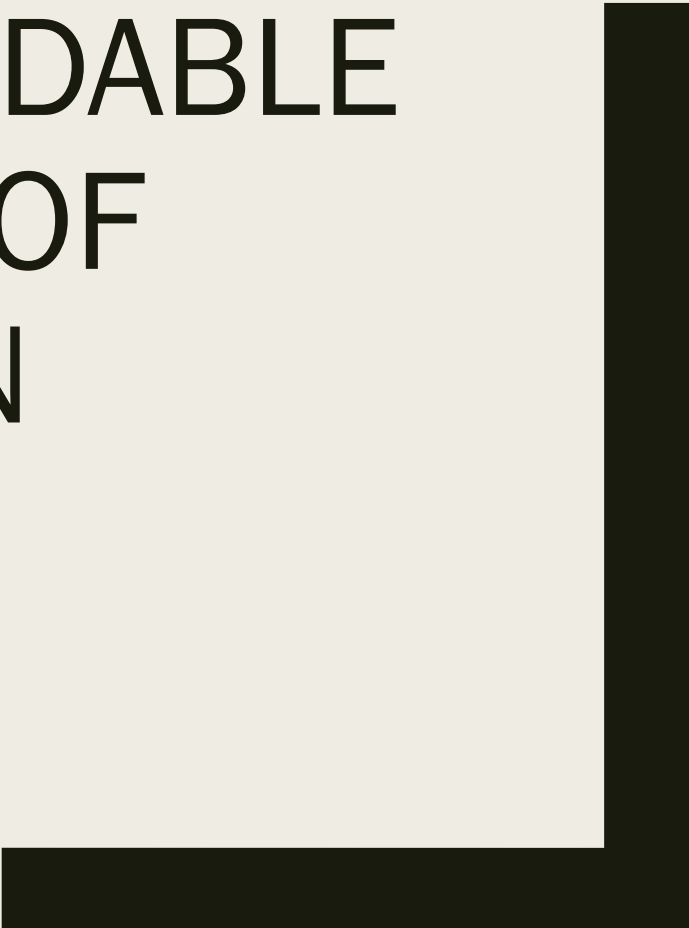




STIMULATING AFFORDABLE HOUSING - CITY OF BLOOMINGTON

Regional Council of Mayors
January 10, 2022



Opportunity Housing Ordinance

- Inclusionary zoning standard with both requirements and incentives
- Adopted February 2019
- Effective August 2019
- Ten multi-family projects entitled under OHO since August 2019



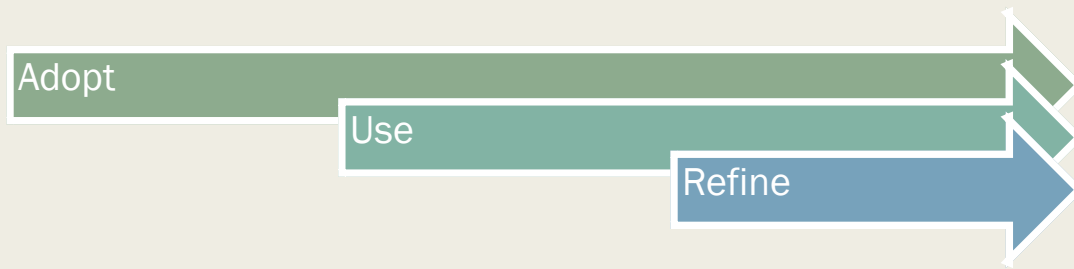
Prior to Adoption

- Nexus Study – Consider demand, set thresholds. Important legal foundation.
- Review of best practices nationwide
- Numerous stakeholder meetings
 - *Developers (market rate and affordable)*
 - *MN Multi-Housing Association (MHA)*
 - *Bloomington Housing Action Team*
 - *Buyers and funders of NOAH properties*
- Many changes made based on feedback



