



## **Glendale Family Development – MPHA Board Update**

**January 27, 2016**

The Minneapolis Public Housing Authority (MPHA) Board of Commissioners was provided with an update on activities related to the future of the Agency's Glendale Family Development at its January 27, 2016 meeting.

The presentation to the Board involved three central themes: **1** - Glendale – how we got here (MPHA Staff –Tim Gaetz); **2** - Communications Consultant Report (Biko Associates – Bill Smith); and **3** - Development Financial Options Consultant – (Sherman Associates – George Sherman).

Below you will find a summary of the presentations and links to the PowerPoints created by the Consultants:

### **1. Glendale – How we got here – Tim Gaetz, MPHA Managing Director of Facilities and Development:**

- As good stewards of public money and through hard work by dedicated staff, MPHA has achieved a High Performance designation from HUD and has held it for many years.
- Our buildings are aging. Many building components have reached or exceeded their life expectancy.
- The list of needs is growing and coupled with a steady decline of funding, it has created an ever-widening financial gap. Today MPHA has \$114 million dollars in immediate needs. Over the next 20 years this need is projected to grow to nearly a half a billion dollars.
- Across the country other PHAs are in the same predicament. To address these shortfalls HUD encourages PHAs to explore different funding options such as Rental Assistant Demonstration (RAD) programs, creative financing and partnerships with the non-public sector.

#### **What is MPHA doing?**

- The first step in our examination is to look at all of our properties—our entire portfolio of 42 highrise buildings, 750 Scattered Site units and MPHA's Family Development (Glendale Townhomes) and indentify which ones present the most challenges and opportunities.

#### **Glendale Presents both Challenges and Opportunities:**

- Compared to MPHA high-rises, Glendale has unique characteristics.
  - Glendale Townhomes are multi-level without elevators. They are not wheelchair accessible.
  - Glendale Townhomes are the oldest multi-unit dwellings in MPHA's inventory Glendale Townhomes has the highest present day capital needs per unit (\$80K/unit) compared to our other developments (\$20K/unit)

- Glendale Townhomes has low density per unit/ per acre (184 units scattered over 15 acres).
- Glendale Townhomes are situated on desirable land adjacent to the U of M, Prospect Park and light rail.

**Discovery Phase**

- Recognizing this unique nature and potential, MPHA has engaged in a discovery phase - gathering of information to help us determine what is the best course of action to help preserve Glendale’s 184 units of subsidized housing for the long term. We’ve commissioned a Historical Analysis and we have conducted a Physical Needs Assessment. We have retained a Communications and Development Financial Consultant to assist us with our work.

**2. Resident and Neighborhood input - Communications Consultant Report - Biko Associates - Bill Smith:**

[Click here to review the Biko PowerPoint presentation](#)

**Charge:**

- Develop and implement a communications and community-building program.
- Provide accurate information about the agency’s plans to analyze rehabilitation and redevelopment options.
- Extend an invitation to residents and others to participate and contribute to the development and analysis of options.
- Engage residents and community members in a discussion about the future of Glendale Townhomes.

**Activities included:**

- Facilitated three community meetings and one Visioning Workshop Interviewed Glendale Townhome residents and Prospect Park residents.
- Canvassed Glendale Family Townhomes.
- Recommended improvements to the MPHA website and prepared fact sheets for website and distribution to residents.
- Administered a survey to Glendale residents

**What we learned from Residents:** Even though MPHA repeatedly tried to reassure residents - we learned that many residents are fearful:

- They will be relocated and separated from their community.
- Relocation will leave them with nowhere to live and if relocated, they will not be able to return
- Rent rents will be increased.
- Increased density will result in negative changes to their physical environment and life styles
- Privatization will ultimately permit future owners/property managers to evict them and convert Glendale Townhomes to a gentrified, market rate only development.

**What we learned from Prospect Park Neighbors:**

- Higher density redevelopments are generally overtaking their community and will have direct, negative effects on the appeal and value of their low density residential neighborhood.
- Attendance will be reduced at the Pratt School.
- The trauma of relocation will be difficult for some families.

**What we recommend:**

As MPHA Moves Forward, Any Proposal Should be Mindful of the Residents' Fears

- Attempt to eliminate or minimize the need for and extent of relocation.
- If relocation is necessary, ensure the right to return
- Rehabilitation or redevelopment should maintain familiar elements that give Glendale a sense of community (yards, playgrounds, gardens, sense of ownership)
- Accommodate community support programs and systems (community center, food shelf, youth growth/development).
- Maintain current rent levels.
- Maintain visible and significant levels of long-term public ownership, management, and presence.

**3. Development Financial Options Consultant - Sherman Associates – George Sherman:**

[Click here to review the Sherman PowerPoint presentation](#)

**Glendale Townhomes – A rehabilitation and redevelopment Study:**

**Charge:**

- Develop financial models for Glendale that would include **at least four different scenarios**. One of the scenarios is required to be a **rehab of existing units**.

**Considerations for MPHA Board:**

- Resident and community stakeholder needs and requests
- Ensure long-term affordable housing for a minimum of 184-units
- Tenant retention (no relocation)
- Ensure affordable rents are maintained
- MPHA retains ownership and management
- Increase accessibility
- Eliminating risk of gentrification
- Costs, Sources, and Uses
- Feasibility
- Density and Traffic Studies
- Timing
- Improved and increased residents services and amenities, education and jobs
- Health & Family
- Sustainability

**Options 1-4 (Common Aspects of All Options):**

- Remains Publicly Owned
- Property Management remains with MPHA
- Residents remain on site during construction – no off site displacement
- A minimum of 184 units remain as deeply subsidized housing
- Lower density townhome style housing remains adjacent to Prospect Park single family homes
- Street layout and access remain the same or similar

**Summary of Options 1-4:** (for schematics, development details and costs estimates - see link to PowerPoint)

- **Option 1:**
  - Significant rehab of 184 existing townhome units
  - **184 total units**
  - 8 existing units converted to ADA
- **Option 2:**
  - Phased hybrid development – significant rehab and new construction
  - **369 total units**
  - 170 newly constructed apartment units
  - 95 newly constructed senior units
  - 98 renovated existing townhome units
  - 6 existing units converted to ADA
- **Option 3:** Phased new development – all new construction
  - **343 total units**
  - 170 newly constructed apartment units
  - 95 newly constructed senior units
  - 78 newly constructed townhome units
- **Option 4:** Full redevelopment – all new construction and infrastructure
  - 423 total units
  - 256 newly constructed apartment units
  - 95 newly constructed senior units
  - 47 newly constructed townhome units
  - 25 newly constructed great house units