



May 23, 2018

Agenda Item 5

REPORT TO THE COMMISSIONERS

FROM: Greg Russ, Executive Director / CEO

SUBJECT: Approval of MPHA – Strategic Vision and Capital Plan

Previous Directives: Starting in the fall of 2017, MPHA staff and members of the Board, initiated discussions on updating the strategic plan to incorporate the capital plan for preservation of the MPHA's existing housing stock. MPHA staff worked with a number of consultants to understand the implications of various programs and the impact they might have on MPHA's ability to raise the capital funds needed to reinvest in our public housing units. In addition to outside consultants, MPHA sought out input from senior staff, resident organizations and the Board. Internal information sharing, and analysis meetings were held in the fall of 2017 that included senior staff and leadership from the MHRC. This work culminated in the creation of a draft document that was prepared for Board review. The document was vetted with the Board in January of 2018. Revisions were made to the document to incorporate board input. In addition, the document was reviewed by the MHRC and its comments were also included in the second draft of the Strategic Vision and Capital Plan

On May 16, 2018, the Board reviewed the second draft at a Special Board Meeting, open to the public and duly noticed. The elements of the plan, language and approach were reviewed, questioned, commented upon and discussed by the Board and staff in open session. The attached final draft of the Vision and Plan reflects changes requested by the Board at the May 16th meeting.

Resident Notification: The Resident Advisory Board (RAB) will review and act on its recommendations to the Board regarding the Strategic Vision and Capital Plan prior to the May 23, 2018 Board meeting.

Impact on Budget: The Strategic Vision and Capital Plan outlines a framework for preserving all MPHA units as deeply affordable. MPHA will use a variety of resources to implement the Vision. Over time, it is anticipated that individual initiatives will impact the budget and that expenditures will be necessary for the planning and preparation of various applications. A significant portion of these costs are expected to be covered by working capital funds, including the McKnight grant. However, any individual development or redevelopment proposals that

flow from the Vision document will require a separate, site-based planning process, plus Board approval prior to the commitment of resources and expenditures beyond planning costs.

Procurement Review: Not applicable

Recommendation: It is recommended that the Board of Commissioners adopt a resolution approving the Strategic Vision and Capital Plan.

The Strategic Vision and Capital Plan is intended to be a guiding document for the redevelopment and preservation of MPHA's housing stock. The Plan establishes a series of initiatives focused upon: (1) housing preservation and creation of new units; (2) creating new partnerships and strengthening existing partnerships in the areas of Education, Employment and Health; and (3) creating operational excellence by changing internal administrative approaches to: (a) the core task of property management and maintenance; (b) operation of the Housing Choice Voucher program; and (c) support department improvements and enhancements to technology and systems.

On its own, the Vision document does not authorize a site-specific redevelopment plan for any property or building or land held by the MPHA. Rather, the document proposes a set of funding and subsidy conversion opportunities designed to increase the income available to the overall portfolio that would over time (the document anticipates a 10 to 15-year redevelopment period) reposition these properties for substantial capital reinvestment.

At the core of the Vision is MPHA's plan to change its current unsustainable funding sources in two key ways:

- Three groups of properties are proposed for a transfer from MPHA to an MPHA controlled non-profit (in HUD terminology, "disposition"). The purpose of this is not to "sell off" or lose units as the term "disposition" generally implies, instead the transfer triggers statutory requirements for HUD to consider providing tenant protection vouchers that can then be attached to the property as a project-based subsidy. The voucher subsidy is 3X more valuable than the existing public housing operating subsidies. Such transfers have very specific application requirements, resident protections (notice and consultation requirements) and related procedures as required by law and housing regulations. Combined, the properties in this group equal about 1236 units.
- The Vision document proposes that MPHA pursue a Rental Assistance Demonstration (RAD) application for the majority of the high-rise buildings, about 4,684 units. RAD is a proven HUD approach that allows for capital and operating subsidies to be combined. In addition, the RAD model provides that 25% of these units may receive tenant protection vouchers. Like the "disposition" action, this action also increases the income available to the affected properties. Nationally HUD has converted about 88,000 units with many

more applications in line for RAD. (Note: there were 92,000 units on the wait list when the cap was increased.)

