



# **NOTICE AND AGENDA**

**March 21, 2017**

**REGULAR MEETING OF THE MINNEAPOLIS PUBLIC HOUSING AUTHORITY IN AND FOR THE CITY OF MINNEAPOLIS WILL BE HELD AT 1:30 P.M. AT 1001 WASHINGTON AVENUE NORTH, MINNEAPOLIS, MINNESOTA**

The Tenant Advisory Committee will meet at 12:00 Noon, same date and place

**Commissioners:**

- F. Clayton Tyler, Chair**
- Charles T. Lutz, Vice Chair**
- Mikkel Beckmen, Secretary**
- Tom DeAngelo, Commissioner**
- Abdullahi Isse, Commissioner**
- Cara Letofsky, Commissioner**
- Tamir Mohamud, Commissioner**
- Hon. James Rosenbaum, Commissioner**

**GENERAL:**

- Roll Call
- Approval of Agenda
- Minutes of Annual Meeting of February 22, 2017

**TENANT ADVISORY COMMITTEE – TAC Chairperson Comments**

**DISCUSSION:**

1. Construction Management at Risk (CMAR) Services at 1627 South Sixth Street (Laura Dykema, Manager of Facilities & Capital Fund Program)
2. Electrical Systems Upgrades at Horn Towers (Laura Dykema, Manager of Facilities and Capital Fund Program)
3. Workers Compensation Insurance Policy Renewal (Tim Durose, DED / CFO and Robin Harris, Director of Human Resources)

**RECEIVE AND FILE:**

- Monthly Performance Report for February 2017 (Greg Russ, Executive Director/CEO)



- Memorandum to Board of Commissioners: Quadel Consulting & Training, LLC- Enhancement and Best Practices Designed to Expand Resident Choice and Mobility in Minneapolis (Kyle Hanson, Managing Director, HCV)

**Next Regular Meeting:**

**Wednesday, April 26, 2017 - 1:30 p.m.  
1001 Washington Avenue North  
Minneapolis, MN 55401**

***Notice:*** *A portion of this meeting may be closed to the public pursuant to Minnesota Statutes Section 13D.03 or 13D.05.*



**MINUTES OF THE ANNUAL MEETING OF THE  
MINNEAPOLIS PUBLIC HOUSING AUTHORITY  
IN AND FOR THE CITY OF MINNEAPOLIS  
February 22, 2017**

The Minneapolis Public Housing Authority in and for the City of Minneapolis met in a regularly scheduled meeting at 1:30 P.M. on February 22, 2017, at 1001 Washington Avenue North, Minneapolis, Minnesota, the date, time, and place established for the holding of such meeting.

**Roll Call:**

The Chair called the meeting to order, the following members of the Board being present:

|                      |              |
|----------------------|--------------|
| F. Clayton Tyler     | Chair        |
| Charles T. Lutz      | Vice Chair   |
| Mikkel Beckmen       | Secretary    |
| Abdullahi Isse       | Commissioner |
| Cara Letofsky        | Commissioner |
| Tamir Mohamud        | Commissioner |
| Hon. James Rosenbaum | Commissioner |

The following members of the Board were absent:

|              |              |
|--------------|--------------|
| Tom DeAngelo | Commissioner |
|--------------|--------------|

The following others were also present:

|           |                          |
|-----------|--------------------------|
| Greg Russ | Executive Director / CEO |
|-----------|--------------------------|

The Chair declared the presence of a quorum.

**Approval of Agenda:**

Commissioner Lutz moved approval of the proposed agenda. The motion was seconded by Commissioner Rosenbaum. Upon a voice vote, the Chair declared the motion carried.

**Approval of Minutes:**

The Minutes of the Regular Meeting of December 21, 2016, were presented for approval. Commissioner Lutz moved the minutes be accepted as presented. The motion was seconded by Commissioner Rosenbaum. Upon a voice vote, the Chair declared the motion carried.



### **Election of Officers and Appointment of Committee Members:**

Upon nomination by Commissioner Rosenbaum, seconded by Commissioner Isse, Commissioner Lutz was unanimously re-elected Vice Chair of the MPHA Board of Commissioners. Upon nomination by Commissioner Lutz and seconded by Commissioner Rosenbaum, Commissioner Beckmen was elected Secretary of the MPHA Board of Commissioners.

The Chair announced the following committee appointments for 2017: Commissioner Letofsky to chair the MPHA Audit Committee, Commissioner Isse to the Audit Committee, Commissioner Mohamud to the MPHA Pension Committee, Commissioners DeAngelo, Letofsky and Chairman Tyler to the MPHA Development Committee, Commissioners DeAngelo, Lutz and Rosenbaum to the MPHA Executive Committee of the Board, Chairman Tyler to chair the Executive Committee.

#### **Item No. 1: Meeting Schedule for 2017 Board Meetings**

After a brief presentation by staff and discussion, Commissioners Rosenbaum moved approval of the recommendation set forth in the Report. Commissioner Lutz seconded the motion. Upon a voice vote, the Chair declared the motion carried. [See Document No. 2017-01]

#### **Item No. 2: Appointment of the Moving to Work Resident Advisory Board (RAB)**

After a brief presentation by staff and discussion, Commissioner Lutz moved approval of the recommendation set forth in the Report. Commissioner Letofsky seconded the motion. Upon a voice vote, the Chair declared the motion carried. [See Document No. 2017-02]

#### **Item No. 3: Designation of “Responsible Authority” under the Minnesota Government Data Practices Act**

After a presentation by staff and discussion, Commissioner Lutz moved approval of the recommendation set forth in the Report along with the corresponding Resolution attached thereto. Commissioner Mohamud seconded the motion. Upon a roll call vote, seven Commissioners voted “aye” (Commissioners Beckmen, Isse, Letofsky, Lutz, Mohamud, Rosenbaum, and Chairman Tyler. No Commissioner voted “nay”. The Chair declared the motion carried. [See Document No. 2017-03] [See Resolution No. 17-171]

#### **Receive and File Items:**

The following items were received and filed by the Board:

- The Monthly Performance Report for December 2016. [See Document No. 2017-04]
- The Monthly Performance Report for January 2017. [See Document No. 2017-05]
- Memorandum to Commissioners: Executed Construction Management at Risk (CMAR) Agreements [See Document No. 2017-06]
- Memorandum to Commissioners: Authorized Signer [See Document No. 2017-07]



**Adjournment:**

There being no further business to come before the meeting, and upon a motion duly made and seconded, the meeting was adjourned at 2:03 p.m.

---

Secretary of the Board of Commissioners

---

Date These Minutes Approved



March 21, 2017

Agenda Item 1

## **REPORT TO THE COMMISSIONERS**

**FROM:** Gregory Russ, Executive Director / CEO

**SUBJECT:** Construction Management at Risk (CMAR) Services at 1627 South Sixth Street

**Previous Directives:** The Board previously approved Capital Fund Program (CFP) Plan for FY 2017 as part of the Agency's 2017 Moving to Work (MTW) Plan.

