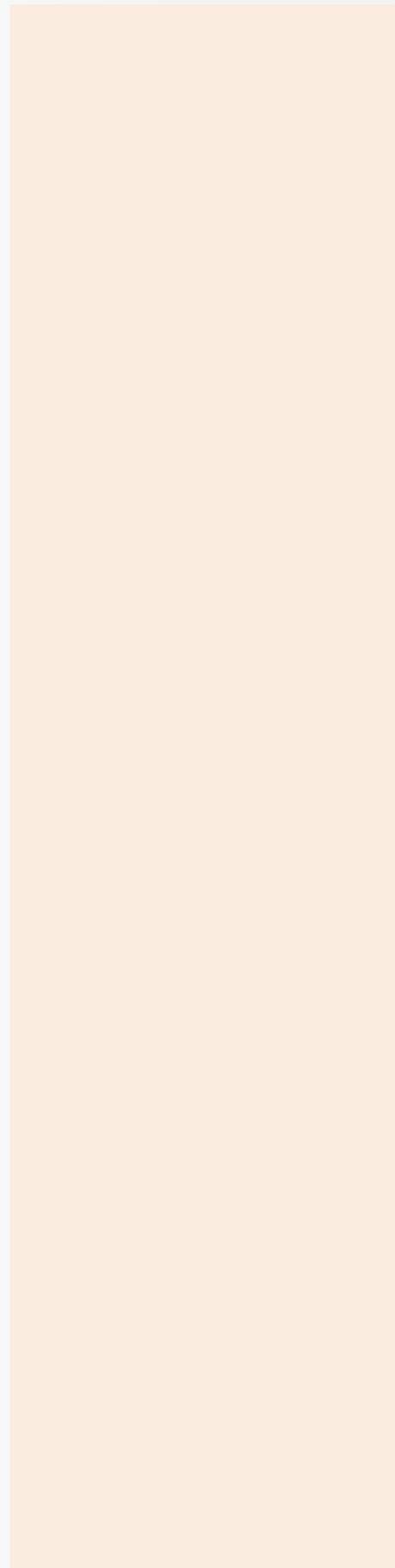
- Facilitating redevelopment (e.g., site assembly, public infrastructure);
- Evaluating and considering City Code amendments to provide flexibility and remove barriers to creation of affordable housing;
- Adopting an inclusionary housing ordinance that would require development with a housing component to provide a specified percent of affordable units;
- Committing local financial resources to affordable housing efforts;
- Seeking non-local financial resources (e.g., grants); and
- Seeking implementation partners (e.g., land trust).

Habitat for Humanity	<ul style="list-style-type: none"> <li>To expand affordable home ownership opportunities, the HRA sells vacant lots acquired through the Blighted Properties program at reduced prices to Habitat for Humanity to facilitate construction of new affordable homes.</li> <li>Homes are sold to first-time, low/moderate income homebuyers.</li> </ul>
HOME - Senior Community Services	<ul style="list-style-type: none"> <li>The City will continue to implement this program that provides opportunity for seniors, 62 and older, to age in place</li> <li>The program currently provides household and exterior maintenance chore services to about 100 households each year.</li> <li>Applications for services are submitted annually and fees are provided on a sliding scale based on income.</li> </ul>
Accessory Dwelling Unit Ordinance	<ul style="list-style-type: none"> <li>The City adopted this ordinance in 2009, which permits ADUs as an accessory use on properties zoned and used for single family dwelling.</li> <li>ADUs are limited to 33% of total living floor area on a site and must adhere to design parameters stipulated in the ordinance.</li> </ul>