Both of the above approaches will be accomplished in accordance with the Guiding Principles adopted by the board last year; the Principles provided an approach to redevelopment with a menu of resident protections. In addition, the above HUD sanctioned transfer and RAD approaches also require:

- Significant resident consultation, including written comments and responses;
- Land use restrictions that provide protections for long-term affordability, such restrictions are binding upon MPHA, the MPHA non-profit or any subsequent owner;
- MPHA has agreed, and RAD also requires, to a right of return for families with no rescreening, use of the same public housing lease, maintenance of the grievance procedures, relocation assistance (when the construction requires a family to temporarily move then return to a property), continuation of the resident participation in the form of resident councils, the MHRC and the RAB.

MPHA is proposing to continue to manage and maintain any property that might be transferred or included in any RAD conversion. MPHA is not proposing transfers of any kind that compromise affordability in any manner or result in any kind of permanent displacement from our public housing properties.

A copy of the recommended Board Resolution is attached to this Report.

This Report was prepared by Gregory Russ, Executive Director. For Further information, please contact Mr. Russ at (612) 342-1380 or gruss@mplspha.org.

RESOLUTION No. 18-180

WHEREAS, the Minneapolis Public Housing Authority in and for the City of Minneapolis (MPHA) intends to reinvest in its public housing units, preserving all units for long term affordability for very-low income families; and

WHEREAS, MPHA must raise significant capital and other funds to provide for a comprehensive, long-term, approach to repairs and modernization of its properties; and

WHEREAS, MPHA intends that its long-term plans and overall vision for preservation and redevelopment of its properties be reflected in a public document titled “Strategic Vision and Capital Plan”; and

WHEREAS, MPHA intends that the Strategic Vision and Capital Plan serve as a framework for future property reinvestment; and

WHEREAS, MPHA commits to follow all requirements for resident consultation required by the application process for the Rental Assistance Demonstration or transfers under Section 18 of the 1937 Housing Act; and

WHEREAS, MPHA also commitments that any individual redevelopment or improvement plans or master plans for a property will include further resident participation processes specific to the affected property; site specific resident participation will include, but is not limited to, review and development of a relocation rights contract for all residents at the property (including the right of return); resident engagement in the design process, including working to establish livability and design options and for all the units and common areas; security and safety design considerations;

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of MPHA that Strategic Vision and Capital Plan is approved and that the Executive Director is authorized to prepare applications, engage in additional portfolio planning, explore financing options, and take such other actions as needed to achieve unit preservation, partnerships, and organizational goals described in the plan; and further to bring to the Board for approval and review any applications to HUD, applications for financing and redevelopment, as required to implement the strategies identified in the plan.



DRAFT

STRATEGIC VISION & CAPITAL PLAN

2018 – 2020

2020-2030 HORIZON

BUILDING A FOUNDATION FOR LOW INCOME HOUSING – THE NEXT 50 YEARS

WORKING DRAFT FOR BOARD INPUT

FINAL DRAFT MAY 16, 2018

MPHA AT-A-GLANCE

Mission

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.

42
high-rise buildings
with
5,006
apartments

746
single family
homes/duplexes

26,000+
people

184
townhomes

6,000
Vouchers

710
Project-based
vouchers

DEFINING THE PROBLEM

Consistent with MPHA's mission to provide housing for low-income families, MPHA must seek **new public and private sources of funding** to implement a capital plan **to preserve MPHA's low-income housing** for the future.

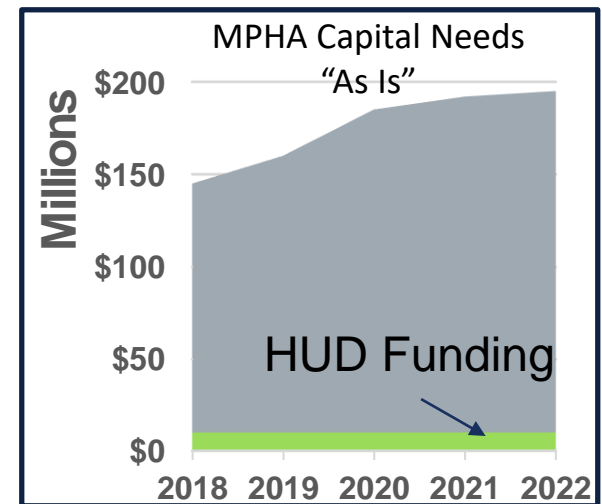
Inadequate Operating Subsidy

and

Inadequate Capital Funding

has led to

Capital Backlog



MPHA HOUSING SERVES A CRITICAL NEED

In an environment of constrained capital funding and increasing need for affordable housing, MPHA will focus on sustainable, low- to very low-income housing and the well-being of residents and participants.