**Resident Council Review/Recommendation:** This Report will be discussed with the Tenant Advisory Committee (TAC) immediately prior to the Board's March 21, 2017 meeting.

**Budget Impact:** Expenditures will be charged to the Capital Fund Program.

**Affirmative Action Compliance:** The Construction Management at Risk (CMAR) delivery method provides favorable opportunities for the participation of minority, women, and Section 3 owned businesses in major improvement projects. Knutson Construction is aware of MPHA's affirmative action and Section 3 contracting goals, and has a successful track record of meeting or exceeding owner-established goals on other projects.

**Procurement Review:** This Report has been reviewed and approved by the Agency's Contracting Officer.

**RECOMMENDATION:** It is recommended that the Board of Commissioners authorize the Executive Director or his designee to execute a CMAR agreement with Knutson Construction for building improvements at 1627 South Sixth Street.

## **Scope & Budget**

Located within the Cedars Complex, 1627 South Sixth Street is a 116-unit highrise built in 1963. Like other MPHA properties of this age and construction, it has extensive capital needs with many original building systems and components. The scope of this renovation project consists of comprehensive plumbing replacement, HVAC system improvements, installation of a fire suppression system, fire alarm system upgrades, and apartment improvements including new kitchen countertops, tub surrounds, flooring, and handicapped accessibility upgrades in six units. The total funding for this project is \$4.4 million.



The project will consist of two phases including a preconstruction and construction phase.

### **Pre-Construction Phase**

- CMAR and MPHA's design team further refine design details and conduct investigative work to determine constructability and, as necessary, engage in the value engineering process to meet the project design intent while maximizing budget, schedule, and phasing.
- Bid documents are prepared for all project disciplines.
- Project is bid in accordance to MPHA and HUD procurement guidelines.
- Project schedule is established.

### **Construction Phase**

- Upon completion of the pre-construction phase, MPHA will negotiate a Guaranteed Maximum Price (GMP) at Risk agreement with the CMAR.
- CMAR will be at risk to deliver project on time and within agreed upon GMP agreement.
- MPHA will inform the Board of the final GMP agreement amount once executed.

### **Procurement**

On January 31, 2017, MPHA issued an RFP to its pre-qualified CMAR pool members for the building modernization project at 1627 South Sixth Street. MPHA received proposals from the following firms:

Knutson Construction Company  
Shaw-Lundquist Associates (MBE)  
Watson-Forsberg (partnering with Tri-Construction, MBE/S3)

An evaluation committee was formed to evaluate and rank proposals. Evaluation criteria included proposed fees, proposed project team, experience, and the firm's approach to project implementation including proposed phasing to ensure minimal disruption to building operations, tenant relations, past performance in meeting or exceeding affirmative action goals, safety in occupied buildings, meeting budget and time constraints, etc. The highest-ranking firm, Knutson Construction, has successfully completed several similar projects and MPHA staff is confident they will perform well on this project.

This Report was prepared by Laura Dykema, Manager of Facilities & Capital Fund Program. For further information, please contact Ms. Dykema at (612) 342-1428 or [ldykema@mplspha.org](mailto:ldykema@mplspha.org).



March 21, 2017

Agenda Item 2

## **REPORT TO THE COMMISSIONERS**

**FROM:** Gregory Russ, Executive Director / CEO

**SUBJECT:** Electrical Systems Upgrades at Horn Towers

**Previous Directives:** The Board has previously approved Capital Fund Program (CFP) Plan for FY 2017 as part of the Agency's 2017 Moving to Work (MTW) Plan.

**Resident Council Review/Recommendation:** This Report will be discussed with the Tenant Advisory Committee (TAC) immediately prior to the Board's March 21, 2017 meeting.

**Budget Impact:** These expenditures will be charged to the Capital Fund Program.

**Affirmative Action Compliance:** MPHA staff will work with the contractor to strategize on affirmative action and Section 3 opportunities and will monitor compliance.

**Procurement Review:** This Report has been reviewed and approved by the Agency's Contracting Officer.

**RECOMMENDATION:** It is recommended that the Board of Commissioners authorize the Executive Director or his designee to execute a contract in the amount of \$955,892 with Aid Electric Corporation for electrical systems upgrades at Horn Towers.

The three highrise campus at 3121 Pillsbury Avenue, 115 West 31<sup>st</sup> Street, and 3110 Blaisdell Avenue currently has original main electrical switchgear and distribution panels that are obsolete and have a high potential for failure due to their age, condition, and the manufacturer of the equipment. Further, two of the three existing generators are undersized and do not have the capacity to run all critical building systems should a power outage occur; these also need to be replaced to meet current code requirements. Replacing these electrical components will ensure safety for building occupants and minimize resident discomfort during power outages.





On February 13, 2017, an invitation for bids was publicly advertised with a bid due date of March 9, 2017. Direct bid invitations were sent to the following firms:

|                                    |                                 |
|------------------------------------|---------------------------------|
| Abel Electrical Contractors (WBE)  | Aid Electric Corporation        |
| Collins Electrical Construction    | Covenant Electric (WMBE)        |
| Crocus Hill Electric Company (WBE) | Egan Company                    |
| Electric City Corporation          | Electrical Innovations (WBE)    |
| Elliott Contracting Corp (MBE)     | Great Lakes Electric LLC (WMBE) |
| Gunnar Electric, Inc. (WBE)        | Horwitz                         |
| Kirtland Electric                  | M-P Consultants (WMBE)          |
| Modern Electrical Solutions (WMBE) | Mtec Electric (WMBE)            |
| Muska Electric                     | Parsons Electric                |
| Peoples Electric                   | Premier Electrical Corporation  |
| Ross Electric (MBE)                |                                 |

The following bids were received:

|                          |             |
|--------------------------|-------------|
| Aid Electric Corporation | \$ 955,892  |
| Covenant Electric        | \$1,065,000 |
| Gunnar Electric, Inc.    | \$1,633,000 |

The successful bidder, Aid Electric Corporation, has successfully completed several similar projects and MPHA staff is confident they will perform well on this project.

This Report was prepared by Laura Dykema, Manager of Facilities and Capital Fund Program. For further information, please contact Ms. Dykema at (612) 342-1428 or [ldykema@mplspha.org](mailto:ldykema@mplspha.org).



March 21, 2017

Agenda Item 3

## **REPORT TO THE COMMISSIONERS**

**FROM:** Gregory Russ, Executive Director/ CEO

**SUBJECT:** Workers Compensation Insurance Policy Renewal

**Previous Directives:** On March 23, 2016, the Board of Commissioners approved an insurance policy for workers' compensation with the League of Minnesota Cities Insurance Trust.

