



2024 MPHA \$5 Million Tax Levy Budget & Five-Year Capital Plan

Prepared for Board of Estimate and Taxation (September 2023)

Updated Levy Process

May

- MPHA Presented to Board of Estimate and Taxation (BET).
- MPHA Board of Commissioners passed resolution requesting use of full tax levy authority in 2024.

June

- MPHA Board of Commissioners approve one-year levy budget and five-year capital budget to target both preservation and new-unit production, as well as health, safety, code compliance, and quality of life improvements.

July

- MPHA presented one-year levy budget and five-year capital budget to Mayor Frey for consideration in City of Minneapolis' 2024 budget.

August

- MPHA and Mayor Frey agreed to include \$5 million annual housing levy in City's FY24 budget and beyond.

September

- BET to set maximum levies for City, the Municipal Building Commission, MPHA and MPRB by September 30.

October/November

- City Council Budget Committee meets throughout the fall.

December

- City Council and Mayor approve City of Minneapolis' FY24 budget, inclusive of housing levy (special district).

Minneapolis Public Housing Agency wants to bring back tax it dropped 14 years ago

The plan for a \$12 million annual levy would require signoff by mayor, City Council and tax board.

By Dave Orrick Star Tribune | MAY 9, 2023 — 5:17PM



Housing Levy Budget

- MPHA’s properties have extensive capital needs (~\$229M), and the agency is seeking non-federal support to address those needs by reinstating the city’s housing tax levy.
- The agency has developed a one-year budget and a five-year capital plan to maximize a \$5M/year housing levy.
- These plans were developed through the lens of the agency’s strategic plan and prepared with careful consideration of feedback MPHA has heard from the biggest champions of this effort – MPHA residents.
- These plans target both preservation and new unit production, as well as health, safety, code compliance, and quality of life improvements.
 - This provides MPHA the opportunity to address ~\$25M in current and upcoming capital needs while paving the way for long-term preservation for approximately 500 units.
 - The plan also supports the potential creation of 100+ new units and includes capital work targeted at top resident priorities.

MPHA ANNUAL LEVY BUDGET & FIVE YEAR PLAN – 2023-2028

August 31, 2023

PROJECT	2024	2025	2026	2027	2028
DEVELOPMENT/REDEVELOPMENT INITIATIVES					
MPHA DEV01	\$2,500,000	\$2,500,000			
MPHA DEV02	\$750,000				
MPHA DEV03	\$500,000				
MPHA DEV04			\$2,000,000		
MPHA DEV05			\$1,500,000	\$3,000,000	
MPHA DEV06					\$2,000,000
MPHA DEV07				\$500,000	\$1,000,000
CAPITAL IMPROVEMENTS					
MPHA CAP01		\$2,500,000		\$750,000	\$750,000
MPHA CAP02	\$1,250,000		\$250,000	\$250,000	\$575,000
MPHA CAP03			\$1,250,000	\$500,000	\$675,000
TOTAL	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000

2024

- **Highrise Preservation & New Unit Production (MPHA DEV01)**
 - Comprehensive rehab/preservation of a 1960's era highrise that houses over 100 residents. Scope of work anticipated to address current and upcoming needs including building systems updates (plumbing, electrical, HVAC), kitchen/bath rehab, appliances and new unit finishes, window/roof replacement, and common area updates, as well as property enhancements that have an overall emphasis on livability/accessibility improvements, additional resident amenities, and addressing specific population needs; anticipates new unit production with up to 25-30 potential new units. Would include HUD conversion tools (RAD Blend), Project Based Vouchers (PBVs), 4% bonds/Low Income Housing Tax Credit (LIHTC) equity, and debt, tools and financing that also positions the property for long-term sustainability. Projected Total Development Costs (TDCs) of \$40-50M. Est. closing in 2025. **(\$2,500,000)**
- **Three-Unit Scattered Site Infill Demonstration Project (MPHA DEV02)**
 - Replacing a long-term vacant, high needs 1920's era single family scattered site home with a three-unit development with at least one fully accessible unit, in an Opportunity Area (SW). MPHA intends to pursue a Faircloth to RAD conversion for two of the three units that would generate additional ongoing federal housing assistance subsidies. **(\$750,000)**
- **Two-Unit Scattered Site Infill Demonstration Project (MPHA DEV03)**
 - Replacing a single-family scattered site home recently lost to a fire with a two-unit development featuring at least one fully accessible unit in a non-ACP50 area. MPHA intends to pursue a Faircloth to RAD conversion for one of the two units that would generate additional ongoing federal housing assistance subsidies. **(\$500,000)**
- **Highrise Elevator Modernization (MPHA CAP02)**
 - Comprehensive elevator modernization at various properties that are on average comprised of over 60% disabled and 75% elderly populations. **(\$1,250,000)**

