



NOTICE AND AGENDA

May 24, 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 Regular Meeting of April 25, 2017

TENANT ADVISORY COMMITTEE – TAC Chairperson Comments

EXECUTIVE DIRECTOR’S UPDATE

RESOLUTION:

1. Resolution Adopting MPHA Guiding Principles for Redevelopment and Capital Investments (Gregory P. Russ, Executive Director / CEO)

DISCUSSION:

2. Working Capital Fund Budget (Tim Durose, DED / CFO)



RECEIVE AND FILE:

- Monthly Performance Report for April 2017 (Gregory P. Russ, Executive Director / CEO)

Next Regular Meeting:

**Wednesday, June 28, 2017 - 1:30p.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 A REGULAR MEETING OF THE
MINNEAPOLIS PUBLIC HOUSING AUTHORITY
IN AND FOR THE CITY OF MINNEAPOLIS
April 25, 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 April 25, 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:

| | |
|-----------------|--------------|
| Charles T. Lutz | Acting Chair |
| Mikkel Beckmen | Secretary |
| Tom DeAngelo | Commissioner |
| Abdullahi Isse | Commissioner |
| Cara Letofsky | Commissioner |
| Tamir Mohamud | Commissioner |

The following members of the Board were absent:

| | |
|----------------------|--------------|
| F. Clayton Tyler | Chair |
| Hon. James Rosenbaum | Commissioner |

The following others were also present:

| | |
|--------------|--------------------------|
| Gregory Russ | Executive Director / CEO |
|--------------|--------------------------|

The Chair declared the presence of a quorum.

Approval of Agenda:

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

Approval of Minutes:

The Minutes of the Regular Meeting of March 21, 2017, were presented for approval. Commissioner Letofsky moved the minutes be accepted as presented. The motion was seconded by Commissioner Beckmen. Upon a voice vote, the Chair declared the motion carried.



Executive Director's Update:

In an effort to keep MPHA Commissioners, staff, and the public informed regarding significant activities being addressed by the Agency, Executive Director Russ spoke briefly on the topics shown below upon which the Board took no official action:

- As recommended in the Quadel Report, MPHA has issued a RFP for a “Submarket Analysis for Census Tract, Zip Code and City designated neighborhoods”
- The Agency has entered into two contracts for additional support for the Housing Choice Voucher Program
 - Bill Riley (technical support)
 - Edgemere Consultants (administrative plan)
- Agency staff met with AMERESCO who will develop a three-tier strategy portfolio of our properties. Work is expected to be completed by end of summer
- The Agency has signed an agreement with CSG – Financial Advisors (specialist in redevelopment and financial opportunities)
- Staff attended an MTW Conference in Washington D.C., MPHA participated on a discussion panel with HUD Secretary Dr. Ben Carson, along with Charlotte, San Diego, and Seattle housing authorities
- Initiated Letters of Intent to Summit Academy and Twin Cities Rise
- In May will bring to the Board the Draft Development Principles

Item No. 1: Elevator Capital Improvements

After a brief presentation by staff and discussion, Commissioner DeAngelo 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. 2017-13]

Item No. 2: Disposition Application to HUD for the sale of small portion of the 1001 Washington Avenue North property

After a presentation by staff and discussion, Commissioner DeAngelo moved approval of the recommendation set forth in the Report along with the corresponding Resolution attached thereto. Commissioner Beckmen seconded the motion. Upon a roll call vote, six Commissioners voted “aye” (Commissioners Beckmen, DeAngelo, Isse, Letofsky, Mohamud, and Chairman Lutz) and no Commissioner voted “nay”. The Chair declared the motion carried. [See Document No. 2017-14] [See Resolution No. 17-172]

Item No. 3: Joint Powers Agreement with Minnesota BCA

After a presentation by staff and discussion, Commissioner Letofsky 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, six Commissioners voted “aye” (Commissioners Beckmen, DeAngelo, Isse, Letofsky, Mohamud, and Chairman Lutz) and no Commissioner voted “nay”. The Chair declared the motion carried. [See Document No. 2017-15] [See Resolution No. 17-173]

**Receive and File Items:**

The following items were received and filed by the Board:

- The Monthly Performance Report for March 2017. [See Document No. 2017-16]
- FYE 2016 Financial Report Presentation [See Document No. 2017-17]
- Memorandum to the Board: Construction Management at Risk (CMAR) Services [See Document No. 2017-18]
- Memorandum to the Board: MPHA to Open Family Two-Bedroom and Close Family Three-Bedroom Waitlists [See Document No. 2017-19]
- Letter of Intent to Summit Academy and Twin Cities Rise [See Document No.2017-20]

Adjournment:

There being no further business to come before the meeting, and upon a motion duly made and seconded, the meeting was adjourned at 2:33 p.m.