MPHA STRATEGIC INITIATIVES



Housing Preservation & Creation

- ☐ Rehabilitate and add units when feasible – high-rises, townhomes, scattered sites.
- ☐ Implement Quality Maintenance Program for properties not yet undergoing capital improvements.
- ☐ Diversify the housing portfolio and funding sources – land, targeted use of project-based vouchers.



Education, Employment & Health

- ☐ Create new family housing linked to education and employment outcomes.
- ☐ Re-establish a resident services program.
- ☐ Increase access to health services in MPHA properties.



Operational Excellence

- ☐ Increase organizational capacity and strengthen workforce recruitment with focus on jobs for MPHA families.
- ☐ Migrate to single IT platform; improve business processes.
- ☐ Implement continuous improvement program.

CAPITAL PLAN REQUIRES LONG- AND SHORT-TERM SOLUTIONS

Over the next ten years, MPHA will employ three key strategies to preserve its properties while building new units, as funding is available.



Pilot Programs & Testing

- Rehabilitation or new build to 21st century energy-efficient construction standards and new technologies.
- Building includes demolition and construction of replacement units.
- Design guidance:
 - Energy: energy-efficient standards, air quality
 - Livability: accessibility, floor plans, **security**, common areas
 - Community Connection: community resource



Rehabilitation and Construction

- Full rehabilitation of a building includes envelop, systems, and units.
- New build includes demolition and construction to passive house standards.
- Temporary relocation of tenants onsite or offsite may be necessary. All relocated tenants have the right to return to the building.