Approach

- Rapid prototyping



- Two rounds of post adoption amendments
- Changes based on results and feedback

Penn Place

10041 Penn Ave South



Standards

- Required for residential development with 20 or more units
- Optional below 20 units (developer request to access incentives)
- Developers can meet affordable obligations in four ways:
 - *Provide at least 9% of units @ 60% AMI or below (rental) or @ 110% of AMI (ownership)*
 - *Pay fee in lieu to Affordable Housing Trust Fund (\$9.60 per leasable sq. ft.)*
 - *Add affordable units off-site*
 - *Purchase and preserve NOAH property*
- Applicants must complete an affordable housing agreement that keeps units affordable for 20 years



Incentives

- Projects with affordable units on site are eligible for numerous incentives
- Fee in lieu projects not eligible
- Incentives increase with higher levels of affordability and with more affordable units
- Incentives have been very popular
- Multiple projects have elected to provide affordable housing beyond the minimum levels to take advantage of higher incentive levels

Density

Site Area

Site Width

Impervious
Surface

Open Space

FAR

Height

Parking

Enclosed
Parking

Unit Size

Exterior
Materials

Storage Space

Fee
Reimbursement

Fee Deferral

Expedited
Building Permit
Review

Progress Toward 2021-2030 Affordability Goals

Development	30% AMI	50% AMI	60% AMI	80% AMI/ NOAH	Market Rate	Total 30%-60%	TOTAL
Lyndale Flats			81			81	81
Blooming Meadows South				306			306
Blooming Meadows North	17		104		51	121	172
Penn Terrace	10		58			68	68
Rosa		37			146	37	183
Hayden Grove - Senior		34			132	34	166
District		50			198	50	248
8131 34th - Senior			14		128	14	142
8012 Old Cedar	6	8	54			68	68
The Ardor*					242		242
The Quinn**			86			86	86
Aire Apartments**		35	11		183	46	229
BCS IV**			36		369	36	405
SUBTOTAL	33	164	444	306	1,449	641	
2030 GOALS	445	246	151	TBD	1,458	842	2,300 NEW TBD NOAH

Lessons Learned

- The OHO has been well received
- Front end collaboration is critical
- The number of applications and units has been much higher after adoption than prior
- Developers recognize value in the incentives
- Modify ordinance frequently based on results and feedback
- Of 10 projects approved under OHO, only one has elected fee in lieu path
- For success, zoning approaches like the OHO must be combined with resources (TIF, Trust Fund, tax credits)



Affordable Housing Trust Fund

- Approved December 2019
- Funded by \$15.2MM GO Tax Increment Revenue Bonds
- Revolving loan fund for development gap
- Encourage and assist in production of affordable housing for low to extremely low income households under OHO
- Eligible uses:
 - *Land and building acquisition*
 - *Demolition and site improvements*
 - *Streets, sidewalks and parking*
 - *New construction*
 - *Façade and building renovation*
 - *Landscape and property improvements*
 - *Infrastructure improvements*



Development -1900/1930 E 86th St

4% Credits

\$105M TDC

Preservation 306 Units

- 184 units @ 60% AMI
- 122 units @ 80% AMI

New Construction 172 units

- 51 Market Rate
- 104 units @ 60% AMI
- 17 units @ 30% AMI

\$3.6M TIF

\$7M AHTF



OHO incentives applied:

- Density bonus
- Parking reduction
- Enclosed parking conversion
- Expedited plan review
- Affordable Housing Trust Fund
- Tax Increment Financing



Development – 9320 Lyndale Ave S

4% Credits

\$14.6M TDC

New Construction 81 Units

100% at 60% AMI

\$1.8M TIF

OHO incentives applied:

- Parking reduction
- Enclosed parking conversion
- Alternative exterior materials
- Development fee waivers
- Expedited plan review
- Tax Increment Financing



Development – 8012 Old Cedar Ave S

4% Credits

\$21M TDC

New construction 68 units

- 6 units @ 30% AMI
- 8 units @ 50% AMI
- 54 units @ 60% AMI

\$1.353M TIF

\$975k AHTF



OHO incentives applied:

- Density bonus
- Site area reduction
- Site width reduction
- Open space reduction
- Parking reduction
- Enclosed parking conversion
- Alternative exterior materials
- Storage space reduction
- Affordable Housing Trust Fund
- Tax Increment Financing