Secretary of the Board of Commissioners

Date These Minutes Approved



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.



**Minneapolis
Highrise Representative
Council**

1015 Fourth Avenue N., Suite 203
Minneapolis, Minnesota 55405
(612) 342-1330

May 16, 2017

Greg Russ, Executive Director/CEO
Minneapolis Public Housing Authority
1001 Washington Ave. N.
Minneapolis, MN 55401

Dear Mr. Russ,

The MHRC has completed its resident review of MPHA's draft Guiding Principles for Redevelopment and Capital Investments and the corresponding document regarding capital investment strategies. The review has included sending these documents, along with a resident review notice and comment form to all highrise resident councils, discussions with you at the March 2 MHRC Executive Committee meeting, the March 16 MHRC board meeting, the April 12 N/NE Area meeting and the April 13 SE/SW Area meeting. You also attended an April 17 special resident council meeting at 314 Hennepin Ave. – a meeting requested by residents of that building because of longstanding rumors that MPHA intends to “sell off” the building to a market rate developer. It was a relief to many that you were able to tell residents from 314 Hennepin that MPHA has no such plans for their building or any highrise and that, in fact, doing so would be counter to MPHA's mission. Many of the specific concerns and requests of 314 Hennepin residents are shared by residents generally, and are summarized in this letter. We are also attaching their entire comment form because of the concerns specific to this building.

We appreciate the time you and your staff have put into preparing and sharing Power Point presentations, hearing resident concerns and answering their questions. While many unknowns exist and future questions will arise about MPHA redevelopment work and capital investments, residents have appreciated your cooperation and transparency thus far and expect meaningful inclusion in future planning and implementation of strategies, at both the citywide and individual building level.

Residents understand the fiscal challenges facing housing authorities and, in general, residents are in agreement with the two stated goals of ensuring the “long-term physical and financial viability of MPHA's public housing stock and increasing the livability and overall marketability of units.” Residents also support the principle of “active and meaningful resident and community participation throughout the planning and implementation process” and support collaboration with government and other entities.

We agree that all investment decisions must reflect MPHA's mission:

...to promote and deliver quality, well-maintained homes to a diverse, low income population and, with partners, contribute to the well-being of the individuals, families and community we serve.

Regarding MPHA's intent “to preserve or redevelop (with right-of-return) all existing public housing units...” residents are clear that they want their highrises to be preserved, i.e. there should be no demolition

of any of the buildings. MPHA should specify this in the guiding principles. If residents must relocate within the building or outside of the building while their building is being redeveloped, relocation plans detailing payments of moving costs to residents, assistance with packing and moving and right-of-return should be spelled out for each redevelopment project, and should follow, or improve upon HUD requirements in this regard.

Residents are supportive of there being no net loss of units with any redevelopment plan and believe it should be stated in the draft principles that replacement units will be developed before other units are lost.

MHRC supports your commitment to protect the most vulnerable residents in redevelopment and capital improvement activities – the elderly, persons with disabilities, the lowest income individuals and immigrants. These are the residents for whom redevelopment and capital improvement activities are the most difficult and stress producing.

Thank you for specifying that in any type of redevelopment partnership, MPHA will “require that the developer/partner contribute to MPHA’s mission including, where feasible, the provision of resident services, jobs or education opportunities.” Regarding the statement that “The partnership must result in a development agreement that provides a return on investment that clearly benefits MPHA or its residents,” we suggest you change the word “or” to “and.” In your conversations with residents, many told you about the importance of preserving existing opportunities for resident participation in the lives of their communities – resident councils, their city-wide tenant organization (MHRC), Project Lookout, the joint MHRC/MPHA Diversity Initiatives project and the Active Living Initiatives, as well as the continuation of programs that help support resident participation activities like the Highrise Laundry Project, the HUD Resident Participation program and vending machine proceeds. Please specify these programs in the guiding principles so that their continued support is a clear expectation of future partners. Residents also told you of the importance to them of retaining the on-site social services provided by VOAMN. This should also be specified in the guiding principles.

