NCSHA

Multifamily Business Flow Portal

Minnesota Housing

Management Innovation: Technology

HFA Staff Contact

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Overview

Over the last five years, Minnesota Housing has transformed our Multifamily Division through process improvement with supporting technology to further our mission with a focus on clear, current, and collaborative results. The challenges we faced include:

- Inability to measure the impact of process improvement work.
- Limited data to help us identify bottlenecks and pinpoint where to focus our process improvement work to maximize the return on our investment.
- Data that was readily available lives in a number of systems. There was not an efficient way to look across systems to get a comprehensive view of the work being performed in our portfolio.
- Lacked a centralized place for staff and our external partners to work.
- Insufficient reporting capabilities on value metrics and Key Performance Indicators (KPIs).
- Transferring a development from one person (or team) to another without duplicating work. As staff were promoted or left the agency, the history of what they had completed was often lost in their email inbox.

Minnesota Housing rolled out the Multifamily Portal in 2017. Leveraging the Salesforce Platform, the Portal was initially used to process funding application requests. As a cloud-based product, customers and staff were able to access information in real-time. Recognizing the power of working in a centralized space, over the last two years, we've added additional functionality to allow staff to process business development leads and access data about developments in our asset management portfolio. The Multifamily Business Flow project provided transparency into what and how work gets completed by the division, teams, and individuals by creating a framework that looks across the lifecycle of our rental housing portfolio, providing us with:

- Ability to track, in real-time, the transition from business development to funding applications to asset management.
- Ability to break our processes into manageable, standardized segments of work by introducing the concept of phases and stages in a visual path.
- Increased transparency into the status and remaining tasks of all projects within our portfolio.
- Improved communication between staff and customers by creating a centralized place to interact. Communication is automatically date stamped and retained for historical purposes.
- Clarified staff roles and responsibilities by identifying who is responsible for completing each task by when.
- Automated workflow and notifications about pending due dates or overdue tasks.
- Improved communication between systems by using Rest/SOAP calls, ETL, and open APIs to move data between systems located on premises to the cloud.

An Innovative Approach

While we leveraged a powerful software platform, the key to this project was creating a co-ownership model between business and technology teams, standardizing processes across loan types and job functions, and engaging staff in the design and rollout of new technology.

A key to our success can be attributed to the strong relationship that was forged between our business and technology teams. This fostered a common understanding of business needs and system capabilities resulting in a co-ownership model for the project. We've also established a citizen development model that provides a controlled support structure sanctioned by our IT team. Our business users can build departmental, enterprise, and even public applications using shared services, fourth-generation language style development platforms and cloud computing services. The configurable design of our Multifamily Portal allows our business users to make necessary changes and adjustments in response to process changes rather than relying on our technology staff.

Our loan products follow various paths to closing and you'll often hear staff say "every deal is different." While each transaction has its own nuances, we needed to shift to a more standardized path that all loans follow to identify patterns and to enable us to evaluate the status of developments across our portfolio. To help us better understand how transactions flow, in 2018, we conducted a Kaizen event to elicit feedback from staff. This foundational work helped us identify patterns of how loans moved through our process and highlighted our pain points, some of which could be solved through technology.

Engaging users in the process of designing and rolling out technology is critical. The staff engagement model included:

- Frequent communication through multiple channels (one-on-one's, team meetings, newsletters, large group presentations).
- Rapid development with demonstrations of proposed features.
- Identifying technology champions and giving them early access to the product. They in turn were able to support other staff in the adoption process.
- Open office hours to solicit and establish a feedback loop.
- Phased rollout to allow users to adjust to change.

Replicable Models and Tools

Other Housing Finance Agencies (HFAs) can replicate the business – technology partnership by establishing a technology team embedded within the business that can act as a liaison between business users and technology professionals. Establishing this structure allows business staff to design engagement interventions, communication, and training that is appropriate for users while freeing up technology professionals to focus on other aspects of the development process. Other HFAs can also encourage citizen development while providing a controlled support structure sanctioned by their IT department. This includes having roles and responsibilities clearly documented, formal review and

release sign-offs, and establishing a mentorship relationship so that business users can learn best practices in technology development.