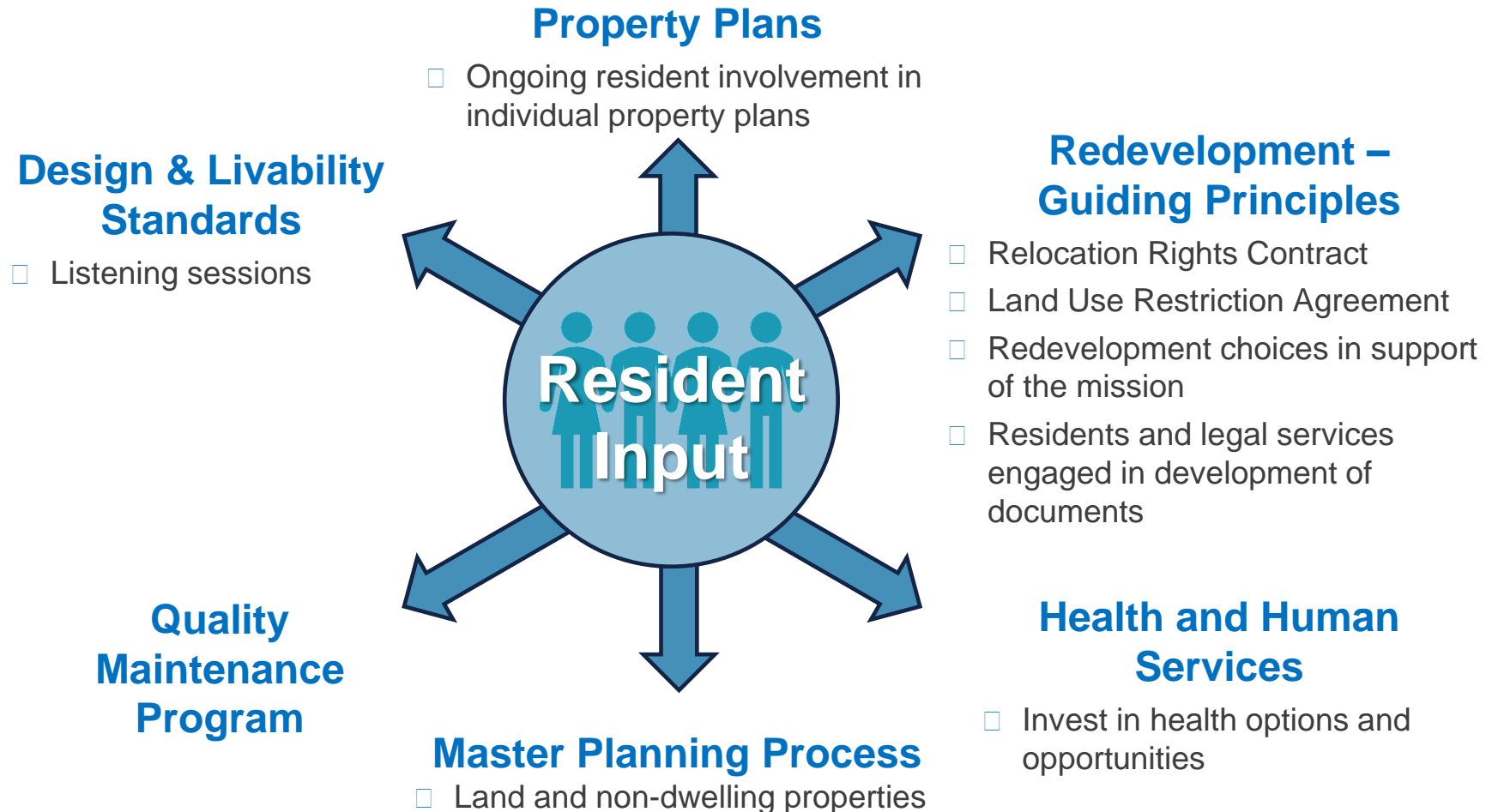


Quality Maintenance Program (QMP)

- Improved approach to grounds, janitorial, pest control, major systems maintenance.
- Weekly, monthly, quarterly, and seasonal production schedules.
- Checklists for each unit – includes modest repairs and replacements due to wear-and-tear, cycle painting

RESIDENT INPUT AT EVERY STEP

From design to implementation, MPHA will continue to work with residents and other stakeholders to ensure that MPHA addresses current and future residents' needs.





HOUSING PRESERVATION & CREATION: *SENIOR HIGH-RISES*

MPHA will update its senior high-rises to 21st century construction standards and technology and design to support aging in place. *GOAL: Energy savings/generation; improved livability, security and improved access for aging and disabled residents.*

		2018-2019	2020-2024	2025-2029	2030→
<ul style="list-style-type: none"> ❑ Pilot: 87 units, Full rehab to energy-efficient standards. ❑ Apply for conversion or RAD to MPHA-controlled non-profit. 	Elliot Twins Apartments				
<ul style="list-style-type: none"> ❑ Apply for conversion or RAD to MPHA-controlled non-profit. 	1710 Plymouth Ave 809 Spring St NE 1900 3 rd St NE				
<ul style="list-style-type: none"> ❑ Scale: Full rehabilitation to energy-efficient standards. ❑ QMP: Scheduled modest updates to units and building until rehab begins. 	All Other Highrises				



HOUSING PRESERVATION & CREATION: **TOWNHOMES**

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MPHA will preserve its family properties while building new units as funding is available.
GOAL: Preservation; new housing.

2018-2019

2020-2024

2025-2029

2030→

Glendale Townhomes

184 units



- ☐ **Pilot QMP:** Scheduled modest updates to units and buildings (including weatherization, cycle painting). (2018)
- ☐ Apply for disposition to an MPHA-controlled non-profit to generate Tenant Protection Vouchers. (2018)
- ☐ Issue RFQ for community engagement consultant to create redevelopment plan with residents and community. (2019)

Minnehaha Townhomes

16 units



- ☐ **Build:** New 16-unit townhouse property for formerly homeless families. (2018/2019)







HOUSING PRESERVATION & CREATION: *SCATTERED SITES*

MPHA will renovate its properties to energy-efficient standards or construct a new multi-unit building onsite. *GOAL: Energy savings/generation; increased density.*

Scattered Sites

746 units in portfolio
577 single family
68 duplex
12 fourplex

2018-2019	2020-2024	2025-2029	2030→
Pilot: <ul style="list-style-type: none">  <input type="checkbox"/> Comprehensive rehabilitation of <u>one single family unit</u> to energy-efficient standards.  <input type="checkbox"/> Build an ultra energy-efficient <u>fourplex unit</u>. <input type="checkbox"/> Apply for disposition of entire scattered site portfolio to MPHA-controlled non-profit. (generates Tenant Protection Vouchers) 	Scale: <ul style="list-style-type: none">  <input type="checkbox"/> Full rehabilitation of units to energy-efficient standards. <input type="checkbox"/> Seek sponsor partners for the green building materials and energy technology. <input type="checkbox"/> Demolish and replace obsolete units with fourplexes (100+ units) 	Maintain: <ul style="list-style-type: none">  <input type="checkbox"/> Quality Maintenance Program 	



HOUSING PRESERVATION & CREATION: *OTHER PROPERTIES*

While we are constrained by time and resources, MPHA will not ignore “out of phase” opportunities. *GOAL: create new housing; diversify the portfolio and funding.*