Finally, residents have made it very clear that regardless of future development partnerships, they want MPHA to retain management and maintenance responsibility for their buildings. Over the years, residents and resident organizations have established a mutually respectful and beneficial working relationship with MPHA staff, where expectations are known and vehicles for effective communication and problem solving exist. Please include this as a guiding principle.

We look forward to working with you and the MPHA as you move forward with these plans, ensuring always that residents will continue to be equal and valued partners in the planning and implementation of these initiatives. Please contact Barb Harris if you have any questions or need further information.

Sincerely,

Mary McGovern, President
The Minneapolis Highrise Representative Council

cc: Mary Boler

An Equal Opportunity/Affirmative Action Employer

RESIDENT REVIEW FORM

DATE: MARCH 22, 2017

**SUBJECT: RESIDENT REVIEW OF MPHA
DRAFT GUIDING PRINCIPLES FOR-
REDEVELOPMENT AND CAPITAL
INVESTMENTS AT MPHA**

FROM THE RESIDENTS:

**314 HENNEPIN
AVENUE**

PART ONE MOVING EXPENCES

**MOVING EXPENCES MUST BE SUFFICIENT TO
MARKET PRICES THAT WILL COVER THE ENTIRE COST
OF THE MOVE BY PROFESIONAL COMPANIES., IF THE
RESIDENT IS RE-LOCATED TO ANOTHER BUILDING.**

IF A RESIDENT HAS TO MOVE INTO ANOTHER BUILDING IT IS OUR OPINION TWO OR THREE NEW LOCATIONS SHOULD BE OFFERED AS TO A CHOICE OF NEIGHBORHOODS. ALSO TRANSPORTATION SHOULD BE PROVIDED TO THOSE WITHOUT PUBLIC FUNDS TO SEE THE APARTMENTS OFFERED..

INCLUDED IN MOVING EXPENCES SHOULD BE THE COST OR FURNISHING TO EACH RESIDENT THE FOLLOWING: MOVING BOXES, TAPE, AND PACKING WRAPPING PAPER, TO INSURE THE SAFE TRANSFER OF OUR BELONGINGS.

IF THE RESIDENT IS MOVED INTO ANOTHER UNIT WHILE THE APARTMENT THEY LIVE IN IS IN RENOVATION: MPHA SHOULD HIRE A MOVING FORCE TO HELP THE RESIDENTS MOVE TO THEIR TEMPORARY UNITS AND BACK TO THEIR REFURBISHED APARTMENT. MANY RESIDENTS HAVE NO MEANS TO HANDLE THE MOVE PHYSICALLY. THE FRAIL ELDERLY AND DISABLED HAVE IN MANY CASES TO ONE HELP MOVE THEIR BELONGINGS. THEY CANNOT AFFORD TO HIRE PEOPLE TO DO THIS WORK.

CASH AWARD FOR RESIDENT DISPLACEMENT

IN ADDITION TO PAYING MOVING EXPENCES MPHA SHOULD AWARD EACH RESIDENT CASH FOR DISPLACEMENT

DISPLACEMENT: THE UNCONSCIOUS TRANSFER OF STRONG UNACCEPTABLE EMOTIONS.

WE ARE HUMAN BEINGS WHO LIVE IN A COMMUNITY WITH NEIGHBORS AND FRIENDS. MANY OF US HAVE LIVED IN THE SAME APARTMENT FOR MORE THAN TWENTY YEARS. THIS PROJECT IS AT THE LEAST UNSETTLING EMOTIONALLY. THE SECURITY OF LIVING IN POVERTY WITH THE SUPPORT FROM FELLOW RESIDENTS IN A BUILT COMMUNITY IS BEING DISRUPTED AND MAYBE EVEN DISMANTLED IS VERY MUCH OVERBEARING. COMPENSATION SHOULD BE ADDRESSED.