2025

- **Highrise Preservation & New Unit Production** (*MPHA DEV01*)
 - Comprehensive rehab/preservation of a 1960's era highrise that houses over 100 residents. Scope of work anticipated to address current and upcoming needs including building systems updates (plumbing, electrical, HVAC), kitchen/bath rehab, appliances and new unit finishes, window/roof replacement, and common area updates, as well as property enhancements that have an overall emphasis on livability/accessibility improvements, additional resident amenities, and addressing specific population needs; anticipates new unit production with up to 25-30 potential new units. Would include HUD conversion tools (RAD Blend), Project Based Vouchers (PBVs), 4% bonds/Low Income Housing Tax Credit (LIHTC) equity, and debt, tools and financing that also positions the property for long-term sustainability. Projected Total Development Costs (TDCs) of \$40-50M. Est. closing in 2025. **(\$2,500,000)**
- **Highrise Ventilation & Cooling Systems** (*MPHA CAP01*)
 - Ventilation and cooling systems upgrades and/or replacements to improve indoor air quality/fresh air intake and in-unit cooling for resident health and safety at various highrises that are on average comprised of over 60% disabled and 65% elderly populations. **(\$2,500,000)**

2026

- **Scattered Site Infill Project (MPHA DEV04)**
 - Five-site, 30-unit scattered site infill/redevelopment project in non-ACP50 areas. Redevelops seven units that have a total current need of over \$200K. Leveraged with PBV support, 9% bonds/LIHTC and debt. Projected TDCs of \$17-22M. **(\$2,000,000)**
- **Highrise Preservation (MPHA DEV05)**
 - Comprehensive rehab/preservation of a 1960's era highrise that houses between 125-150 residents. Scope of work anticipated to address current and upcoming needs including building systems updates (plumbing, electrical, HVAC), kitchen/bath rehab, appliances and new unit finishes, window/roof replacement, and common area updates, as well as property enhancements that have an overall emphasis on livability/accessibility improvements, additional resident amenities, and addressing specific population needs. Would include HUD conversion tools (RAD Blend), Project Based Vouchers (PBVs), debt, tools and financing that also positions the property for long-term sustainability. Projected Total Development Costs (TDCs) of \$30-40M. Est. closing in 2027-2028. **(\$1,500,000)**
- **Highrise Elevator Modernization (MPHA CAP02)**
 - Comprehensive elevator modernization at various properties that are on average comprised of over 60% disabled and 75% elderly populations. **(\$250,000)**
- **Highrise Window Replacement (MPHA CAP03)**
 - Replacement of highrise building windows that have LOW-E glass, are more energy efficient, and meet current code which includes fall protection safety features. **(\$1,250,000)**