**Resident Association Notification:** This Report is scheduled to be discussed with the Tenant Advisory Committee (TAC) on the same date as and immediately prior to the Board of Commissioners March 21, 2017 meeting.

**Budget Impact:** The expenditures for this insurance will be covered under the Public Housing Operating, Housing Choice Voucher, Capital Fund, and Central Office Budgets in accordance with the MPHA's Cost Allocation Plan.

**Affirmative Action Compliance:** Not applicable.

**Procurement Review:** This Report has been reviewed and approved by the Agency's Contracting Officer.

**RECOMMENDATION:** It is recommended that the Board of Commissioners authorize the Executive Director or his designee to enter into an insurance policy in the amount of \$618,575 with the League of Minnesota Cities Insurance Trust for workers' compensation insurance for a one year policy term beginning April 7, 2017.

The Minneapolis Public Housing Authority (MPHA) is a member of the League of Minnesota Cities Insurance Trust (LMCIT). LMCIT is a cooperative joint-powers organization formed by Minnesota Cities in 1980 as one of the first municipal self-insurance pools in the country. It exists solely to meet the risk management and coverage needs of Minnesota cities and other types of entities. In addition to providing workers' compensation coverage, LMCIT provides a comprehensive loss control program to reduce the risk of employee injuries and the volume of costly claims.

MPHA has always had its workers' compensation covered through the LMCIT because it provides the lowest overall rates, the broadest coverage, and the most deductible options.



This policy year is no exception. Because LMCIT is a cooperative joint-powers organization formed by Minnesota Cities, MPHA is permitted to use their workers' compensation insurance program without soliciting any additional pricing from other sources. Nonetheless, to insure competitive pricing, in 2016 MPHA utilized its insurance broker, Willis of Minnesota, and found that most insurance carriers would not offer a quote given MPHA's claims history and line of business. Two carriers, United Heartland and RTW, indicated premiums over \$700,000. We believe this to still be true in 2017.

Staff is recommending that MPHA execute a workers' compensation policy with the LMCIT for \$618,575 with a \$5,000 deductible per occurrence for the policy year beginning April 7, 2017. The final premium may be adjusted based on an audit of actual payroll costs following the policy year.

This Report was prepared by Robin Harris, Chief Human Resources Officer and Tim Durose, Deputy Executive Director / CFO. If you have any questions or need additional information, please contact Ms. Harris at 612-342-1484 or [rharris@mplspha.org](mailto:rharris@mplspha.org) or Mr. Durose at 612-342-1410 or [tdurose@mplspha.org](mailto:tdurose@mplspha.org).



Greg Russ, Executive Director / CEO

# Performance Report for February 2017

*Board of Commissioners Meeting -  
March 21, 2017*

# This Month's Report

- Asset Management Project (AMP) Reports
- Procurement
- Rent Collections
- Facilities and Development
- Finance
- Housing Choice Voucher Program
- Policy and Special Initiatives

**Asset Management Project (AMP) Report  
(Units Leased/Turnaround/Work Orders/Occupancy)  
Headquarters: 2709 Essex St. SE  
February 2017**

**Glendale AMP 1 -**

**Total Units 184**

- ▶ Units Leased: 1
- ▶ Average Turnover: 10
  - Down Time: 0
  - Days Make Ready: 2
  - Days for Re-rental: 8
- ▶ Total Work Orders
  - 4 emergency work order completed in 24 hours - 100%
  - 104 non emergency work orders completed - 90%

▶ **Occupancy Level: 99%**

February 2017 Performance Report

**Scattered Sites AMP 2 -**

**Total Units 736**

- ▶ Units Leased: 3
- ▶ Average Turnover: 39
  - Days Make Ready: 29
  - Days for Re-rental: 8

**Total Work Orders**

- 4 emergency work orders completed in 24 hours - 100%
- 663 non emergency work orders completed - 85%

▶ **Occupancy Level: 99%**

# Asset Management Project (AMP) Report (Units Leased/Turnaround/Work Orders/Occupancy) February 2017

## North AMP 3 - Headquarters: 315 Lowry Total Units 1296

- ▶ Units Leased: 12
- ▶ Average Turnover: 54
  - Days Down Time: 9
  - Days Make Ready: 25
  - Days for Re-rental: 20
- Total Work Orders
  - 0 emergency work orders completed in 24 hours - 100%
  - 618 non emergency work orders completed - 48%
- Occupancy Level: 99%

## Northeast AMP 4 - Headquarters: 1815 Central - Total Units 944

- ▶ Units Leased: 13
- ▶ Average Turnover: 45
  - Days Down Time: 25
  - Days Make Ready: 5
  - Days for Re-rental: 14
- Total Work Orders
  - 11 emergency work orders completed in 24 hours - 100%
  - 454 non emergency work orders completed - 46%
- Occupancy Level: 99%

# Asset Management Project (AMP) Report (Units Leased/Turnaround/Work Orders/Occupancy) February 2017

## Hiawatha AMP 5 - Headquarters: 2123 - 16<sup>th</sup> - Total Units 95

- Average Turnover: 63
  - Days Down Time: 32
  - Days Make Ready: 23
  - Days for Re-rental: 9
- Total Work Orders
  - 18 emergency work orders completed in 24 hours - 100%
  - 516 non emergency 87%
- Occupancy Level: 99%

## Cedar AMP 6 - Headquarters: 1611 So. 6<sup>th</sup> - Total Units 895

- Units Leased: 20
- Average Turnover: 8
  - Days Down Time: 1
  - Days Make Ready: 4
  - Days for Re-rental: 3
- Total Work Orders
  - 21 emergency work orders completed in 24 hours - 100%
  - 653 non emergency 92%
- Occupancy Level: 99%

