



May 24, 2017

Agenda Item 1

REPORT TO THE COMMISSIONERS

FROM: Gregory P. Russ, Executive Director / CEO

SUBJECT: MPHA Guiding Principles for Redevelopment and Capital Investments

Previous Directives: In March 2017, MPHA Executive Director Greg Russ provided a memo to the Board with attached 'Draft Guiding Principles for Redevelopment and Capital Investments at MPHA'.

Resident Association Notification: The Minneapolis Highrise Representative Council (MHRC) and MPHA MTW Resident Advisory Board (RAB) have approved the Draft Guiding Principles as amended per their recommendations and the MPHA Tenant Advisory Committee (TAC) will review this Report and Resolution immediately prior to the Board's May 24, 2017 meeting .

Impact on MPHA Budget: None

Affirmative Action Compliance: Not applicable

Procurement Review:Not applicable

RECOMMENDATION: It is recommended that the Board of Commissioners approve the Resolution attached to this Report adopting the "MPHA Guiding Principles for Redevelopment and Capital Investments" document which is attached thereto.

In March 2017, staff provided the Board of Commissioners with a memorandum which identified MPHA's significant capital needs, outlined major shortfalls in funding relative to the need, and noted the uncertainty in the national funding environment. Staff recommended that MPHA engage in a public, portfolio-wide planning process: "The purpose of this effort will be to assess the needs and opportunities for additional units and services at all properties owned by the MPHA"; with the long-term goal to "ensure the preservation and viability of all our public housing stock". The memo also called for MPHA to explore ways to increase the livability and overall marketability of units through high-quality design and construction. A draft copy of proposed 'Guiding Principles for Redevelopment and Capital Investments at MPHA' was attached to the memo.

In addition, copies of the draft “Guiding Principles for Redevelopment and Capital Investments at MPHA” were provided to the MHRC, individual resident councils, and Defend Glendale. Presentations were made at the MHRC Executive Committee meeting, several resident council meetings, Area resident meetings, a full MHRC Board meeting and at a meeting with Defend Glendale. The Guiding Principles were also considered and approved by the MTW RAB.

Residents raised many questions at the various meeting and offered several comments and suggestions for edits. The MHRC’s correspondence regarding the draft guiding principles document, along with specific written comments by the 314 Hennepin Resident Council, are attached to this Report for your information and review.

Staff has considered the comments and suggested edits and incorporated most of them into the recommended iteration of the “MPHA Guiding Principles for Redevelopment and Capital Investments” document which is also attached for your information and review. This version was approved by MHRC on Thursday May 18, 2017.

This Report and Resolution was prepared by Bob Boyd, MPHA Director of Policy and Special Initiatives. For further information, please contact Executive Director Greg Russ at (612) 342-1380 or gruss@mplspha.org.

RESOLUTION No. 17-174

WHEREAS, the Minneapolis Public Housing Authority in and for the City of Minneapolis (MPHA) has been an independent Agency for the past 25 years; and

WHEREAS, MPHA moved its low rent public housing program from a housing authority at risk of being labeled “troubled” to a United States Department of Housing and Urban Development (HUD) designated “High Performer” agency in 1997; and in 2007 MPHA achieved the same designation for its Section 8 program and MPHA has held these designations ever since; and

WHEREAS, MPHA has made a difference in the quality of life of tens of thousands of low-income individuals and families in the City of Minneapolis; and

WHEREAS, over the past number of years MPHA has experienced major increases in its capital needs, shortfalls in both its capital and operations funding and the current national funding environment poses significant risk to MPHA’s ability to sustain its portfolio in a manner that supports its mission and preserves the quality of its housing, and

WHEREAS, MPHA needs to consider new and innovative methods to respond to the funding and capital needs challenges it faces; and

WHEREAS, to better serve its residents and meet its obligations under its mission, MPHA should assess the needs and explore opportunities to improve and increase its housing portfolio and services, with the long-term goal to ensure the preservation and viability of its properties.

NOW THEREFORE, BE IT RESOLVED, by the Board of Commissioners of MPHA that in recognition of the needs and challenges facing the Agency and the critical decisions related to its properties hereby adopt the attached “MPHA Guiding Principles for Redevelopment and Capital Investments” which the Agency shall observe as it acts to preserve and enhance its portfolio and services to its residents.

Guiding Principles for Redevelopment and
Capital Investments at MPHA
Final Draft 5/18

Note: underline text indicates edits based on resident comments.

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 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 a coordinated fashion.

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'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 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 un-packing, 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 a return on investment that clearly benefits the MPHA and its residents.