Process improvement work is challenging and requires staff to think critically about how to do their work differently. Other HFAs can create standardization by engaging a cross-section of staff to document existing processes, identify waste or gaps, and agree to solutions that simplify processes and clarify roles and responsibilities.

Salesforce is widely available and allows users to use declarative (clicks) rather than programmatic (code) tools to build a customized platform that fits the needs of each HFA. Leveraging Salesforce allows us to potentially share our product in its AppExchange with public, nonprofit, and private organizations that are facing similar challenges.

Measurable Results

We are still collecting baseline metrics; however, some notable trends identified to date include:

- 100% paperless application process (Hundreds of pages of documentation per application).
- Reduction in funding round configuration time by 98.5% (200+ hours to 3 hours).
- 10-15% improved staff efficiency with room to improve!

Benefits outweigh costs
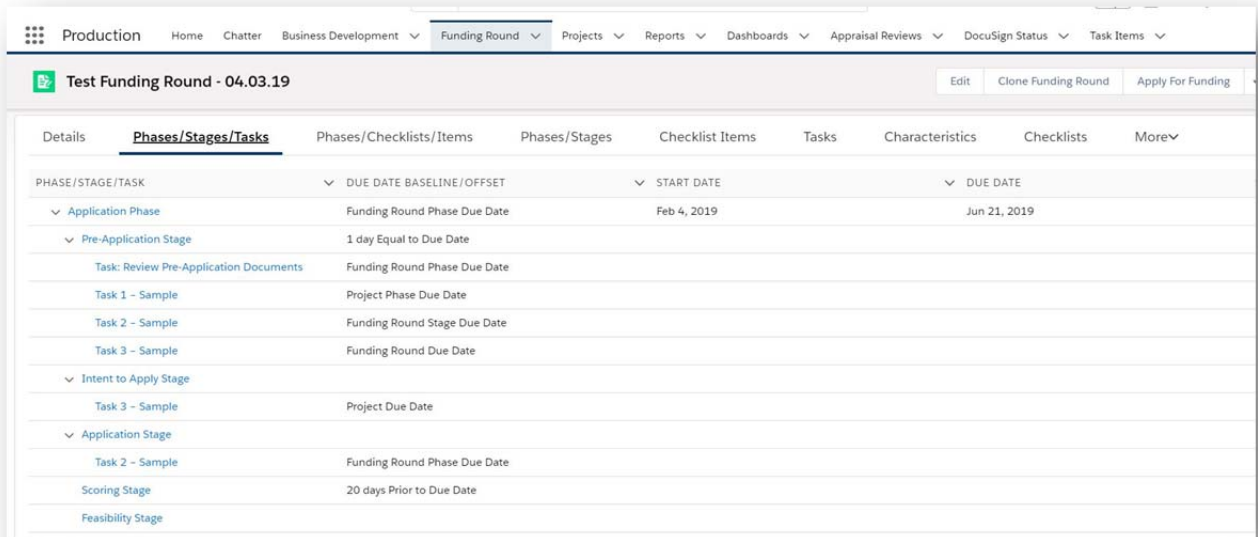
The benefit of the Multifamily Portal has outweighed the cost by reducing financial and regulatory risk due to erroneous data, its ability to track processing times by phase, stage, and activity to inform future continuous improvements, and our enhanced planning and forecasting capabilities. Whenever possible, we've leveraged declarative features to minimize the cost of the Multifamily Business Flow project and built skills internally to support ongoing development and maintenance of the system. As more functionality becomes in the Multifamily Portal, we'll see a reduction of licensing costs for duplicative software systems.

Achieve strategic objectives

The mission of Minnesota Housing is "Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance affordable housing." The Multifamily Business Flow project helps the agency achieve its mission by creating a space to easily collaborate with customers and lending partners, measure the impact of process improvement initiatives, and access valuable data to understand how to more effectively deploy limited resources.