IT IS OUR HOPE THAT AT THE END OF THIS ENTIRE PROJECT THAT VOLUNTEERS OF AMERICA, SOCIAL SERVICES, LAUNDRY FUNDS AND SUPPORT BY MHRC TO OUR RESIDENT COUNCIL WILL CONTINUE. WE WANT OUR COMMUNITY TO CONTINUE TO BENEFIT OUR RESIDENTS.

WHEN WILL THIS BEGIN?

MR. RUSS HAS TOLD US THIS PROJECT IS PERHAPS A YEAR OR MORE AWAY FROM BEGINNING. PLEASE KEEP US INFORMED WITH ANY NEW INFORMATION.

NO-ONE DISAGREES THAT IS MONEY MUST BE RAISED TO SAVE OUR BUILDINGS.

WE ARE ASKING FOR TOTAL AND COMPLETE **TRANSPARENCY** OF THE PROJECT THROUGH MHRC OR AND RESIDENT COUNCIL MEETING AT OUR BUILDING.

THANK YOU FOR CONSIDERING OUR COMMENTS



May 24, 2017

Agenda Item 2

REPORT TO THE COMMISSIONERS

FROM: Gregory P. Russ, Executive Director / CEO

SUBJECT: Working Capital Fund Budget

Previous Directives: None.

Resident Association Notification: The budget contained in this Report is scheduled to be discussed with the Tenant Advisory Committee (TAC) on the same date and immediately prior to the Board of Commissioners May 24, 2017 meeting.

Budget Impact: This Report authorizes the spending and allocates \$1,000,000 in Central Office reserve funds for a Working Capital Fund. MPHA is seeking a matching \$1,000,000 grant from the McKnight Foundation and, if awarded, would be added to the Working Capital Fund.

Affirmative Action Compliance: Not applicable.

Procurement Review: Not applicable.

RECOMMENDATION: It is recommended that the Board of Commissioners approve the use of \$1,000,000 in Central Office reserves to fund an MPHA Working Capital Fund and authorize the Executive Director to expend these resources as outlined in this Report.

Chronic federal underfunding of the housing authority's Capital Fund Program has put MPHA's portfolio in peril. Over the past two decades, MPHA has not been able to invest in the full range of repairs, upgrades, and redevelopment needed to preserve the public housing stock in Minneapolis for current and future residents. MPHA receives approximately \$10 million annually against an estimated \$127 million in current capital needs, and the backlog of capital needs grows each year. The difficulty in prioritizing the truly urgent capital projects across the portfolio will become substantially greater if our capital award is cut, as the current administration has proposed.

To address this crisis, MPHA will review the entire real estate portfolio and determine the best way to enhance each property's value while preserving its viability as safe, high-quality housing for low-income residents. MPHA will evaluate the current condition, social and strategic value, and income potential of each property and draft a series of recommendations for funding and redevelopment or major rehabilitation.

In concert with MPHA's Guiding Principles for Redevelopment and Capital Investments, staff is seeking approval to use \$1,000,000 in Central Office reserves to fund an MPHA Working Capital Fund. In addition to the general availability of such resources, Central Office funds are preferred for the Working Capital Fund because they can be used for a range of activities that is absent stringent federal procurement requirements. The Board's approval to use \$1,000,000 to establish a Working Capital Fund would reduce the budgeted Fiscal Year 2017 Central Office reserve to \$5.3 million. Any development fees that MPHA would obtain through property development work would be provided to the Working Capital Fund to the extent permitted by HUD.

The Working Capital Fund will be used to cover the costs associated with the portfolio assessment needed to launch a 10-year improvement effort. This fund would cover the pre-development costs associated with planning and completing the assessments, and, in selected cases, moving to close on individual deals. MPHA will assemble a team of experts including development consultants, financial and legal advisors, architects, planners and MPHA staff.

The recommended budget schedule for the Working Capital Fund is presented below. The total Working Capital Fund is planned at \$2,000,000 in anticipation that the McKnight Foundation will award MPHA a \$1,000,000 grant that would be combined with the Central Office resources. The budget in MPHA's grant application included an MPHA funding match of \$1,000,000. MPHA submitted the grant application on May 17, 2017 and is expected to receive notice on the award in August 2017.

