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## Guiding Principles for Redevelopment and Capital Investments at MPHA

MPHA will engage in a public, portfolio-wide planning process to assess the needs and mission-oriented opportunities at all properties owned by MPHA. This process has two primary goals:

- Ensure the long-term physical and financial viability of MPHA's existing public housing stock; and
- Increase the livability and overall marketability of units, through high-quality design and construction.

MPHA will encourage active and meaningful resident and community participation throughout the planning and implementation process, and seek collaborations and partnerships with the City of Minneapolis, other governmental agencies, and housing advocates where appropriate to enhance and improve MPHA's affordable housing portfolio.

MPHA will make real estate investment decisions for each property and MPHA's city-wide housing stock that reflect MPHA's mission statement:

*The mission of Minneapolis Public Housing Authority (MPHA) is to promote and deliver quality, well managed homes to a diverse, low income population and, with partners, contribute to the well-being of the individuals, families and community we serve.*

MPHA intends to preserve all existing public housing units. If the eventual redevelopment effort results in the loss of units, MPHA will commit to develop replacement units elsewhere in the city.

MPHA's goal is to provide housing that meets the current and projected needs of low-income households in Minneapolis, and preserves—and where possible increases—affordable housing options in all Minneapolis neighborhoods.

MPHA commits to protect those MPHA residents who are particularly vulnerable, including the elderly, persons with disabilities, persons with income below 30% of the area median income, and immigrant families (as permitted by law).

MPHA's planning efforts shall include a process (including relocation plans) that minimizes displacement and includes first right-of-return for any current MPHA resident

Should MPHA undertake redevelopment of a property with a private for-profit or nonprofit developer partner, MPHA will require that the developer/partner contribute to MPHA's mission including, where feasible, the provision of resident services, job or educational opportunities. The partnership must result in a development agreement that provides a return on investment that clearly benefits MPHA or its residents.

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Consistent with its Mission and these Guiding Principles, MPHA will explore and when possible seek alternative avenues for financing its capital investment strategies, including:

### **Continued Use of Its Moving to Work Authority (MTW)**

MTW permits MPHA to shift resources from its Section 8 Program to its low rent program to supplement capital and operations funds that will help preserve its portfolio.

### **Use of Project-Based Vouchers (PBVs)**

MPHA has authority to project-base Section 8 Housing Choice Vouchers, which could provide valuable resources and help leverage other financing to increase overall affordable housing to extremely low-income families in our community. These resources could be applied to development or redevelopment activities related to MPHA's portfolio.

### **Public Housing Preservation and/or other Affordable Housing Bonds from the State of Minnesota**

Minnesota Housing Finance Agency (Minnesota Housing) has a program funded by the Minnesota Legislature that targets funds specifically for public housing preservation and other affordable housing development and preservation that could be available to MPHA and/or its partners.

### **Low Income Housing Tax Credits (LIHTC)**

The use of the LIHTC would require MPHA to partner with a private equity investor and create a non-profit entity to share ownership of the property with the investor for the tax credit compliance period (up to 15 years); to retain long term use for low-income families. If LIHTCs are utilized, MPHA will require that these valuable assets be returned to MPHA, or its non-profit entity, at the end of the tax credit compliance period or an earlier date should the investor wish to exit the partnership.

### **Local and Other Sources of Funding (including but not limited to Government, Foundations, and Leveraging Private Financing)**

The Federal Government's failure to adequately fund public housing coupled with MPHA's capital needs and the overall need for affordable housing in our community requires that the Agency pursue various sources of revenue to preserve and where possible increase the level of affordable housing in our community.

### **Sale or Transfer of Ownership:**

In a comprehensive portfolio assessment, properties with housing and vacant land might be identified that may prove more valuable as an asset to sell or transfer for development purposes. Should MPHA identify any such properties, MPHA will make such sales or transfers only when such assets can be replaced elsewhere in the city in accordance with a redevelopment plan and schedule that has been publicly adopted by the MPHA Board.