**Identified Need: Increase and/or Preserve Supply of Affordable Housing**

Available Tools	Circumstances and Sequence of Use
Housing Choice Vouchers (Tenant based Section 8)	<ul style="list-style-type: none"> <li>The HRA will continue to administer a local Housing Choice Voucher program.</li> <li>The program currently serves about 550 households with participation by about 120 landlords.</li> <li>Because demand exceeds available HCVs, the wait list is closed, however HRA accepts applications periodically.</li> <li>Must meet income and other criteria. Maximum income allowed is 50% AMI, though 75% of vouchers must be provided to households with incomes of 30% AMI or less.</li> </ul>
Assisted Rental Housing (Project based Section 8)	<ul style="list-style-type: none"> <li>HRA contracts with qualifying owners who meet program requirements to provide rent assistance to ensure tenants don't pay more than 30% of adjusted income.</li> <li>The City will consider converting tenant based voucher to project based to deepen the affordability of units in new multi-family housing projects. Projects demonstrating the ability to add units affordable at 30% AMI will be prioritized for this conversion.</li> </ul>
Low Income Housing Tax Credits	<ul style="list-style-type: none"> <li>The City will support LIHTC applications for projects affordable at 60% AMI or below.</li> <li>HRA will continue to use this tool in partnership with developers who build new rental housing affordable at 60% AMI and below.</li> </ul>
Minn Housing Consolidated RFP	<ul style="list-style-type: none"> <li>The City will consider supporting applications to the Consolidated RFP, especially for projects that increase affordable housing within all bands of affordability and are near transit or provide large family-sized units.</li> <li>Typically apply in conjunction with a developer when a qualifying project comes forth.</li> </ul>

Livable Communities Program	<ul style="list-style-type: none"> <li>The City will continue to participate in the LCA program and consider supporting LCA applications, especially for projects that increase affordable housing within all bands of affordability and are near transit or provide large family-sized units.</li> </ul>
Tax Increment Financing	<ul style="list-style-type: none"> <li>The City will consider creating TIF districts to support affordable housing at all levels of affordability, prioritizing projects in existing redevelopment areas, near transit, or that create large family units.</li> <li>Requires establishment of project or district based TIF area.</li> <li>District must meet specific criteria.</li> <li>District specific effective time period.</li> </ul>
Tax Abatement	<ul style="list-style-type: none"> <li>The City will consider tax abatement for affordable projects at all levels of affordability.</li> <li>Requires designation of abatement area.</li> <li>District must meet specific criteria.</li> <li>District specific effective time period.</li> </ul>
Bloomington "Opportunity Housing Ordinance"	<ul style="list-style-type: none"> <li>The City adopted in February 2019, with effective date of Sept 1, 2019.</li> <li>Applies to all new residential development and substantial rehab of existing residential with 20 or more units.</li> <li>Requires creation of new units (minimum 9%) affordable at 60% AMI and below.</li> <li>Provides payment in lieu option to Affordable Housing Trust Fund established via the ordinance.</li> </ul>
Affordable Housing Trust Fund (pending)	<ul style="list-style-type: none"> <li>The City will establish an affordable housing trust fund with adoption of Opportunity Housing Ordinance, which also defines eligible uses of the funds. The ordinance is anticipated to be effective prior to 2020.</li> </ul>
Housing Revenue Bonds	<ul style="list-style-type: none"> <li>The City will consider issuing housing bonds for projects at all levels of affordability.</li> <li>City has issued housing bonds in the past as opportunities arise; typically in partnership with a developer who requests financial assistance to make project feasible.</li> </ul>
4d Tax Incentives	<ul style="list-style-type: none"> <li>The City will continue to consider contributing to NOAH rehab projects such that projects are eligible for 4d tax incentives in exchange for the required affordability.</li> <li>The city will prioritize NOAH projects that are at the highest risk of losing affordability.</li> <li>The city will consider proactively approaching vulnerable NOAH property owners with information about the 4d tax incentive.</li> <li>City has used on a request basis.</li> <li>Developer must enter into an affordability agreement and place restrictive covenant on property to ensure affordability for set time period.</li> </ul>



NOAH Trust Fund	<ul style="list-style-type: none"> <li>This HRA dedicated source of funding is earmarked for NOAH preservation and rehab projects.</li> <li>The HRA considers using when a project is identified that is at risk of losing affordability due to sale/change of ownership.</li> <li>Funds can be used for acquisition, retaining affordability, gap financing, and to leverage other available funds.</li> </ul>
Hennepin County Affordable Housing Incentive Fund	<ul style="list-style-type: none"> <li>City considers applying for funding through this program to fill funding gap for projects at all affordability levels.</li> </ul>