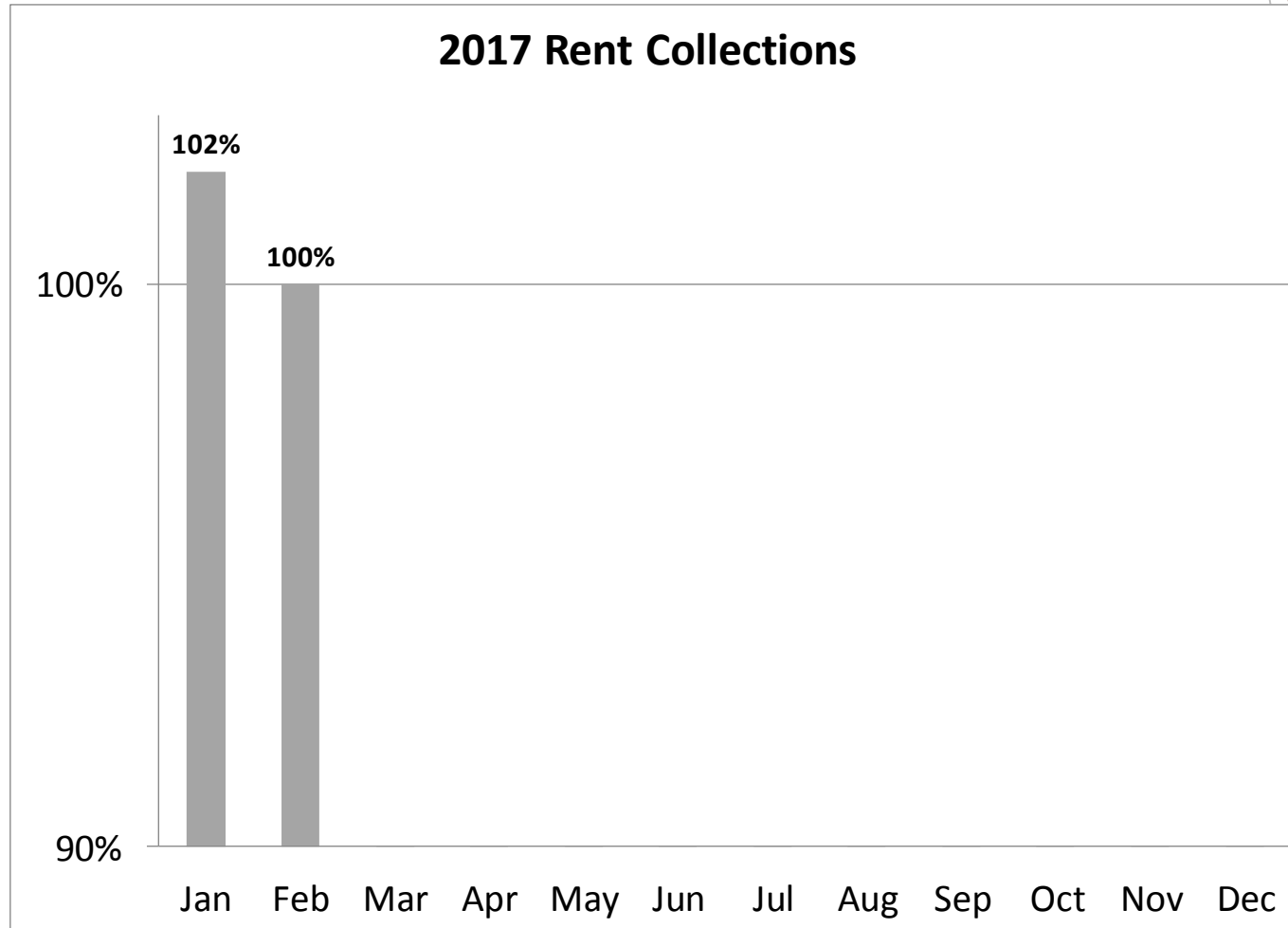


# Asset Management Project (AMP) Report (Units Leased/Turnaround/Work Orders/Occupancy) February 2017

## Horn AMP 7 - Headquarters: 3121 Pillsbury - Total Units 937

- Units Leased: 7
- Average Turnover: 22
  - Days Down Time: 3
  - Days Make Ready: 4
  - Days for Re-rental: 14
- Total Work Orders
  - 2 emergency work orders completed in 24 hours - 100%
  - 441 non emergency work orders completed 81%
- Occupancy Level: 100%

