



With the housing market in turmoil and low-income people in particular struggling with foreclosure—or with simply making their lives function financially—the need for affordable housing may be as great as it’s ever been.

That means that business will continue to be brisk for Minneapolis-based nonprofit Aeon. Headquartered in a striking 1960s-Modernist building in the Elliot Park neighborhood on the edge of downtown Minneapolis, Aeon owns and operates 1,620 units in 29 properties, with 49 more units to be added by year’s end. Its diverse portfolio includes residences for homeless teens and those battling chemical dependency, as well as “traditional” apartments for those with low incomes.

Aeon focuses its services on households with incomes between 30 percent and 50 percent of area household median income (AMI), though it sometimes includes apartments for those with incomes between 50 percent and 80 percent of AMI. The Twin Cities area AMI is \$80,900.

Aeon was founded in February 1986, under the name Central Community Housing Trust, by a group of housing advocates and church leaders in the wake of Minneapolis’s decision to remove 350 units of affordable housing to expand the city’s convention center. The city council “carved out a little bit of the convention center bond deal into a little fund called the replacement housing fund,” says Alan Arthur, Aeon’s president. “The same group of church folks and housing advocates then looked at each other and said, ‘Wow, we won that battle. But—who’s going to replace the housing?’”

And where would additional money come from? The federal Section 8 program that subsidized many affordable units in the 1960s was steadily trimmed in subsequent decades. Meanwhile, hospitals and related facilities were releasing more and more mental health patients to find their own housing. By the late 1990s, affordable housing had become a hot political topic in many municipalities, including Minneapolis and St. Paul.

“When housing problems start to touch the lower end of the middle class, people start paying a little more attention,” Arthur says.

While most of Aeon’s properties are located

President Alan Arthur stands amid the Ripley Gardens property in North Minneapolis, a former maternity hospital that Aeon has converted into mixed-income rental and ownership units.

in Elliot Park and the surrounding downtown neighborhoods, Aeon began branching out elsewhere in Minneapolis in the 1990s, when it purchased property in the Phillips neighborhood. In 2004, it bought the historic Crane Ordway warehouse in St. Paul's Lowertown, converting its space into loft-style apartments for the chronically homeless. It also has moved into the suburbs, with properties in Chaska and Roseville.

These moves weren't simply due to demand. Funders saw that Aeon had developed what Arthur calls a "tool" for development: a system for creating projects that met residents' security and social needs—and the concerns of the neighborhoods where the projects were being placed.

In addition, Arthur says, "We understood that long term, to be a successful organization, we had a deep, broad base of community support. When it was just focused on the central community, that's a fairly narrow base of community support."

Aeon's annual budget responsibilities are typically about \$40 million. Money comes from fundraising and earned income from properties and project development. Project development is covered by up to 30 or more funding sources, including private equity investors, mortgage loans, local government, state programs, federal sources, and foundations.

In October 2007, the Central Community Housing Trust, having outgrown that name, changed it to Aeon. It also wanted, in dropping the bureaucratic-sounding "housing" from its name, to project more of an idea of "home" in its work.

So how to create a feeling of home? For one thing, by creating opportunities for residents to get to know each other. At a property where two-thirds of the residents are

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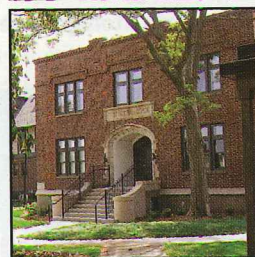
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formerly homeless men, Aeon organized "NFL Sundays" during the professional football season, where the guys can watch games, enjoy snacks, and socialize. At a property where many residents are single mothers, Aeon started a sewing club.

In February, Aeon signed an agreement to purchase 60 percent of one of the three property management companies that it had contracts with, and took on a property management role itself for the first time. This added 57 people to its staff, bringing the employee count up to 82. Arthur cites economies of scale and the security of having those capabilities in house as reasons.

A state property tax break for affordable housing signed into law this year makes such projects more attractive to developers. "There are a hundred organizations in the state of Minnesota that can create properties," Arthur says. "We do a pretty good job of that, but that's not where we're going to compete. Where we're going to shine, and where people are going to love to have us be their neighbors, is if we can create homes for people."

—Gene Rebeck



Aeon's diverse portfolio includes (from top) the Crane Ordway in St. Paul, Har Mar Apartments in Roseville, and Ripley Gardens in Minneapolis.