Visuals:
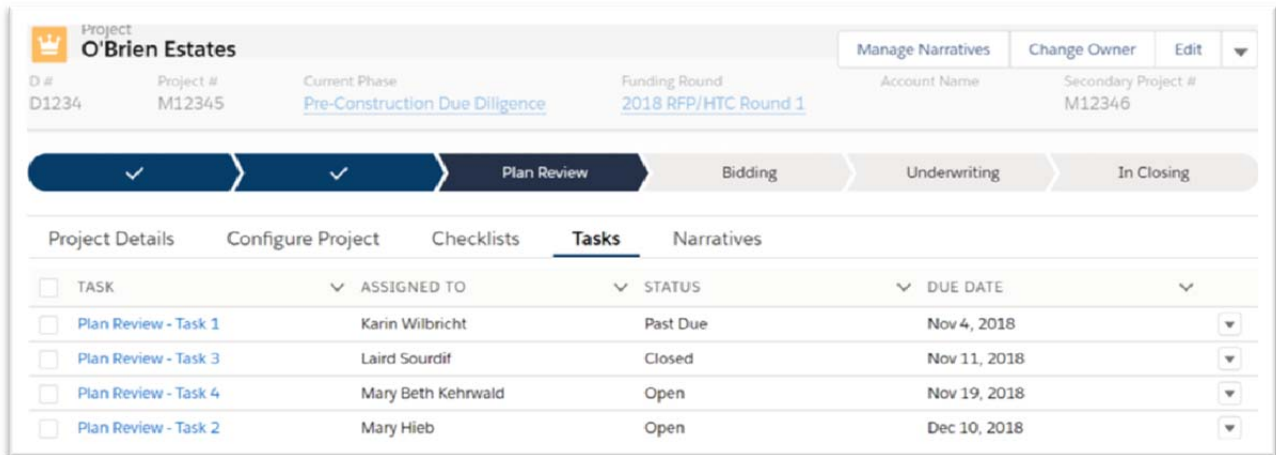
Funding Round Configuration by the Business Users

Application Management and Status Tracking

Business Development Tracking
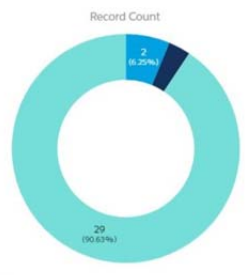
Tracking Our Properties and Loans for 30+ Years
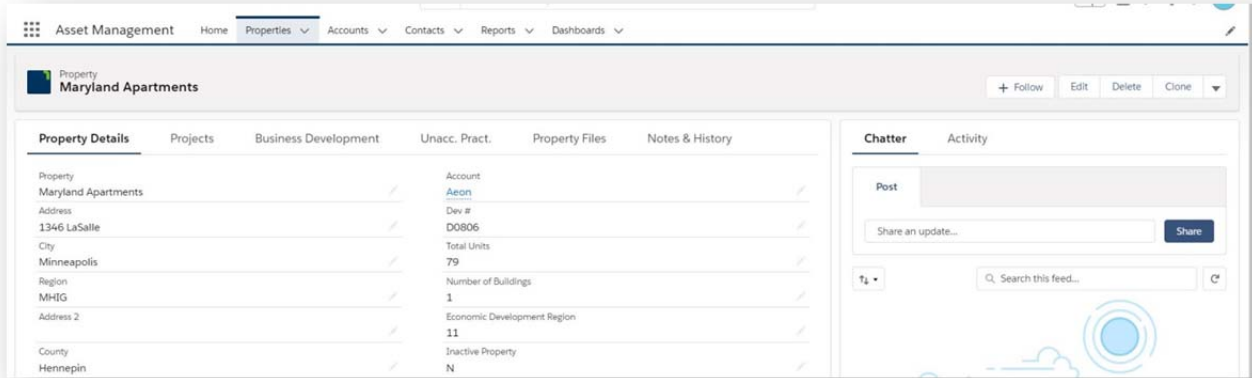
Tracking our Progress Over Time – Continuous Improvement