**Identified Need: Improve Housing Stability**

Available Tools	Circumstances and Sequence of Use
Monitor LIHTC	<ul style="list-style-type: none"> <li>City monitors as needed; few have expired.</li> <li>Owner must give 12 month notice of intent to convert units to market rate.</li> </ul>
90 Day Tenant Protection Ordinance	<ul style="list-style-type: none"> <li>The City adopted this ordinance in August 2018.</li> <li>Applies when ownership of a NOAH property is transferred. Requires that existing tenants be notified of sale w/in 30 days of closing on a sale.</li> <li>Prohibits new owner from raising rents or terminating rental agreements w/o just cause for 90 days after real estate closing.</li> <li>Penalty for non-compliance - new owner must pay equivalent of three month's rent as relocation assistance.</li> </ul>
Fair Housing Policy	<ul style="list-style-type: none"> <li>The City adopted this policy in August 2018</li> <li>Policy applies across the City and enforcement occurs on complaint basis.</li> </ul>

**Identified Need: Increase Housing Supply**

Available Tools	Circumstances and Sequence of Use
Zoning Regulations	<ul style="list-style-type: none"> <li>The City's zoning code provides for a wide range of housing types and densities. It also provides regulatory flexibility to incentivize housing affordability and transit supportive development.</li> <li>The City routinely monitors zoning (and other code) regulations to ensure they do not create a barrier to the development of affordable housing.</li> </ul>
Land Use Guide Plan	<ul style="list-style-type: none"> <li>The City's land use guide plan map provides for sufficient land in multiple land use categories that support the creation of new residential development, which will mostly occur through redevelopment (see Land Use Element).</li> </ul>

**Identified Need: Multiple Needs**

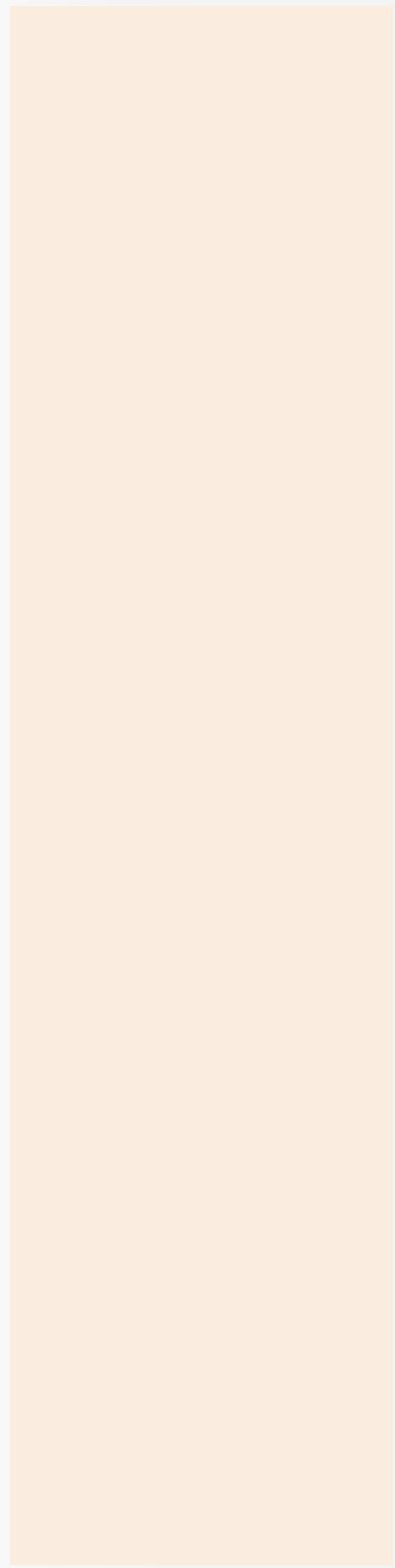
Available Tools	Circumstances and Sequence of Use
CDBG Block Grants	<ul style="list-style-type: none"> <li>Source of funding for several HRA programs</li> </ul>
Home Improvement Fair	<ul style="list-style-type: none"> <li>To encourage maintenance and renewal, the HRA sponsors this bi-annual event that includes displays by city departments, private vendors, and educational seminars.</li> </ul>

Effective Referrals	<ul style="list-style-type: none"> <li>City staff (HRA, Planning, Public Health, Community Services) routinely provide information to residents and others related to housing related programs and development opportunities.</li> </ul>
Rental Housing Collaborative	<ul style="list-style-type: none"> <li>City-wide group of property managers, owners, and others involved in rental property.</li> <li>HRA facilitates meetings with strong involvement from Police Dept and Environmental Health Division.</li> <li>Meets several times per year to discuss topics such as housing best practices, fair housing, and legal issues.</li> </ul>