2027

- **Highrise Preservation (MPHA DEV05)**
 - Comprehensive rehab/preservation of a 1960's era highrise that houses between 125-150 residents. Scope of work anticipated to address current and upcoming needs including building systems updates (plumbing, electrical, HVAC), kitchen/bath rehab, appliances and new unit finishes, window/roof replacement, and common area updates, as well as property enhancements that have an overall emphasis on livability/accessibility improvements, additional resident amenities, and addressing specific population needs. Would include HUD conversion tools (RAD Blend), Project Based Vouchers (PBVs), debt, tools and financing that also positions the property for long-term sustainability. Projected Total Development Costs (TDCs) of \$30-40M. Est. closing in 2027-2028. **(\$3,000,000)**
- **Glendale (MPHA DEV07)**
 - Predevelopment activities including extensive resident, community, and other stakeholder engagement to shape project goals and objectives. MPHA anticipates preserving the existing number of units (184) and will explore options for new-unit creation. Initiates the path to address \$30M+ of current and future capital needs, positions the property for long-term sustainability and potentially add units in an area of opportunity. Anticipated closing on first phase: 2029. **(\$500,000)**
- **Highrise Ventilation & Cooling Systems (MPHA CAP01)**
 - Ventilation and cooling systems upgrades and/or replacements to improve indoor air quality/fresh air intake and in-unit cooling for resident health and safety at various highrises that are on average comprised of over 60% disabled and 65% elderly populations. **(\$750,000)**
- **Highrise Elevator Modernization (MPHA CAP02)**
 - Comprehensive elevator modernization at various properties that are on average comprised of over 60% disabled and 75% elderly populations. **(\$250,000)**
- **Highrise Window Replacement (MPHA CAP03)**
 - Replacement of highrise building windows that have LOW-E glass, are more energy efficient, and meet current code which includes fall protection safety features. **(\$500,000)**

2028

- **Scattered Site Infill Project (MPHA DEV06)**
 - Five-site, 30-unit scattered site infill/redevelopment project in non-ACP50 areas. Redevelops eight units that have a total current need of over \$225K. Leveraged with PBV support, 9% bonds/LIHTC and debt. Projected TDCs of \$17-22M. **(\$1,000,000)**
- **Glendale (MPHA DEV07)**
 - Continued predevelopment activities including extensive resident, community, and other stakeholder engagement to shape project goals and objectives. MPHA anticipates preserving the existing number of units (184) and will explore options for new-unit creation. Initiates the path to address \$30M+ of current and future capital needs, positions the property for long-term sustainability and potentially add units in an area of opportunity. Anticipated closing on first phase: 2029. **(\$2,000,000)**
- **Highrise Ventilation & Cooling Systems (MPHA CAP01)**
 - Ventilation and cooling systems upgrades and/or replacements to improve indoor air quality/fresh air intake and in-unit cooling for resident health and safety at various highrises that are on average comprised of over 60% disabled and 65% elderly populations. **(\$750,000)**
- **Highrise Elevator Modernization (MPHA CAP02)**
 - Comprehensive elevator modernization at various properties that are on average comprised of over 60% disabled and 75% elderly populations. **(\$575,000)**
- **Highrise Window Replacement (MPHA CAP03)**
 - Replacement of highrise building windows that have LOW-E glass, are more energy efficient, and meet current code which includes fall protection safety features. **(\$675,000)**

Summary

- MPHA is seeking the Minneapolis Board of Estimate and Taxation's approval of a \$5 million housing tax levy for FY24, in-line with Mayor Frey's proposal, subject to approval by the Minneapolis City Council.
- A \$5 million housing levy would cost the median Minneapolis homeowner (\$316,000 home) about \$21/year.
- Over a five-year period, a fully funded levy would deliver MPHA at least \$25M in new, direct funding.
 - This new funding would enable the agency to address current and upcoming capital needs, create leverage opportunities for additional public and private resources, pave the way for long-term preservation of ~500 units, and also supports the potential creation of 100+ new deeply affordable homes.
- Secondary objectives MPHA would also accomplish with the proposed levy spending:
 - Create new accessible units.
 - Install energy efficient/green energy technologies.
 - Create new housing for homeless/unsheltered.
 - Millions of dollars in contracted work would flow to minority- and woman-owned businesses and Section 3 low-income vendors.
- But most importantly, thousands of current and future MPHA residents stand to benefit from the proposed activities funded by a housing levy in 2024 and beyond.

MINNPOST

Mayor says Minneapolis must 'step up' to fund public housing. Does the city need to raise property taxes do that?

Public housing has largely been the federal government's role. Should Minneapolis chip in more by reviving a defunct housing tax?

By [Kyle Stokes](#) | Staff Writer



Minneapolis Public Housing Authority residents and their supporters gathered for a press conference at City Hall on Wednesday.



Questions