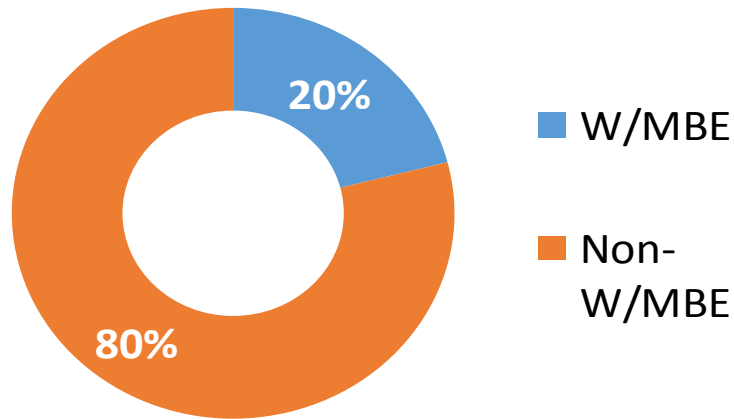
# Rent Collections



# Procurement MPHA Contracting Activity

February 2017

## W/MBE Participation



## Section 3 Contracting

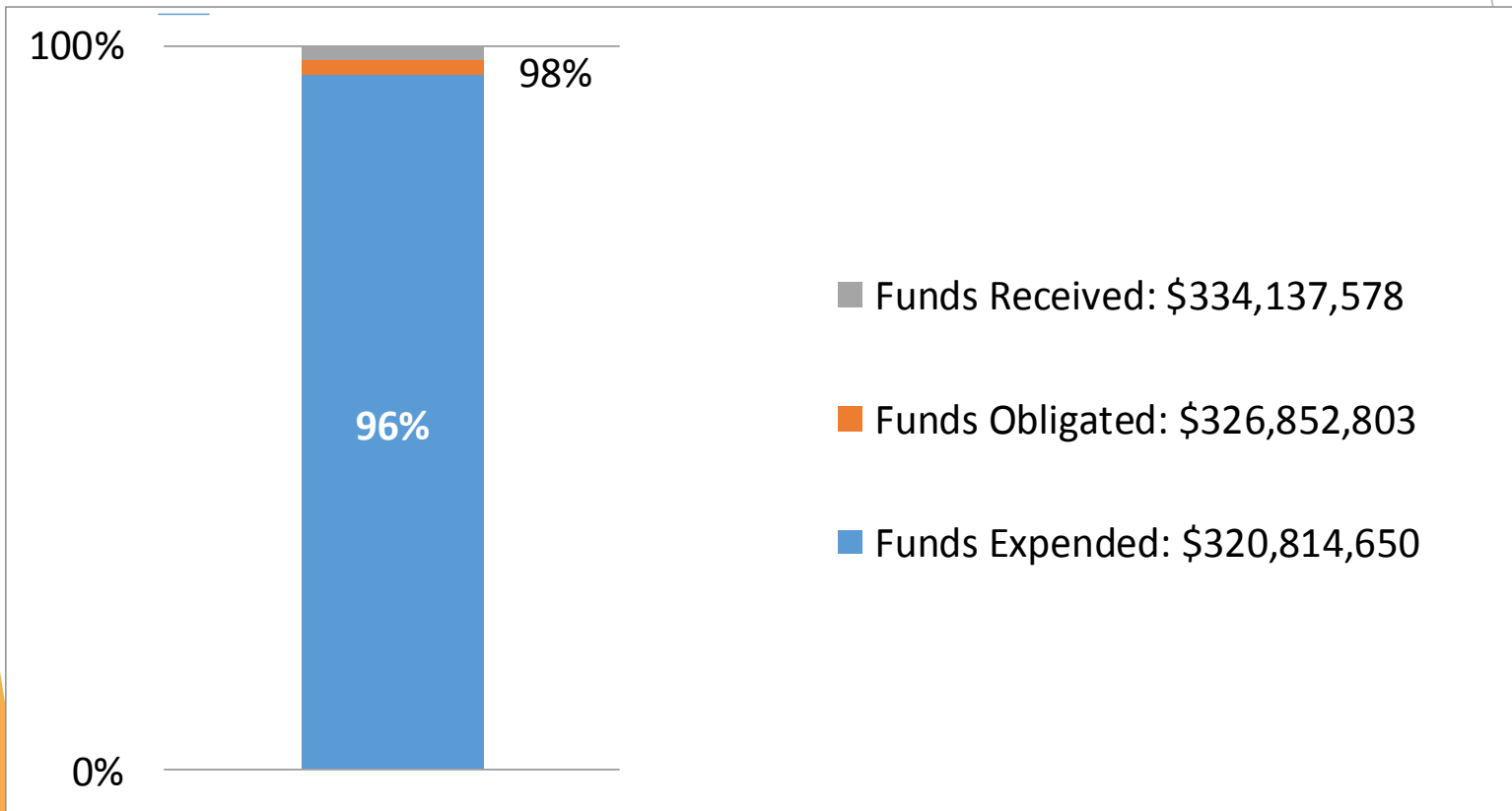


■ Goal: 10%

■ Participation

\$240,485 in Section 3  
Contract Payments out of  
\$2,355,925 in total  
construction contract  
payments

# Facilities & Development Capital Fund Program Obligation & Expenditure Report



February 2017 Performance Report

1992 through February 28, 2017

# Finance

- ❖ The FYE 2016 books have been closed. Savings in the public housing operating budget in maintenance and utilities resulted in less than budgeted transfers needed from the Housing Choice Voucher Program. These savings will likely be needed to offset FY 2017 federal funding shortfalls.
- ❖ Current federal funding levels are significantly below budgeted amounts. The Continuing Resolution expires at the end of April. If funding does not improve, staff will need to seek approval of a budget revision for 2017.
- ❖ The MPHA Audit Committee will hold a meeting in late March/ early April regarding the State Auditors entrance meeting in the FY 2016 single audit.

# COMPREHENSIVE BUILDING MODERNIZATION

Oliver Manor  
3116 Oliver Avenue North



# Project Scope & Budget

---

3116 Oliver is a 4-story lowrise with 31 apartments, built in 1966. \$2 million of apartment and building systems renovations were completed in February 2017 including:

- Extensive plumbing replacement including new main waste and vent stacks
- Roof replacement
- Bath upgrades including new showers, lavatories & accessories
- Asbestos floor tile abatement & new tile installation in apartments
- New kitchen cabinets, countertops, sinks, range hoods & refrigerators
- New apartment LED lighting
- Heating system upgrades including new apartment control valves
- New solid surface window sills & treatments; new apartment entry & closet doors



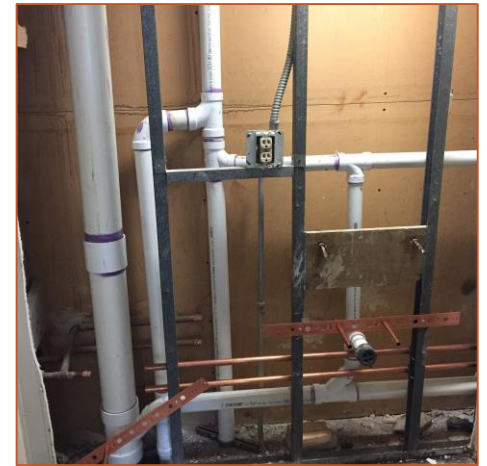
# Plumbing Replacement

---

FAILED GALVANIZED & CAST PIPING



REPLACEMENT UNDERWAY





# New Apartment Kitchens & Baths

---

BEFORE – CABINETS & SHOWERS



AFTER – KITCHENS & SHOWERS



# Housing Choice Voucher Program

## MPHA Housing Choice Voucher Program Report to Board of Commissioners February 2017

| MTW Funded Units<br>(Excludes VASH, FUP, & Mod Rehab) | MTW Units Leased<br>(Excludes VASH FUP & Mod) In February | Average Number of Vouchers Leased to Year to Date   | % Variance of units Leased to Funded                         | # of Participants Moving and Searching In February     | # of New Applicants Issued and Searching In February          | # of New Applicant Admissions In February                       | # of Participant Move Lease ups In February                 |
|---|---|---|--|--|---|---|---|
| 4,509   | 4,512   | 4,510   | 100%   | 53   | 24  | 23  | 35  |
| # of Applicant Annual Reexams Completed In February   | 2016 Fiscal Year (Jan - Dec)                              |   |  |  |   | MTW Funded Per Unit Cost (PUC) Of Voucher                       | Actual Per Unit Cost (PUC) Of Voucher In February           |
|   | HAP Budget Authority (12 months)                          |   | \$39,305,598 2016 FY Funding                                 |  |   |   |   |
|   | HAP funded to date  |   | \$6,550,933 2nd month of 2017                                |  |   |   |   |
|   | HAP spent to date   |   | \$6,446,052  |  |   |   |   |
|   |   |   |  |  |   |   |   |
| 342   | Variance  |   | 98% of HAP spent to funded                                   |  |   | \$724   | \$716   |
| # of Owners at Owner Workshop In February             | # of HQS Inspections Completed In February                | % of Units that Failed HQS In February              | # of Failed Units in Abatement for Noncompliance In February | Total HAP Amount Recouped (Abatement) In February      | # of HAP Contracts Canceled for HQS Noncompliance In February | # of Family Sufficiency (FSS) Participants Enrolled In February | % FSS Participants contributing to Escrow Accts In February |
| NA  | 581   | 26%   | 7  | \$4,926  | 1   | 28  | 42%   |
| # of Mobility Vouchers in Intake or Out Searching     | # of Mobility Vouchers Leased To date                     | Total # of Port out Families Billed for In February | Total # Port in Families Administered In February            | Amount Collected from Repayment Agreements In February | FY Total <u>to date</u> Collected from Repayment Agreements   | # of Applicants Remaining On Waitlist                           | # Participants EOP'd (End of Participation) In February     |
| 10  | 18  | 169   | 693  | \$5,273  | \$9,381   | 1,739   | 18  |

4509 is MPHA's MTW Authorized HCV Unit Baseline for FY 2016. Units leased will flucuate each month but by close of Fiscal Year, the average number of families served for year should be 4509.