The budget line item activities and amounts are estimates and may vary as the assessment needs dictate. If the Board approves the recommendation in this Report, the Executive Director will have the authority to adjust spending activities and line item amounts as needed within the total budget limit. If MPHA does not receive \$1,000,000 from the McKnight Foundation, MPHA staff will reduce the spending in the Working Capital Fund or seek Board approval for additional resources. The Working Capital Fund budget will be available until funds are exhausted.

WORKING CAPITAL REQUESTED BUDGET

| | | |
|---|--|--------------|
| SOURCES: | | |
| MPHA Contribution | | \$ 1,000,000 |
| McKnight Grant Request | | \$ 1,000,000 |
| Total Sources | | \$ 2,000,000 |
| | | |
| | | |
| USES: | | |
| Advisor and Overall Program Facilitator | | \$ 270,000 |
| Financial Consultant(s) | | \$ 250,000 |
| Legal Consulting | | \$ 250,000 |
| Development, Real Estate and Energy Consultant | | \$ 215,000 |
| Architectural & Engineering, Appraisal, Communications/Public Relations, Planning, & Reporting Activities | | \$ 295,000 |
| Glendale Planning and Analysis | | \$ 100,000 |
| Resident Self Sufficiency Enhancement | | \$ 105,000 |
| MPHA labor and administrative support costs | | \$ 400,000 |
| Training and Travel | | \$ 55,000 |
| Contingency | | \$ 60,000 |
| Total Uses | | \$ 2,000,000 |

This Report was prepared by Tim Durose, Chief Financial Officer. If you have any questions or require further information regarding this Report, please contact Mr. Durose at 612-342-1410 or tdurose@mplspha.org, or Greg Russ, Executive Director at 612-342-1380 or gruss@mplspha.org.



Gregory P. Russ, Executive Director / CEO

Performance Report for April 2017

*Board of Commissioners Meeting -
May 24, 2017*

EQUAL EMPLOYMENT OPPORTUNITY ▲ EQUAL HOUSING OPPORTUNITY

This Month's Report

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

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

Glendale AMP 1 -

Total Units 184

- ▶ Units Leased: 2
- ▶ Average Turnover: 20
 - Down Time: 3
 - Days Make Ready: 15
 - Days for Re-rental: 2
- ▶ Total Work Orders
 - 2 emergency work order completed in 24 hours - 100%
 - 255 non emergency work orders completed - 85%

▶ Occupancy Level: 99%

April 2017 Performance Report

Scattered Sites AMP 2 -

Total Units 736

- ▶ Units Leased: 6
- ▶ Average Turnover: 43
 - Down Time: 1
 - Days Make Ready: 23
 - Days for Re-rental: 20

Total Work Orders

- 6 emergency work orders completed in 24 hours - 100%
- 786 non emergency work orders completed - 84%

▶ Occupancy Level: 99%

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

North AMP 3 - Headquarters: 315 Lowry Total Units 1296

- ▶ Units Leased: 17
- ▶ Average Turnover: 28
 - Days Down Time: 6
 - Days Make Ready: 7
 - Days for Re-rental: 15
- (efficiencies 37 days-4 units:
1 bedrooms 22 days-13 units)
- Total Work Orders
 - 14 emergency work orders completed in 24 hours - 100%
 - 1060 non emergency work orders completed - 89%
- Occupancy Level: 99%

Northeast AMP 4 Headquarters: 1815 Central - Total Units 944

- ▶ Units Leased: 35
- ▶ Average Turnover: 17
 - Days Down Time: 1
 - Days Make Ready: 7
 - Days for Re-rental: 9
- Total Work Orders
 - 4 emergency work orders completed in 24 hours - 100%
 - 732 non emergency work orders completed - 93%
- Occupancy Level: 100%

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

Hiawatha AMP 5 Headquarters:

2123 - 16th - Total Units 886

- Units Leased: 7
- Average Turnover: 59
 - Days Down Time: 2
 - Days Make Ready: 12
 - Days for Re-rental: 45

(efficiencies 150 days-2 units;

1 bedrooms 22 days-5 units)

One of the efficiency units was heavily infested with bedbugs and had a lot of tenant caused damage.