**Policy, Studies & Plans:** In addition to the tools and programs described in Table 3.22, the City has adopted policies and plans that address housing needs, demand and creation, including:

- **Fair Housing Policy** – In August 2018, the City Council adopted a Fair Housing Policy that declares the City’s commitment to fair housing and supports opportunities to increase housing choices for all Bloomington residents.
- **Redevelopment Plans** – The City has prepared several plans to facilitate strategic redevelopment, such as the three development district plans and the Neighborhood Commercial Center Study. These plans provide guidance on land use and zoning to achieve identified redevelopment objectives, including the creation of new housing. These are described in more detail in Land Use and Implementation Plan Elements of this comprehensive plan (section 2 and 8, respectively).
- **Comprehensive Housing Needs Analysis** – This plan, updated about every 5 years, summarizes the City’s current housing supply and forecasts future housing needs and demand in Bloomington based on demographic forecasts and market trends. The plan analyzes needs for specific types of housing, including senior housing and affordable housing.
- **HRA Annual Rental Survey** – For over 20 years, the HRA staff has conducted an annual survey of landlords and apartment managers to assess contract rents across Bloomington. Responses provide a record to track changes in local contract rents for all apartments and rental housing (including single family, condo, and townhome units).
- **Five-Year Agency Action Plan** – The HRA is required by HUD to file a 5-Year Agency Action Plan and annual updates. The current HUD approved plan is effective from January 1, 2015 through December 31, 2019. The plan serves as a guide to HRA policies, programs, operations, and strategies to meet local housing needs and goals.

The following section describes specific strategies and actions the City will take to achieve its housing goals. Many involve utilization of the tools, programs, and policies described above.



## 3.7 Goals, Strategies, Actions

### Goal 1: Keep existing housing in good condition.

#### ***Strategy 1.1: Collect, analyze, and maintain informaton on housing conditions.***

- Continue to conduct systematic annual inspections of all residential properties for maintenance and compliance with other City Code requirements.
- Continue to use Bloomington’s Time of Sale Inspection Program to track conditions and identify maintenance needs in owner-occupied housing.
- Educate realtors on the requirements of the Time of Sale Program.
- Continue to use Bloomington’s rental housing licensing and inspection program to track conditions, identify maintenance needs, and ensure maintenance is completed.
- Utilize routinely collected data to track changes in stability indicators (e.g., home values, code violations, maintenance, crime, etc.) to monitor neighborhood conditions and identify signs of decline at their earliest stages.
- Continue to update the Comprehensive Housing Needs Analysis at least every five years.

#### ***Strategy 1.2: Promote reinvestment in existing housing.***

- Continue the HRA’s Housing Rehabilitation Loan Program.
- Provide information on the development process in various languages and, when necessary, provide translation assistance to help homeowners navigate the permitting and rehabilitation process.
- Increase awareness and education on code requirements regarding property maintenance and residential development standards.
- Link property owners with training, contractors and improvement ideas.
- Organize and publicize volunteer programs available to assist homeowners unable to maintain their property due to health/age reasons.
- Continue to promote remodeling through the bi-annual home improvement fair.

#### ***Strategy 1.3: Redevelop functionally obsolete housing.***

- Continue to support the HRA’s Blighted Properties Program to identify and redevelop functionally obsolete housing.
- Partner with non-profit organizations and developers to redevelop obsolete housing.

**Strategy 1.4: Mitigate environmental hazards.**

- Ensure timely removal of hazardous buildings within or in close proximity to residential areas.
- Continue to utilize CDBG funding for lead-based paint and clearance testing.

**Goal 2: Provide a range of housing choices.****Strategy 2.1: Promote development of a mix of housing types.**

- Routinely monitor and evaluate housing supply and demand to identify underserved housing needs.
- Consider amendments to official controls and development standards to promote a variety of housing types to meet evolving market demands and reduce barriers to creation of non-traditional housing types (e.g., accessory dwelling units, smaller lots and/or unit sizes).

**Strategy 2.2: Identify locations and opportunities for new housing and mixed use developments.**

- Routinely inventory and assess redevelopment sites throughout the City to determine feasibility for new housing and mixed use development.
- Adopt and implement official controls to facilitate higher density residential and mixed use development in areas near transit, amenities, services, and employment.
- Leverage HRA, City, and non-local funding to acquire and/or redevelop underutilized commercial and/or industrial sites determined to be suitable for housing or mixed use development.