2018-2019

2020-2024

2025-2029

2030→

Heritage Park Mixed-Income Community (including vacant land)

- ☐ Explore whether to exercise options to purchase the development (by phase). (2019)
- ☐ Issue RFP to begin Master Planning and redevelopment process to align with Blue Line extension/Van White Station Area Plan. Engage all residents (assisted, non-assisted) in planning and community-building. (2019/20)

Portfolio Diversification Opportunities

- ☐ Purchase Naturally Occurring Affordable Housing (NOAH) properties, as available, with a mix of subsidy types.
- ☐ Explore highest and best use options for 1301 Bryant site. (2018)
- ☐ Partner on Plymouth Ave Corridor. (2018)
- ☐ Explore community solar options (2018)
- ☐ Issue RFP for redevelopment of MPHA headquarters site as offices and housing (2019)
- ☐ Explore options to build on high-rise campuses with adjacent land. (2020 and beyond)

MHOP

- ☐ Convert to Project Based Vouchers (PBV) (2018/2019)



EDUCATION, EMPLOYMENT & HEALTH

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Housing is a foundation that can lead to stable families, economic self-sufficiency and wellness. MPHA will use project-based vouchers (PBV) for targeted housing programs.

Education Initiatives *GOAL: Improve educational achievement, graduation rates*

- Create new housing voucher for students/families experiencing homelessness. Work with Minneapolis Public Schools, City of Minneapolis, Hennepin County and foundations.
- Strengthen partnerships with community non-profits such as Northside Achievement Zone to reach more families.

Employment Initiatives *GOAL: Increase job acquisition and retention.*

- Strengthen partnerships with employment programs such as Summit Academy and TMZ to support short-term housing needs of new graduates. Use green technologies as job creation tools.
- Develop housing continuum to help residents who want to move towards self-sufficiency.
- Complete sale of 14 townhomes in the Sumnerfield Lease-to-Own program and explore other homeownership opportunities.

Health and Wellness Initiatives *GOAL: Increase access to health and human services.*

- Strengthen existing partnerships and measure collective impact of resident services in high-rises. Partner with city, county and health insurance providers.
- Re-establish a resident services program for all residents and participants.
- Identify capital investors to develop community-based access to health and supportive services at MPHA properties.



OPERATIONAL EXCELLENCE

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Operational excellence leads to savings. Money saved can be re-purposed and used to borrow or finance needed capital improvements. This “leverage” increases the value at a rate of 12-to-1.

System & Process Initiatives *GOAL: Streamline processes, improve customer service*

- ☐ Migrate to single IT platform and approach for housing programs and asset management.
- ☐ Implement continuous improvement teams in each department and across the agency.
- ☐ Enhance MPHA’s project-based voucher program with asset management approach.

Organizational Capacity Initiatives *GOAL: Grow from within; attract and retain staff*

- ☐ Align workforce recruitment, training and career pathing with strategic plan goals – asset management, real estate development, green construction, property management, partnership management, human services, communications.
- ☐ Align organization to combine eligibility and leasing activities across public housing and vouchers.
- ☐ Create internship and Section 3 jobs programs.

Partnerships and Outreach Initiatives *GOAL: Enhance MPHA’s reach, influence, and transparency*

- ☐ Apply for **Regional MTW status** and develop programming that expands housing choices.
- ☐ Promote policy agenda and messaging for city, community, county, state and national constituencies.



QUALITY MAINTENANCE PROGRAM

DRAFT

Until sufficient capital and capacity is available for comprehensive rehabilitation, MPHA will implement an enhanced preventive maintenance schedule at each building.

- **GOAL:** *Reduce the frequency of non-emergency work orders and system failures; update units; decrease turn times.*
- Elements
 - Weekly, monthly, quarterly, and seasonal production schedules.
 - Improved approach to grounds, janitorial, pest control, major systems maintenance.
 - Checklists for each unit – includes modest repairs and replacements due to wear-and-tear, cycle painting
- Implementation
 - Resident and staff input on repair issues informs design of the program.
 - Pilot program at Glendale and Horn Towers (2018).

PORTFOLIO FUNDING OPTIONS

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To generate sufficient capital, MPHA must use all sources of available funding from federal, state, county and city sources, in addition to private and foundation sources.

Subsidy/Funding Conversion

of public housing to project-based vouchers under Rental Assistance Demonstration (RAD) or similar HUD program.



