



Minnesota Housing's 2009 Strategic Plan Update

Summary

Background

In 2007, Minnesota Housing developed a strategic plan for the Agency that provides a comprehensive framework for setting goals, managing its strategies, and tracking results. Given the rapidly changing economic environment, as well as the appointment of a new Commissioner, and the crises in the housing industry the Agency decided to update the 2007 plan.

From April through June, we conducted a planning process which had three phases: 1) information gathering, 2) reflection and discussion, and 3) priority setting. This included conducting an environmental scan, surveying key stakeholders and employees, and a Housing Resource Advisory Committee meeting dedicated to discussing current challenges and opportunities.

Over 45 leaders, representing a cross section of the Agency met several times to analyze the data, and discuss the strengths, weaknesses, and opportunities facing the Agency. The following document summarizes the key themes and priorities that emerged through the process. These themes and priorities informed the development of the Agency's Affordable Housing Plan (investment plan/program budget) and organizational development priorities for the 2010-11 biennium.

Key Findings

- 1) Overall, the Agency is financially strong, capable of weathering the current economic recession and well positioned for the future. Minnesota Housing is seen as a leader by the entire housing field.
- 2) Minnesota Housing should maintain the strength of its core programs while developing innovative new approaches to respond to community needs and the foreclosure crisis.
- 3) Minnesota Housing should target more resources toward affordable housing preservation versus new construction.
- 4) Minnesota Housing must prepare for the future by paying more attention to managing its talent, strengthening the organizational infrastructure, and positioning the Agency for leadership succession.

- 5) “Sustainability” and “innovation” should be added to the operating values that guide the way the Agency works. These values capture an important ethic for the organization going forward.
- 6) “Community impact” should be elevated as a priority when making housing investment decisions. Investing agency resources in ways that achieve housing outcomes while maximizing their contributions to the quality of life and strength of communities will stretch agency dollars further.
- 7) Minnesota Housing should lead the way and demonstrate how to imbed sustainability principles into its housing activities. This in turn, should position the Agency and its partners to influence federal policy.
- 8) The five strategic priorities set in 2007 remain relevant, but “Addressing the Foreclosure Crisis through Prevention and Recovery” will replace “Respond to Housing Emergencies” which is considered a core responsibility of Minnesota Housing.

More on Strategic Priorities:

Federal Policy

Minnesota Housing can position its partnerships as models to influence federal policy on sustainability and livability, homelessness, and foreclosure and thereby garner more national investment. By engaging at the federal level through NCSHA and other relationships, Minnesota can contribute to a stronger national housing policy and field.

Revisit the Plan to End Long-term Homelessness

The Agency will continue to play a leadership role in implementing the state’s plan to end long-term homelessness. It will also work with other key agencies and partners to review, assess, and renew the plan based on the results of the new Wilder Homeless Survey and funding environment.

Bolster investments to address the foreclosure crisis

In addition to distributing federal foreclosure funding, the Agency will award funds through its Economic Development and Challenge Program to projects that creatively address recovery and prevention.

Preserving existing Affordable Housing

The Agency will focus more of its resources on housing preservation projects as opposed to new construction.

Attend to organizational development issues

Findings from the employee engagement survey and discussions focused on the importance of paying attention to mentoring staff, identifying ways to improve interdepartmental relationships, strengthening our partnership skills, and succession planning. While the Agency programs focus on the right set of strategic priorities, establishing an organizational culture that rewards mature leadership, innovation, flexibility, adaptability, and continuous improvement will better position the Agency for the future.

Succession Plans

In addition, we have many key leaders who will likely depart in the next five to seven years. (For example, the Assistant Commissioner for Multifamily Housing is retiring at year end after 33 years with the Agency.) We need solid succession planning to prepare for their replacement.

Strengthen our talent management capacity.

Increase the cohesiveness of the Senior Leadership Team, revisit our approach to talent management, and develop a robust plan for managing talent for the future.

Refine our strategy management system.

To increase the effectiveness of the strategy management system the Agency will assess the usefulness of the components of strategy management to determine how to improve its performance.

Increase focus on quality communication.