- Total Work Orders
 - 21 emergency work orders completed in 24 hours - 100%
 - 585 non emergency 89%

○ Occupancy Level: 99%

Cedar AMP 6 Headquarters:

1611 So. 6th - Total
Units 895

- Units Leased: 20
- Average Turnover: 3
 - Days Down Time: 0
 - Days Make Ready: 2
 - Days for Re-rental: 1
- Total Work Orders
 - 8 emergency work orders completed in 24 hours - 100%
 - 358 non emergency 87%

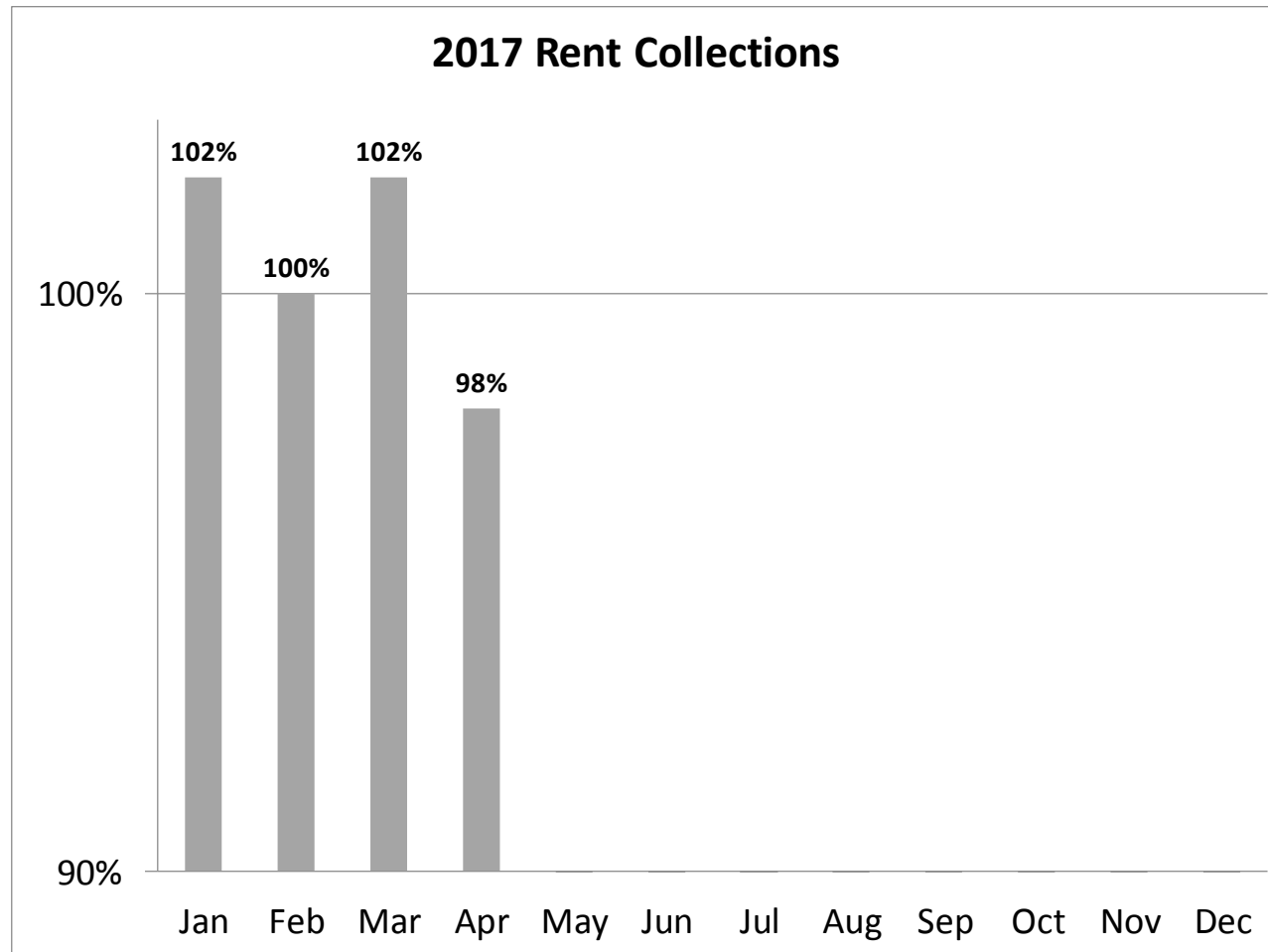
○ Occupancy Level: 100%

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

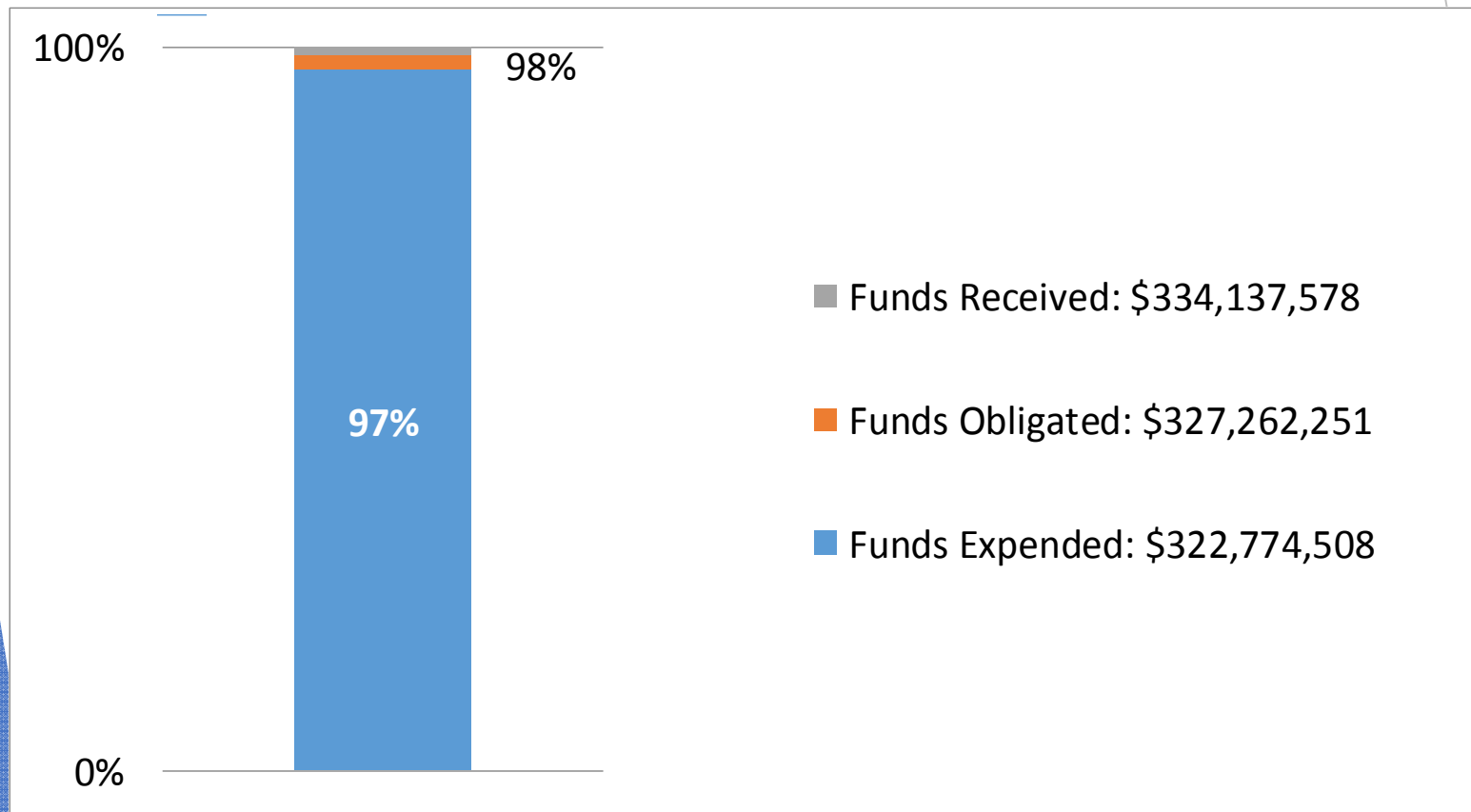
Horn AMP 7 - Headquarters: 3121 Pillsbury - Total Units 937