**Strategy 2.3: Promote awareness of and compliance with the Fair Housing Act.**

- Evaluate the fair housing implications of Bloomington's land use and development regulations.
- Ensure new housing development is adequately buffered from incompatible uses and negative environmental impacts (e.g., noise, smells, dust).
- Continue to partner with Hennepin County and other jurisdictions to reduce/eliminate impediments to fair housing, including enforcement and education.
- Continue to provide access to tenant/landlord dispute services.
- Routinely monitor compliance with the City's Fair Housing Policy.

## Goal 3: Provide affordable housing to serve local demand.

### ***Strategy 3.1: Maintain current data on affordable housing supply.***

- Create and maintain an inventory of existing housing units affordable to households with incomes at 80% or less of Area Median Income (AMI).
- Continue to conduct an annual survey of apartments and subsidized housing units in the City.
- Work with service organizations and realtors to identify existing affordable housing that has high potential for sale and redevelopment.

### ***Strategy 3.2: Pursue multiple methods to reduce housing costs.***

- Commit local financial resources to preservation and creation of affordable housing units.
- Work with partners to leverage non-local financial resources to preserve and create affordable housing units.
- Support development flexibility or amendments to official controls to foster cost-efficient site and building design and allow increased density in appropriate locations.

### ***Strategy 3.3: Work toward reaching our regional allocation of 842 additional units affordable to households at 51-80%, 31-50%, and less than 30% Area Median Income (AMI).***

- Adopt an Inclusionary Housing Ordinance. This would involve establishing criteria and thresholds for creation of affordable housing units in projects; particularly those receiving funding assistance through the City or its HRA or Port Authority.
- Continue to work with partners to build new affordable housing units.
- Continue to seek funding for new affordable housing development.

### ***Strategy 3.4: Preserve existing “naturally occurring” affordable housing.***

- Establish and fund incentives to help owners of NOAH properties address challenges such as loss of rent or damages beyond ordinary wear and tear.
- Work with local and regional partners to identify and purchase existing “at risk” affordable housing.
- Support use of available affordable housing resources to preserve housing with expiring federal rent assistance contracts.
- Leverage HRA, City, and other funding to help buyers purchase and retain existing affordable housing.
- Consider creating a Revolving Loan Fund to assist with renovations and emergency repairs.

**Strategy 3.5: Expand awareness and understanding of affordable housing needs.**

- Create a repository of information on best practices related to affordable housing.
- Work to educate landlords on affordable housing needs, programs, and resources.
- Engage the Bloomington business community in efforts to expand awareness and address workforce housing needs.

**Strategy 3.6: Foster affordable homeownership opportunities.**

- Continue to work with West Hennepin Land Trust and Habitat for Humanity to provide homeownership opportunities to first-time, low/moderate income families.
- Identify and work to overcome barriers to homeownership, particularly those affecting non-majority communities.
- Consider creating a Revolving Loan Fund to provide down payment assistance.

**Goal 4: Enhance access to specialized housing and services.****Strategy 4.1: Improve awareness and delivery of social services..**

- Work with local and regional partners to leverage resources and coordinate delivery of services for seniors and/or people with disabilities.
- Provide and maintain information in multiple languages about available housing and social services.
- Provide routine feedback to service providers to improve program effectiveness.
- Continue to utilize information obtained through inspections and first response calls to connect residents with social service programs.

**Strategy 4.2: Support efforts to address homelessness.**

- Work to understand the scope and increase awareness of homelessness in Bloomington.
- Work with local and regional partners to provide facilities and services to accommodate the needs of the homeless, particularly youth and families, on a short-term or emergency basis.
- Support the development of permanent supportive housing.
- Periodically review existing codes to identify and minimize barriers to the provision of supportive housing (e.g., group home regulations – spacing, parking, etc).

- Continue to work with partners to provide foreclosure prevention services.

***Strategy 4.3: Work toward meeting demand for senior housing.***

- Routinely evaluate existing inventory and market demand for new senior housing.
- Work to provide a balance of owner-occupied and rental housing options for seniors, including congregate and assisted living, memory care facilities, and affordable units.
- Continue to utilize CDBG funding to continue the Home and Outside Maintenance for the Elderly (HOME) program.