We have an opportunity to improve our effectiveness by the way we use our communications resources. At this time, our communications are inconsistent and we're not taking advantage of the talent and technology we have to the greatest extent possible.

Purposefully manage relationships with key partners.

Develop a partner management strategy to better manage relationships including the Housing Resource Advisory Committee, NAHRO, and the Regional Housing Advisory Groups and others.

Utilize the Policy and Information Technology Departments more effectively.

The Agency is not using the skills and talents of these departments as well as it could.

Conclusion

By revisiting strategic goals in light of new conditions, it becomes clear that the Agency has many internal resources to weather the current economic crisis. Nevertheless, it's crucial that the Agency fully recognizes and utilizes its organizational potential if it

wants to remain a leader in the housing field. This two-year strategic plan update identifies key priorities that can position the Agency to become even stronger. Hopefully, by the end of the period, the economy will have improved to the point where the Agency can develop a new long-range strategic plan under more stable conditions.

Appendix A

Snapshot of Mission and Strategic Priorities

Our mission

Minnesota Housing finances and advances affordable housing opportunities for low and moderate income Minnesotans to enhance quality of life and foster strong communities

Four key components

- Invest its resources to address a continuum of affordable housing needs for low- and moderate-income households across the state;
- Manage its resources, which include financial assets, housing knowledge, policy expertise, and relationships so that the Agency can be a sustainable source of investment for addressing current and future affordable housing needs;
- Collaborate with a broad network of delivery and funding partners to maximize the impact of its housing investments; and
- Provide leadership to confront significant housing and community challenges where the investment of its housing resources has the potential to have a substantial positive community impact.

Strategic priorities

- ★ Financing new affordable housing opportunities;
- ★ Preserving existing affordable housing;
- ★ Ending long-term homelessness;
- ★ Increasing emerging market homeownership; and
- ★ Addressing the foreclosure crisis through prevention and recovery

Detailed Investment Strategy

Our investment strategy is described in detail in the 2010-2011 Affordable Housing Plan.

Appendix B

Summary themes on priorities that emerged from the planning process.

1. MN Housing should lead the field through improved coordination, collaboration and communication
 - Position MN to influence federal policy
 - Innovation in the current housing system
 - Leverage the Agencies resources (financial, technical, and relational)
 - Work well with partners/smart and strategic approach to partnering
2. Sustainability to the next level
 - Maintain and build on green communities standards
 - Take this to the next level-consider community impacts in addition to fairness
 - Housing Design
 - Position work in communities to model best practices in sustainability and take advantage of new HUD and Federal Environment
3. Talent Management
 - Deepen the bench
 - Improve career paths
 - Succession planning and management
 - Nurture leadership
 - Utilize the Policy and Information Technology Departments more effectively
4. Organizational Flexibility
 - Break-down Silos/build on and encourage interdepartmental collaboration
 - On-boarding /orientation process
 - IT supports business lines
 - Project plans create consistency across the organization
 - Improve meeting management
 - Streamline processes (simplify when possible)
 - New models for working with developers

5. Community Impact/leverage investments

- Making more with less/Maximize impact with limited resources
- Rural vs Metro
- Transportation and Jobs mismatch/targeting investments
- Consider different approaches

6. Program Priorities

- Preservation as #1 priority in short-term (What does Preservation mean?)
- Foreclosure mitigation and prevention as preservation strategy (Consider how to impact pipeline of foreclosures to reduce huge costs of addressing foreclosures)
- New Construction less important – if new construction, must focus on rental and target to the right places (transit and amenities and jobs)
- Consider lower costs in this environment
- Consider Capacity Building Needs
- Recalibrate Plan to End Long Term Homelessness based on current realities

7. Overarching Values to our work:

- Promote and Reward Innovation, Creativity, and Flexibility
- Improve Communication/ Internally and Externally
- Strengthen Collaboration/ Internally and Externally
- Focus on Community Impact in addition to Housing Impact (Encourage Connections between Housing and other issues to strengthen communities and improve opportunities for people)
- Lead and be Proactive rather than reactive
- Sustainability is critical to everything we do (financial, quality construction, green)