- ☐ Enables leverage with private funding sources.
- ☐ Protects affordability with land-use restriction agreement.

Transfer of Properties

to MPHA-Controlled Non-Profit



- ☐ Triggers Tenant Protection Vouchers, with deeper subsidies than current public housing operating subsidy.
- ☐ Increases available subsidy per unit three-fold.
- ☐ Protects affordability with land-use restriction agreement.

City Tax Levy



- ☐ Enables bond issuance in which the levy could service the bond obligations.
- ☐ Leverage could be worth \$95 million in capital funding.
- ☐ Requires long-term commitment from City

Private Loans (Banks, Foundations)



- ☐ Debt service must be paid from subsidy & rent.
- ☐ Low-income housing is eligible for Program-Related Investments (PRI) by foundations.

FINANCIAL IMPACT OF CONVERSION

HIGH-RISE ILLUSTRATION (PER UNIT PER YEAR)

		Public Hsg	RAD	RAD/ LIHTC	TPV/LIHTC
Operating	Rent	3,000	3,000	3,000	3,000
	Operating Subsidy	3,000	3,000	3,000	HAP Sub. 9,976
	Cap. Grant		1,640	1,640	-
	Other	300	300	300	300
	Income	6,300	7,940	7,940	13,276
	Operating Expenses	6,600	6,600	6,600	6,600
	Replacement Reserve	-	450	450	450
	Expense	6,600	7,050	7,050	7,050
	Net Operating Income	(300)	890	890	6,226
Capital	Annual Cap. Grant	1,640	-	-	
	Loan		11,000	11,000	Loan 77,000
	LIHTC Equity			80,000	80,000
	Total Capital Funding		11,000	91,000	Total 157,000
	Capital Need Over 20 years	160,000	160,000	160,000	160,000

GAP

FINANCIAL IMPACT OF CONVERSION

FAMILY HOUSING ILLUSTRATION (PER UNIT PER YEAR)

		Public Hsg	RAD	RAD/ LIHTC	TPV/LIHTC
Operating	Rent	5,400	5,400	5,400	5,400
	Operating Subsidy	3,900	3,900	3,900	HAP Sub. 9,976
	Cap. Grant		1,900	1,900	-
	Other	300	300	300	300
	Income	9,600	11,500	11,500	15,676
	Operating Expenses	9,600	9,600	9,600	9,600
	Replacement Reserve	-	450	450	450
	Expense	9,600	10,050	10,050	10,050
	Net Operating Income	-	1,450	1,450	5,626
Capital	Annual Cap. Grant	1,900	-	-	
	Loan		17,900	17,900	Loan 69,220
	LIHTC Equity			106,500	106,500
	Total Capital Funding		17,900	124,400	Total 175,720
	Capital Need Over 20 years	213,000	213,000	213,000	213,000

GAP

CHANGE THE FUNDING, NOT THE PROGRAM

Because of recent changes in HUD funding and programs, MPHA can take advantage of a window of opportunity to **preserve the properties through conversion** of the subsidy from public housing operating funds to project-based vouchers funds.

☐ **Problem:**

- ☐ HUD Capital grants will not meet building rehab needs.
- ☐ Public housing funding method does not produce cash flow to borrow or attract Low Income Housing Tax Credit (LIHTC) investors.

☐ **Strategy:**

- ☐ Convert the public housing platform to a project-based Section 8 platform.

☐ **Why convert:**

- ☐ Section 8 platform provides higher HUD subsidy and a more reliable revenue stream.
- ☐ Higher revenue stream permits borrowing and attracting LIHTC investment.

☐ **Why now:**





- ☐ In March, 2018, HUD published an updated Demolition/Disposition Notice that provides improved opportunities to convert.
- ☐ Current funding is favorable for RAD conversions.

☐ **How:**

- ☐ Through a conversion process that disposes of the public housing unit to an MPHA-controlled non-profit and replaces it with a project-based voucher.

PROPOSED SUBSIDY CHANGES

Over the next 15 years, MPHA must implement a capital plan to preserve its low-income housing for the future. After any financial transfers of properties, MPHA would continue to manage the properties as “public housing” for its residents.

Group	Properties	Units	Transfer units with Funding Conversion	Tax Credit Project
Group A	Scattered Sites	 730	100% Tenant Protection Vouchers	No
Group B	Elliot Twins Glendale	 358	100% Tenant Protection Vouchers	Yes
Group C	1710 Plymouth Ave 809 Spring St NE 1900 3 rd St NE	 148	100% Tenant Protection Vouchers	Yes
Group D	All Other Highrises	 4,684	25% Tenant Protection Vouchers 75% RAD Project Based Vouchers	Yes

FINANCIAL SUMMARY OF CONVERSION STRATEGY

These are preliminary estimates and funding goals to be used for general planning purposes.

