

## GREG RUSS CALL NOTES MAY 15, 2017

1. GREG'S IDEA:
  - a. "I notice in the paper that there are still a lot of mortgage foreclosures...."
  - b. RE prices are up but there are still reasonably priced homes available...'
  - c. ...So, is there a BUY OPPORTUNITY now?"
    - i. Opportunity to purchase homes ("Scattered Site")
    - ii. How to manage new/additional homes (MPHA uses its own forces to do it now – can they handle more?)
  - d. So, what is the question? It is a benefit/cost analysis question:
    - i. Is there an efficient approach to acquiring, rehabbing, maintaining?
    - ii. Who would manage the new/additional stock? MPAH or other?
2. GENERAL STUFF TO PONDER
  - a. "Portfolio Mindset" (Greg)
  - b. "Use the planning period to plan" (Greg)
  - c. Sell, sell, sell!
  - d. Let's start at the end: we are standing in front of City council in May 2018 – what is our story? What do we need to succeed? Props? Deck? Key facts and figures? Compelling story!
  - e. Slow preparation, fast execution: "If I had eight hours to cut down a tree I'd spend the first six sharpening the axe." (Lincoln)
3. PETER'S QUESTIONS:
  - a. What questions do we want the data to answer?
  - b. Do we want to replace and cycle stock or have a net increase?
    - i. Greg says increase over time, maybe drop on front end if we sell some property to create capital for other purchases but long term plan is net increase
  - c. How do we replace?
    - i. Acquire, fix up, relocate, then rehab or sell off existing stock
  - d. Rebalance the portfolio
    - i. Type and quality of homes
    - ii. Rehab old vs. tear-down and build new
      1. What are cost differences? TCO vs. first costs?
  - e. New Housing products – three types, C/B for each
    - i. Rehabbed existing homes
    - ii. New Micros
    - iii. New Passive Haus energy efficient housing
  - f. Selling existing scattered site homes
    - i. Metric, score sheet, C/B analysis: How do we rate and identify properties that should be sold?
    - ii. Why are we selling them? Let's write down the words that make that argument so that it is defensible, logical, good for the MPHA and its residents

- g. What kind of housing should we provide (What kind of housing would we provide today if starting from scratch?)
  - i. Elegant, attractive, looks like a home
  - ii. Cost effective to own and operate for resident and MPHA
  - iii. In the right places
  - iv. Politically supported
- h. Where should our housing be located in the future (Where would we provide housing today if starting from scratch?)
  - i. Where is it now today and why?
  - ii. Is it in the right places? Have things changed?
  - iii. What neighborhoods are over/under-represented?
  - iv. What if we redrew the map – where would our housing be?
  - v. If there is to be a net increase in housing, where should it go?
  - vi. Are there any places where we should reduce housing?
  - vii. Who do we ask, “where should it be?”

#### 4. SOME THINGS WE SHOULD ALL DO

- a. Everyone take Pictures of the types of housing we think looks good
  - i. Local, mid-west, prairie, homey style housing
  - ii. Not modern experiments on people
  - iii. Take pictures of do’s and don’ts
- b. Start to make a stack of stuff
  - i. Write it on cards
  - ii. Take Pictures
  - iii. Save it all
  - iv. Take fast loose notes
  - v. Come up with crazy ideas
- c. Create your own idea folder and fill it up
- d. Tools – what kind should we have? Now and at the end
  - i. Fact sheet for each property (same format/template, easily edited)

#### 5. PILOT PROJECTS – WHAT DO WE WANT TO LEARN FROM PILOTS?

- a. What costs less to acquire/own – first costs and life cycle costs:
  - i. Rehabbed old home
  - ii. New passivehaus home
- b. “Is there a market in our world for a well-thought out micro unit?”
  - i. Can they work for families?
  - ii. What other kind of tenant/resident would they work for?
  - iii. Has anyone else done it elsewhere in the US?
  - iv. Can micros be passivehaus level efficient?

#### 6. FINANCIAL RESOURCES – WHAT HAVE WE GOT/WHAT CAN WE GET?

- a. MPHA
  - i. Staff
  - ii. Operating funds
- b. Federal Government/HUD

- i. Any funding available for pilots/experimental stuff?
    - ii. What does Dr. Carson want?/What can we give him
  - c. NFP Sector
    - i. Waiting on McKnight – submission/request 5/17/17 – find out in August if we get \$1M match to MPHA \$1M for \$2M working Capital
    - ii. Who else?
  
- 7. TEAM – WHO DO WE HAVE/WHO DO WE NEED?
  - a. MPHA
    - i. Russ, Gaetz
    - ii. In-house counsel
  - b. Consultants
    - i. Development – Gorecki, Brown
    - ii. Lawyers – need some from outside?
    - iii. PR/Media, graphic design web, brand etc.
    - iv. Stakeholder engagement consultants?
  
- 8. WHAT IS THE PRODUCT OF OUR NEXT 12 MONTHS OF PLANNING?
  - a. A great story and narrative that attracts capital and political support
    - i. A great slide deck – Pictures, words, graphs, and numbers
    - ii. Irrefutable facts
    - iii. Big ideas (and some small ones)
    - iv. Really cool initiatives
    - v. A great story and bold plan based on all of that
  - b. Toolkit
    - i. PR/Media plan/good graphic design/identity for the whole thing
    - ii. What is “it” called? What does “it” look like? (the big plan/show)
  - c. Who are we selling? Everyone!
    - i. Mayor and City Council (Levy)
    - ii. Hennepin County (Programs, econ support)
    - iii. NFO world – McKnight, etc.
    - iv. HUD/Feds – Do some pilots with us
  - d. Not the same old MPHA
    - i. What’s different, better, new and improved?
    - ii. Always great, now new and improved
    - iii. Wow, what an impressive story, proposal
  
- 9. WHAT IS THE MOST IMPORTANT THING TO DO RIGHT NOW?
  - a. Schedule the next 12 months
  - b. Start at the end – CC in May 2018 – and work backwards
  - c. What must the RE assessment and portfolio review data tell us?
  - d. What is our story? Why us/now/need/this plan?
  - e. What has to happen next? Then what?
  
- 10. WHAT ABOUT GLENWOOD?

- a. Site could accommodate more housing, but...
- b. Residents have lost trust in MPHA
- c. CM wants to make it a historic property
- d. SO: Maybe let it go
- e. It could be a big distraction – focus on the end goal and let it become what it wants to become?