

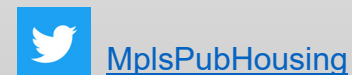


Strategic Vision

and Capital Plan, 2018 – 2020
(2020 – 2030 Horizon)

Building a Foundation for LOW INCOME HOUSING – the Next 50 Years

*Abbreviated version presented to the Minneapolis City Council
Housing Policy Committee
June 6, 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



~6,000
vouchers

710
project-based
vouchers

746
single family
homes/duplexes

184
townhomes



The Capital Backlog Challenge

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*

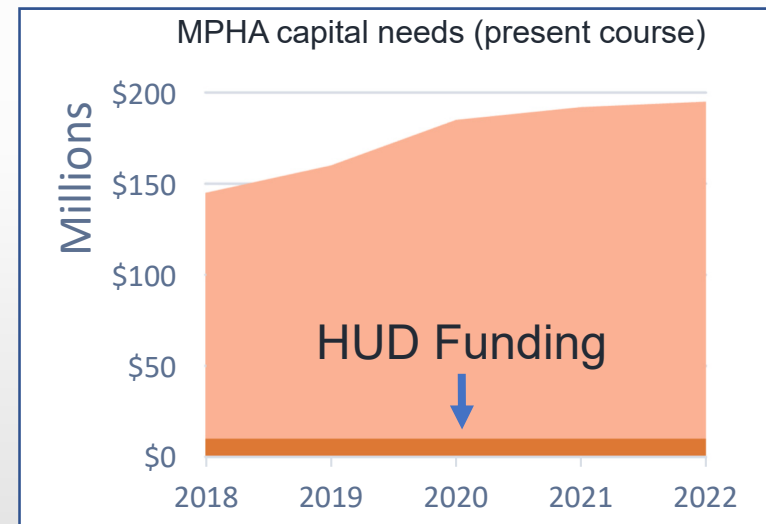
and

Inadequate *Capital Funding*

has led to a large

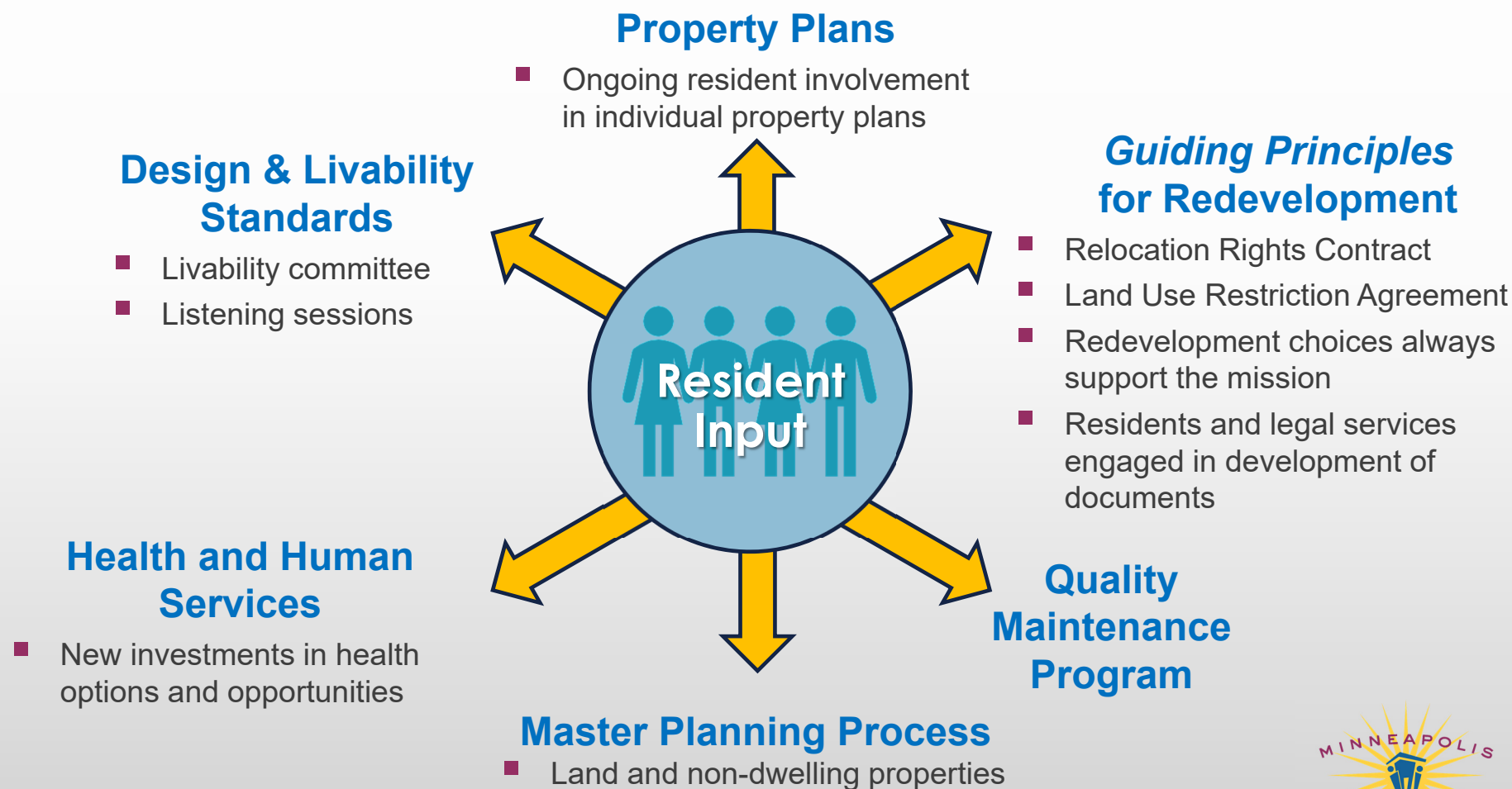
Capital Backlog

of major repair and renovation needs



MPHA Residents: Ongoing Input, Built-in Protections

From design to implementation, MPHA works with residents and other stakeholders to address current and future residents' needs.



MPHA Residents: Ongoing Input, Built-in Protections

From MPHA's "Guiding Principles for Redevelopment and Capital Investment":

- No resident will lose housing.
- Rent will not go up because of redevelopment.
- MPHA will continue to manage the properties.
- All residents will have the first right-of-return to their site.
- We will fully inform residents of any possible changes and involve them deeply in the planning process.
- Residents will have choices, options, and assistance in the event of any change.

These and other protections not only match our mission and values; they are required by HUD.



MPHA Strategic Vision

As approved by the MPHA Board in May, 2018

STRATEGIC INITIATIVES



