

# EXHIBIT M

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### RESPONSE TO SELECT PUBLIC COMMENTS

#### **How does this project help Lowry Grove's former residents?**

Under the Settlement Agreement, former residents benefit in two major ways. First, the Settlement Agreement was structured to assist Aeon in building not just "affordable housing," but *deeply* affordable housing that includes units with rent similar to that paid by Lowry Grove's residents; the Parties all expect that former residents will be a key demographic of the project's affordable-housing component. Second, the Settlement Agreement contemplates the Lowry Grove Housing Fund, which will assist former residents with extraordinary costs.

In negotiating the Settlement Agreement, each party believed the Comp Plan justified its position. For LGRA, any redevelopment had to acknowledge that the Comp Plan—which was explicitly drafted to draw the attention of developers like The Village—also stated that:

If redevelopment of this site occurs, the City of St. Anthony will ensure that the residents of the mobile home park are assisted in their relocation to other housing that meets their needs in terms of cost, location, handicap access and other provisions as required by State law (M.S. 327C.095)...

To ensure that adequate and affordable replacement housing is found for the park residents, the City may work on its own or in cooperation with the redevelopment company and/or the Hennepin County Housing and Redevelopment Authority or a private non-profit housing corporation. The relocation housing would ideally be located in St. Anthony, either in the form of existing or newly-constructed units.<sup>1</sup>

Given the Comp Plan's language, and the City's express intent described in it, the Parties had agreed the redevelopment *must* include *at least* 97 units of deeply-affordable housing and that the redevelopment, through available mechanisms, would assist with resident relocation.

#### **Won't the Project Unduly Burden the City's Infrastructure?**

No, it will not. At the beginning of The Village's redevelopment discussion with the City, staff analyzed the density limits the City's infrastructure could tolerate. Their preliminary analysis concluded that existing infrastructure could accommodate 1,000 units. The City also included its analysis of 850 units in the EAW. In both cases, City staff concluded that sufficient infrastructure exists to handle more units than are now proposed.

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<sup>1</sup> Comp Plan, p. 2-24.

## **What are the impacts to Saint Anthony School District?**

Neighbors have voiced concerns about the project's impacts on the school district. First, there is nothing in the record that shows the Project will have an adverse impact on the school district. Indeed, the Project's design suggests the opposite. For example, we do not believe a single school-aged child will reside in the senior units. And projections for the project's other major component, market-rate housing, suggest that those 386 units will house only 10 families (*approx.*) with school-aged children. And, while these 4 buildings add little demand on the school system, they will add significantly to the tax base. Finally, the remaining affordable-housing building (97 units) is designed in large part to replace the 97 homes that once existed on the site.

## **Why aren't there more details in the submission?**

The Parties want to redevelop the property as a "planned unit development" or "PUD." A PUD is a common (and very useful) tool employed by municipalities across the country when redeveloping of large parcels. Here, Saint Anthony's ordinances outline a three-tier application process for a PUD: the sketch plan (optional), the preliminary application, and the final application. Every municipality handles the PUD approval process differently. For some, preliminary applications require exquisite detail and final applications are essentially rubber-stamped. Others cities use the preliminary application stage to develop a broad understanding of the project's vision with details to follow in the final application. Saint Anthony staff indicated that the preliminary application should contain less detail. In fact, The Village first submitted its sketch plan and the Planning Commission refrained from providing any feedback. Following that, the applicant's engineer specifically requested comments from various City departments, but all declined to provide any feedback until a formal preliminary application was received.

## **Why can't The Village just accept less profit?**

A common theme from the public hearing was that The Village is simply demanding too much profit. To be sure, The Village is a private, for-profit company in the business of real-estate development. Like any business, it must generate a profit from its development endeavors and, like any developer, will not proceed with a project that is preordained to lose money. But the more important fact is that each component—including Aeon's affordable apartment building—must be financeable.

A lender is the unquestioned gatekeeper in almost every multi-family development. And before *any* bank will lend tens (or, oftentimes, hundreds) of millions dollars toward a project's construction, it will demand sworn construction statements, *pro formas*, construction contracts, city contracts, feasibility studies, rent studies, and much more. This universe of data allows lenders to evaluate exactly what it will cost to build each unit, what it will cost to maintain each unit, how much rent will be generated once the buildings are stabilized, how much the completed project is worth, and the developer's expected return on investment. If any component is outside industry norms—including a developer trying to squeeze inordinate profit—the bank will decline the loan altogether, greatly reduce it, or saddle it with such onerous conditions that elevate the risk of project failure and loan default to unjustifiable levels.

Of course, a corollary to lender control is market desire. Every successful project must identify the void it seeks to fill, the extent of that need, and the desires of its target demographic. A poorly-designed, demand-deaf project will, in disturbingly short order, go dark and create more blight than it cures.

This project has another dimension: Lowry Grove's former residents. The Village—now as in the beginning—is committed to assisting Lowry Grove's now-former residents during their time of transition. The City, too, has made grand promises to Lowry Grove's former residents in its Comp Plan. That's why the settlement and the Project's design are carefully orchestrated to see those promises through. For starters, The Village has provided a six-figure donation (some of which has already addressed emergency needs), and has committed to work with Aeon to create affordable units that provide former residents the opportunity to return.

The proposal before the Planning Commission, and the revised proposal now before the City Council, is not an overreach burdened by a developer's greed. The proposal reveals sound design based on market-driven design criteria and the needs of Aeon, LGRA, The Village, and the City of Saint Anthony Village. It is a design that properly balances a complicated, but complimentary, set of needs and is consistent with every representation the City adopted in the EAW and ROD. In the end, the question is not "Why should the City approve the applications?" Why *wouldn't* the City happily approve all the applications?