NOTE: VASH (235 Vouchers for Homeless Veterans) FUP (100 Family Unification Vouchers) and Moderate Rehabilitation (274 units) are not included in the 4509 baseline; they are ineligible for MTW.

EOPs exclude Project Based Voucher Participants. \* Includes All Reinspections \*\*Beginning 2015, Waitlist is being purged

# Policy & Special Initiatives

## ► Policy

### ➤ Moving To Work (MTW)

- 2017 MTW Plan
  - Submitted Technical Amendment to 2017 to HUD Seeking Authorization for use of Funds from Sale of Lease to Own Units
- 2016 MTW Report
  - Coordinating with Department Heads to prepare information for 2016 MTW Report
- MTW Governance Development Strategies:
  - Continued work on MTW governance structures for possible creation of MTW organizational structure

# Policy & Special Initiatives

## ► Policy

### ○ **MTW Initiatives:**

- Hosted Regional Meeting with Met Council, other area PHAs, Family Housing Fund, McKnight Foundation, HUD Technical Assistance Providers on Regional Project Based Voucher Initiative for Opportunity Areas
- Met with Minnesota Housing Finance Agency (MHFA), Met Council and , Family Housing Fund, McKnight Foundation, HUD Technical Assistance Providers Regard Coordination of Regional PBV Initiative with MHFA's Super RFP Process
- Provided Notice of Award to Lutheran Social Services for 'Families Out Of Shelter - Project Based Voucher' Initiative.
- MPHA is exploring a partnership with Northside Achievement Zone (NAZ) on a sponsor based voucher initiative for NAZ families

# Policy & Special Initiatives

## ► Policy

### ➤ Moving To Work (MTW)

#### ○ MTW Other:

- HUD Agreed to reconsider MPHA Waiver Request regarding Conflict of Interest - Better Futures MTW Sponsor Based Voucher Initiative
- MPHA will be presenting a 2017 MTW Conference on initiatives for homeless families

### ➤ Other MPHA Policies

- Drafting Guiding Principles for Redevelopment and Capitalization

# Policy & Special Initiatives

## ► Special Initiatives

### ➤ Development:

- Heritage Park /RAD

Continued work on RAD Conversion for Heritage Park - Closing

### ➤ Glendale:

- Continued work with Facilities and Development and Policy and Special Initiatives in negotiations with Sustainable Resource Center staff to draft an Agreement for weatherization and energy improvements at Glendale
- Drafted “open letter” response to Defend Glendale communication

# Policy & Special Initiatives

## ► Special Initiatives

### ➤ Faircloth:

- Continued exploring strategies for expanded use of Faircloth Units for partnerships with other affordable housing developers
- Met with LISC, City of Minneapolis, Family Housing Fund to discuss financing challenges for Minnehaha Townhome development
- Conferred with HUD regarding utilizing Faircloth units for subsidy only developments

### ➤ Urban Garden:

- Secured HUD approval for acquisition of Urban Garden

# Policy & Special Initiatives

## ► Special Initiatives

### ➤ **Lease To Own (LTO):**

- Waiting List Remains Open
  - MPHA initiated out reach effort to identify and respond to new applicants to program.
- MPHA has successfully closed on its first FHA financing approval for the Lease To Own program - This marks the fourth closing on this 20 unit LTO development
- There were four vacant townhomes at the end of January
- Secured commitment from two additional area Lenders to finance LTO townhomes for those qualifying for FHA or their in-house conventional loan products: Bremer Bank and Waterstone Mortgage



# Policy & Special Initiatives

- ▶ Special Initiatives
- ▶ **MHOP AMP 8 and AMP 9:**
  - ▶ February reporting for all mixed-finance developments shows there were 6 vacancies in AMP 8, and 3 vacancies in AMP 9.

# Policy & Special Initiatives

## ► Website Contacts:

- MPHA Received and Responded to 46 Website and email Contacts Requesting Assistance with Housing in February

# Policy & Special Initiatives

## ► **Communications Activities:**

- Coordinated with MHRC to issue joint guidance on presidential immigration ban
- Responded to Glendale-related open letters related to rent and other policy changes
- Oversaw final media coverage of departing Executive Director, including extended appearance on Minnesota Public Radio and a profile in Affordable Housing Finance Magazine
- Began work with MPHA Human Resources on internal communication and communication for recruitment purposes
- Participated in meetings with residents about recent criminal activity
- Began building outward-facing presentation focusing on impending capital needs and alternative funding options
- Coordinated and attended meetings between city and state officials and the new Executive Director
- Communicated leadership change in Section 8/HCV to external stakeholders
- Worked with HOME Line to attend HCV Tenant Briefing and incorporate their feedback

# Policy & Special Initiatives

## ▶ **Other:**

- ▶ Met with Health and Wellness Committee to talk about healthy options in vending machines
- ▶ Coordinated marketing meeting with partners at McCorvey center- set date for Spring Health Fair 4/19/2017
- ▶ Worked with Northside Arts Council (NAC) to plan for new for Spring Show at McCorvey Center
- ▶ Hosted artists reception for new artwork to be displayed at McCorvey Center 2-18-17
- ▶ Assisted with Feeney Manor 5 year Anniversary Celebration
- ▶ Worked with Y at Heritage Park in recruiting MPHA residents for scholarships at Y (Goal 101 resident scholarships)
- ▶ Hosted Minnesota Housing Opportunity Program (MHOP) property management training program for MPHA's public housing units
- ▶ Working with Learning Lab to coordinate the Open House at McCorvey Center on 4-13-17

# MPHA's Website

*You can view information  
about the Minneapolis Public  
Housing Authority on our  
Website*

[www.mphaonline.org](http://www.mphaonline.org)



**March 21, 2017**

**MEMORANDUM TO:** MPHA Board of Commissioners

**FROM:** Kyle Hanson, HCV Managing Director

**SUBJECT:** **Quadel Consulting & Training, LLC - Enhancements and Best Practices Designed to Expand Resident Choice and Mobility in Minneapolis**

In 2016, the Family Housing Fund contracted with Quadel Consulting & Training, LLC to study ways for expansion of resident choice and mobility in the Twin Cities metro region. The study found that MPHA has an experienced and knowledgeable staff and a commitment to provide quality services and expand housing choice.

Currently 46 percent of the HCV program participants are employed and incomes have been steadily increasing since 2015. Of those employed, the average income has risen to almost \$20,000. Further, MPHA's Mobility Voucher Program has a full-time Mobility Coordinator who is now working to expand the program and has successfully enrolled eight additional families.

Quadel Consulting cited several challenges and proposed 38 recommendations for MPHA's consideration. MPHA has reviewed these recommendations and has developed a number of immediate and longer term strategies for implementation. In the attached document, you will find MPHA's responses to the specific recommendations.