Assumes 20-year timeframe. In \$millions.

Group	Properties	Units	Total Development Cost (TDC)	Loan Proceeds	Tax Credit (LIHTC) Benefit	Funding Gap
Group A	Scattered Sites	730	\$125	\$51	\$0	\$74
Group B	Elliot Twins Glendale	358	\$107	\$25	\$62	\$20
Group C	1710 Plymouth Ave 809 Spring St NE 1900 3 rd St NE	148	\$42	\$6	\$23	\$13
Group D	All Other Highrises	4,684	\$825	\$100	\$428	\$297
Total Portfolio		5,920	\$1,099	\$182	\$513	\$404

Potential Gap Funding

Public Housing Tax Levy Leveraged \$95

MTW Enhancement \$24

Tax Levy and MTW Enhancement Leverage \$119


















Remaining Gap \$285




APPENDICES





SUMMARY OF ALL REDEVELOPMENT INITIATIVES


	2018-2019	2020-2024	2025-2029	2030→
Scattered Sites				
Glendale Townhomes				
Minnehaha Townhomes				
Elliot Twins				
1710 Plymouth Ave 809 Spring St NE 1900 3 rd St NE				
All Other Highrises				
Heritage Park Mixed-Income Community				
Portfolio Diversification Opportunities & MHOP				


LEGEND

 Energy-Efficient Rehabilitation or Construction

 Quality Maintenance Program

 Construction

 Community-based Master Planning

 Funding Conversion and Investments

PRESERVATION IS THE FIRST PRIORITY

MPHA seeks capital to rehabilitate existing stock or replace existing stock with new construction that increases density, livability and sustainability.

Priorities

1st

**Age &
Poor
Condition**



**No recent
capital
investments**



**Rehabilitate
or Rebuild**

2nd

Available Land in Key Location



**Add new
buildings**

3rd

**Age &
Poor
Condition**

**High Cost
to Operate
(Energy
Usage)**

**Available
Land**



**Replace &
Add new
units**

GUIDING PRINCIPLES FOR REDEVELOPMENT AND CAPITAL INVESTMENTS AT MPHA

Approved by the MPHA Board of Commissioners on May 24, 2017

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.

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 percent of the area median income, and immigrant families (as permitted by law).

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 intends that residents participate and contribute to the planning and design discussions. If MPHA has a redevelopment opportunity that includes strategies not previously anticipated by the agency, MPHA commits to bring these approaches to the residents as soon as possible for an open review and discussion of the options.

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 commits to develop replacement units elsewhere in the city. To the extent feasible, MPHA will develop replacement units prior to the demolition of existing units. MPHA will also look to create phased demolition and reconstruction plans so that these activities are closely timed, with on-site and replacement units provided in coordinated fashion.

GUIDING PRINCIPLES FOR REDEVELOPMENT AND CAPITAL INVESTMENTS AT MPHA – CONT'D

Approved by the MPHA Board of Commissioners on May 24, 2017

MPHA commits to preserving the high-rise properties and to limit demolition at these sites to work necessary to reconfigure units or common spaces in accordance with an approved design, expand community spaces, add units, or provide for additional service options and amenities at the site.

MPHA commits to provide adaptable and accessible design features so that residents might have the opportunity to stay in units longer as they age in place.

MPHA's planning efforts shall include development of a comprehensive relocation plan with the residents of each affected property. The relocation plan will describe options and choices for relocation, provide a complete description of relocation assistance provided by MPHA (such as packing and unpacking, type and amount of payments provided to residents impacted by the move, and other features or services as negotiated between the residents and MPHA. Relocation benefits apply to both the move out and the return move.