Housing Preservation & Creation

- Rehabilitate and add units when feasible – highrises, 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.

MPHA's Menu of Funding Options

To generate the capital to preserve our public housing,
MPHA must explore any and all sources of available funding.

Subsidy/Funding Conversion

under Rental Assistance
Demonstration (RAD) or similar HUD
program.



- Transfers subsidy of units to a more stable source of funding: project-based vouchers.
- Enables external investment to upgrade the property.
- Locks-in long-term low-income affordability (via Land Use Restriction Agreement, or LURA).

Transfer of Properties

to MPHA-controlled non-profit



- Triggers Tenant Protection Vouchers, increases available subsidy per unit by a factor of three.
- Locks-in long-term low-income affordability via LURA.

Minneapolis City Tax Levy for Public Housing



- Enables bond issuance, by using levy to service the bond obligations.
- Leverage could be worth \$95 million in capital funding.
- Requires long-term commitment from the city.

Grants and loans (banks, foundations, bonding)



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

Energy Savings (including “inclusive financing”)



- Savings from energy efficiency yield additional cash-flow to invest and/or leverage.

Recent Highlights

MPHA is moving forward wherever we can, to improve lives and plan for the future.



Minnehaha Townhomes



Security investments at the Cedars



Glendale weatherization

Ongoing collaboration with neighboring agencies

Sharing tools and vision with residents