The Quadel Study identified three general areas for improvement:

- Review of Administrative Policies, including revisions to MPHA's Mobility Program
- Image and communications
- Collaborative relationships with regional partners

MPHA is taking active steps to change and improve its Administrative Policies through exploring opportunities to further expand its Moving to Work (MTW) authority and modifying its Administrative Plan and procedures. In MPHA's responses to the recommendations, you will see some of the more immediate actions we are planning to adopt.

The HCV program intends to review all external communications and will implement changes aimed at building a more positive image with participants, property owners and our partners. In addition, the HCV program will identify technological solutions to help improve communications and expand data analysis.

MINNEAPOLIS PUBLIC HOUSING AUTHORITY  
EQUAL HOUSING OPPORTUNITY – EQUAL EMPLOYMENT OPPORTUNITY

MPHA has already embarked in a collaborative process with area PHAs and other partners with the goal of exploring regional initiatives that will result in additional affordable housing in 'opportunity areas'.

# **Enhancements and Best Practices Designed to Expand Resident Choice and Mobility in Minneapolis Quadel Recommendations / MPHA Responses**



## **Presented To:**

Minneapolis Public Housing Authority Board of Commissioners

1001 Washington Ave N. Rm. 100

Minneapolis, MN 55401- 1043

## **Prepared By:**

HCV Management Team

1001 Washington Ave N. Rm 310

Minneapolis, MN 55401- 1043



# Quadel Recommendations / MPHA Responses

## Project-Based Vouchers

**1. Recommendation: Use the location of project-based vouchers as a strategy to expand housing opportunities for families. When implemented, MPHA should target assistance to units that will qualify for the 10% exception, which will maximize the agency's flexibility as it determined what number of units it will ultimately attach project-based assistance to. Additionally, MPHA should collaborate in planning with local stakeholders seeking to increase affordable housing in opportunity areas in order to maximize the impact of this assistance.**

- MPHA currently has 710 project-based vouchers in operation.
  - 24% of PBV units are already located in Areas of Opportunity
  - More PBV units in Areas of Opportunity are in development
    - 40 in the North Loop "Reintegration of Offenders" program
- MPHA is exploring new opportunities with other PHAs to project-base vouchers in opportunity areas throughout the metro region.
- Use MTW flexibility to secure units in Areas of Opportunity
- Increase collaboration with Minnesota Housing Finance Agency (MHFA)
- MPHA will issue an RFP by the end of April to update and review market rental information by census tract and neighborhood.

## Voucher Term

**2. Recommendation: Amend the policy and allow an initial voucher term of 120 days. Conduct an audit of extension requests to determine if policy is applied consistently, and train staff as needed.**

- MPHA will change the Administrative Plan to allow a 120-day voucher term at issuance for all voucher holders by August 2017
  - MPHA currently has a 77% success rate under its current policy, with an average time until voucher expiration of 153 days.
  - The VASH and Mobility Programs already allow 120 days.

## Housing Quality Standards

**3. Recommendation: To offer the greatest flexibility for both inspector and owner, consider allowing inspections [without the owner and/or the family present] in occupied units (a re-inspection may be required) or if the owner has a lock box.**

- Inspectors conduct inspections with anyone 18 or older in the unit.
- For move-in inspections MPHA will accept waivers to enter a vacant unit.

**4. Recommendation: Prioritize mobility participant RFTAs (Resident for Tenancy Approval) to have a faster turnaround time to process inspections. Consider same day approval and HAP contract execution for passed inspections which will allow for quicker occupancy and reduce vacancy loss for landlords. Additionally, HUD issued a notice to implement (effective no earlier than April 18, 2017, but potentially 60 days later) a regulation allowing for initial occupancy of a unit that fails HQS but does not have any life-threatening deficiencies. MPHA would need to amend its administrative plan to take advantage of this flexibility and should prepare to do so.**

- Currently VASH and Mobility inspections are prioritized.
- MPHA plans to consider exceptions for property owners whose inspection history is positive.
- Will amend Administrative Plan for HOTMA (Housing Opportunity Through Modernization Act) implementation to ease owner burden.
- Continue to work with the City of Minneapolis to share information about problem properties.

**5. Recommendation: Work with landlords and tenants to revise the policy on tenant-caused inspection fails in such a way that does not discourage landlord participation. Audit tenant HQS violations to determine how the current policy is enforced, and train staff as necessary.**

- In 2016 MPHA had only 26 formal complaints of tenant-caused damages.
- We will invite property owners to discuss complaint process and potential revisions by the end of April 2017
- MPHA will continue to explore the proposal for an incentive fund for owners.

**6. Recommendation: MPHA should evaluate the options as they have been authorized by HUD to determine if the approval of units before full compliance with HQS will increase the availability of affordable housing units in low poverty/opportunity neighborhoods.**

- See comments on #4 above.

**7. Recommendation: Communicate revisions to inspection requirements in writing to all property owners/managers and hold regular information sessions for landlords to provide a forum for program orientation and an opportunity for landlords to ask questions.**

- Continue bimonthly Owner Workshops.

- Develop electronic information sessions (live streaming, workshops, online FAQs, and email blasts).
- Emails will direct owners to a “one stop” contact with the Community Engagement Specialist.

## **Moves with Continued Assistance**

### ***8. Recommendation: Amend the policy to conduct the briefing presentation and voucher issuance on the same day.***

- MPHA already does same day issuance for new admissions.
- MPHA has flexible voucher issuance for special situations that allow for same day issuance of vouchers.
- For families transferring with a voucher, briefings are held weekly, typically with 25 to 40 families; this makes immediate, individual meetings with each impossible. However, we will revisit our large-group meeting approach and explore possible uses of technology to expedite the process.

## **Portability**

### ***9. Recommendation: Develop a portability process that promotes consistency. Review process and eliminate unnecessary steps. Coordinate with regional housing authorities to develop policies and practices that encourage adequate housing search time and moves to opportunity areas.***

- MPHA will initiate meetings with regional agencies to discuss a regional MTW agreement to expand portability rules area wide.

### ***10. Recommendation: Eliminate the criteria for portability moves and provide improved information about the benefits of moving less frequently and moving to opportunity areas.***

- Portability criteria is focused on ensuring successful and productive moves.
- We will review our data of transfers within the city and port outs to other communities to determine if further policy changes are warranted.
- Only one participant was denied a port out in 2015, and fewer than five were denied in 2016.
- MPHA will review handouts and other port out materials.
- Maps and guidance for Areas of Opportunity are provided in the briefings, and will be expanded.
- We will explore expanded community partnerships for counseling options.

- The group briefing currently promotes moving to Areas of Opportunity in Minneapolis, and one-on-one briefings further promote the concept. We will review this concept as we revisit our briefing materials more generally.