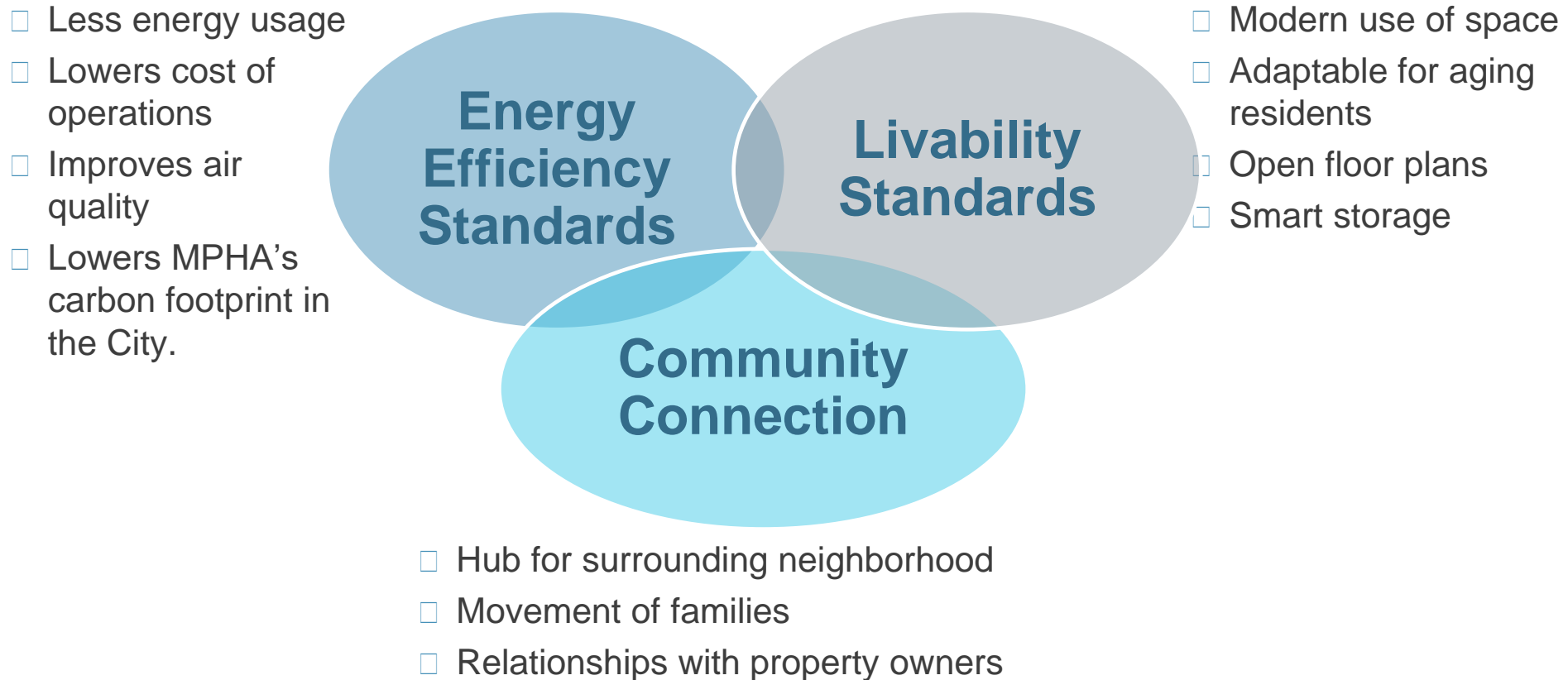
MPHA intends that the redevelopment efforts result in no permanent displacement of any current MPHA resident. Relocation plans negotiated with the residents will include a right-of-return for families displaced by redevelopment work.

MPHA commits to keeping existing resident participation and support programs: resident councils, the city-wide resident organization (MHRC), Project Lookout, joint diversity initiatives, active living initiatives, the high-rise laundry project, vending machines and other income options that support resident programs, resident council funding, and services provided by others at the buildings (such as the Volunteers of America).

Post redevelopment, MPHA commits to retain management and maintenance responsibilities for all the buildings. This commitment is subject to specialized redevelopment, such as assisted living or supportive housing, where a third party may manage. If the redevelopment of a site demands any deviation from MPHA management and maintenance, this will be vetted with the resident organizations as part of the redevelopment planning process.

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 permanently affordable housing and a return on investment that clearly benefits the MPHA and its residents.

DESIGN PRINCIPLES FOR DEVELOPMENT



EXAMPLE OF DESIGN FOR HIGHRISES



Example of a High-rise Retrofit

Source: Intep

EXAMPLE OF DESIGN FOR SCATTERED SITE REHAB



Example of Single Family Rehab

- Rehab one scattered site home.
- Identify one site to build an ultra energy-efficient four-plex unit.
- Seek sponsor partners for the energy technology and building materials.
- Host Resident design sessions.
- Create high-rise unit mock-up design for walk-throughs.

Source: Intep