## **Payment Standards**

**11. Recommendation:** *Compare the current payment standard policy with the data from HUD's Hypothetical Small Area FMR's and MPHA's knowledge of the local housing market. For families currently living in the opportunity areas, rent burden should also be evaluated. Based upon the outcome of the evaluation, MPHA could adopt higher payment standards in some neighborhoods while reducing them in others (to limit the financial impact of the higher standards). The overall goal of this recommendation should be to establish payment standards that offer higher payment standards in high cost neighborhoods and lower payment standards in more affordable neighborhoods. If implemented this recommendation should be cost neutral (i.e. the savings from reduced payment standards in low cost neighborhoods can offset the increased costs in higher costs neighborhoods).*

- MPHA will issue an RFP to evaluate Small Area FMRs, neighborhood and local housing markets by the end of April 2017.

## **Payments to Owners**

**12. Recommendation:** *Allow prorated monthly payments to owners to begin on the day the HAP (Housing Assistance Payment) contract is approved.*

- Explore flexible, prorated disbursements of rental payments.
- Research budgetary impact of prorated HAP change in policy.

## **Perceptions of Programs and Families Served**

**13. Recommendation:** *Our observations indicate that creating regular and frequent opportunities for representatives of MPHA, the City, Met Council and other housing authorities in the seven county area to meet around specific issues would promote innovative regional coordination and lead to greater collaboration to solve the challenges confronted by all of the participants.*

- See Response #9 regarding Regional MTW Agency.

## **Property Owner Perceptions and Program Understanding**

**14. Recommendations:** *Develop and implement several strategies to ensure that property owners and managers receive consistent and good customer service, have accurate information and opportunities to provide feedback and ask questions. These could*

***include an information owner brochure, a regular newsletter, forums held regularly in different locations around the city, and written policy updates and briefs provided through the owner portal and MPHA website. Additional staff training may be required along with the development of a customer service policy oriented to landlords that clarifies the elevation of issues to specific positions within the agency.***

- MPHA is holding Enhanced Customer service training for all HCV staff in late May.
- We are implementing a new training program during staff meetings, titled “Who We Serve.”
- MPHA will review and revise current communications and expand electronic opportunities.
- We intend to hire our Community Engagement Coordinator by mid-May.

## **HCV Participant Perceptions and Program Understanding**

***15. Recommendations: Expand the information provided at briefings (written and oral) to include more about what “opportunity areas” means, the benefits of moving to opportunity, provide examples, data and success stories. Consider conducting a briefing specifically for families eligible for the mobility program or providing a short mobility briefing following the regular briefing for anyone interested. Consider reconfiguring the briefing room so participants face the screen rather than viewing from the side. All HCV Program participants would benefit from the messages currently communicated only to mobility program participants.***

- See MPHA Response to #10, above.

## **Written Materials**

***16. Recommendation: Use positive language in all communications. Consider including success stories, photos of actual participants, video clips in PowerPoint presentations, and invest in professional branding if necessary to promote moves to opportunity neighborhoods. (See Best Practices)***

- Conduct a thorough program review with the goal of refining the HCV program message.
- Investigate rebranding of the mobility program.
- Review and revise HCV Programs communication materials.
- Integrate plan to expand use of positive language and messages related to HVC program.

## Analysis of Impediments

**17. Recommendation: MPHA should examine the potential benefits of a homeownership Program in connection with reducing the disparity in homeownership among protected classes.**

- MPHA will explore new initiatives to encourage homeownership support focused on Family Self Sufficiency (FSS) participants or other participants with demonstrated capacity for home ownership.
- Identify community resources aimed at home ownership, and refer HCV participants.
- MPHA will make policy recommendations regarding homeownership support for participants by the end of June 2017.

**18. Recommendation: MPHA should educate participants and landlords on the subjects of expungements and using criminal records in decision-making.**

- MPHA currently refers participants to resources knowledgeable about the expungement process.
- Strengthen partnership with HOMELine and explore opportunities with other outside entities.
- Include resources in briefing materials

## Transit

**19. Recommendation: MPHA should closely examine development opportunities along the proposed new LRT routes and collaborate with local partners to ensure the inclusion of affordable housing in future projects. MPHA should also consider this future development when awarding project based vouchers in advance of the completion of these transit projects.**

- MPHA owns land near a proposed LRT line.
- PBV plans will include conversations with affordable housing providers.
- Consider development options as funding allows.

## Location of HCV Families

**20. Recommendation: MPHA should evaluate the census tracts that appear affordable in Map 2 and are highlighted in Map 4 closely to determine availability of rental housing and form partnerships with landlords to make housing available to HCV families.**

- Most listed census tracts are in Areas of Concentrated Poverty.

- Will explore “micro-targeting” methods to identify more accessible Areas of Opportunity.
- RFP will focus on mapping Areas of Opportunity.
- Study Small Area FMRs.

**21. Recommendation: Given the rent data for tracts 1113 and 1114 does not show that these areas are greatly unaffordable to HCV families, areas such as these should be examined for other barriers to HCV mobility, including lack of interest from participants.**

- Develop micro-targeting methods.
- MPHA will issue an RFP by the end of April to update and review market rental information by census tract and neighborhood (see also Recommendations #1 and #11).

## Poverty

**22. Recommendation: As MPHA looks to refine its definition of an area of opportunity, it should also examine the prospects and probabilities for families seeking to move to nearby suburban communities which would supplement the areas families can access through MVP.**

- MPHA has committed to participating in Creating Moves to Opportunity (CMTO), a partnership of housing authorities and Chetty Research Team. MPHA will look to adopt the CMTO definition of “Opportunity Areas.”

## Schools

**23. Recommendation: MPHA should determine the extent to which their families educate their children outside of the public school district to ensure the definition of opportunity reflects their families’ practices.**

- See above, #22.

## Staffing

**24. Recommendation: Reconsider the idea that counselors will have full caseloads, and be prepared to reduce non-counseling related responsibilities as needed.**

- MPHA’s financial outlook will determine staffing levels

## Rent Reform

**25. Recommendation: Ensure the rent reform program contains the flexibility to adequately assist MVP families seeking housing in high-cost opportunity areas. MPHA**

***should explore providing a bonus subsidy to families in the Mobility Voucher Program that move to higher cost areas. The amount of the bonus should be determined through the analysis of micro rental markets.***

- Look at market data from consulting report and determine if payment standards should be revised.
  - Current Mobility Payment Standards are already substantially higher than our HCV payment standards:
    - Current Mobility Payment Standards allow 107% of FMR;
    - Current HCV Rent Reform Payment Standards set at 93% of FMR.

## **Other**

MPHA received 13 additional recommendations in a summary at the end of the Quadel Report. Most of the summary recommendations are already addressed in the responses above. Staff will review the table and provide any needed additional responses to the Board at a later date.