- Units Leased: 3
- Average Turnover: 14
 - Days Down Time: 6
 - Days Make Ready: 1
 - Days for Re-rental: 7
- Total Work Orders
 - 3 emergency work orders completed in 24 hours - 100%
 - 645 non emergency work orders completed 87%
- Occupancy Level: 100%

Rent Collections



Facilities & Development Capital Fund Program Obligation & Expenditure Report



April 2017 Performance Report

1992 through April 30, 2017

Finance

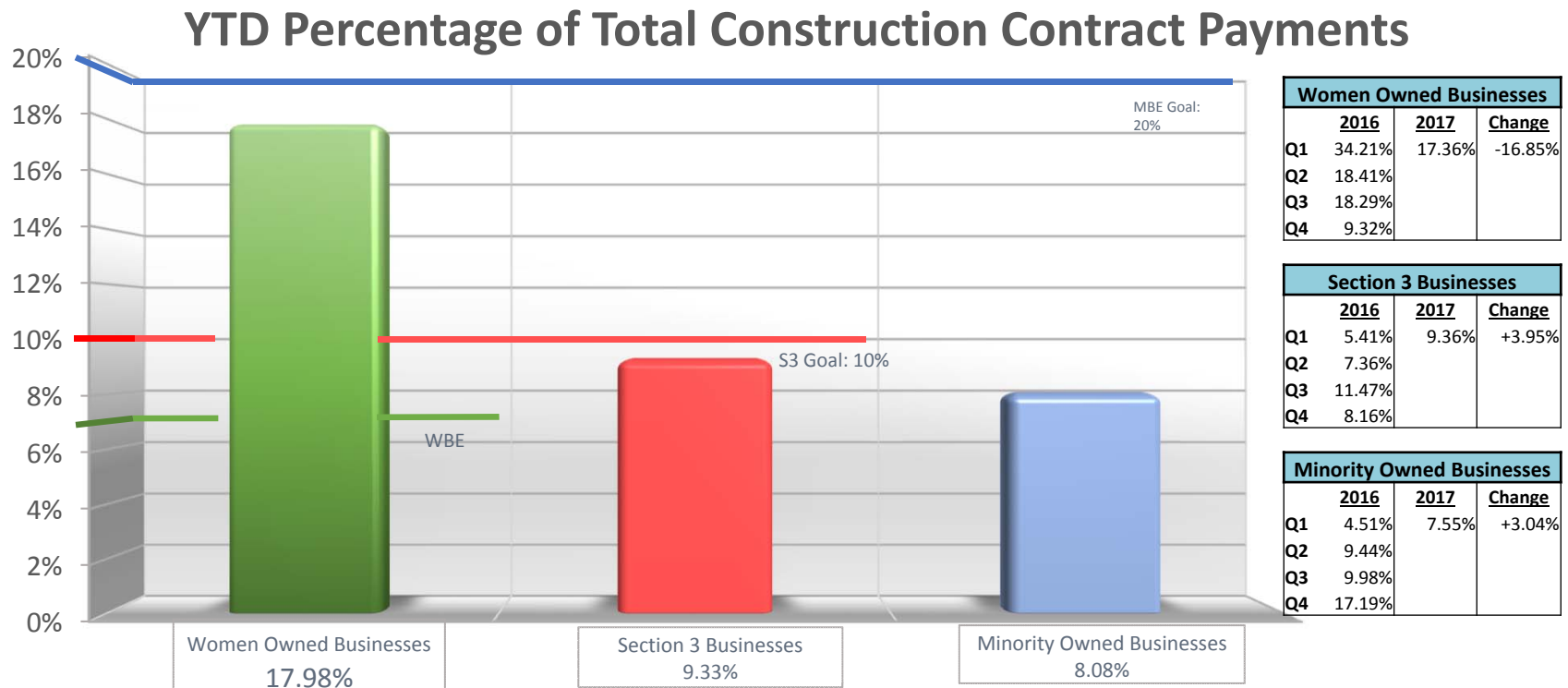
- ▶ Congress passed the 2017 Appropriations Bill. HUD has not yet published the subsidy proration amounts but early estimates from housing industry groups suggest that our funding overall will be near originally budgeted levels. Should there be a need for a budget revision, staff will seek the Board's approval.
- ▶ Financial results through April 2017 for all programs are in line with approved budgets. Summary Financial Schedules will be provided to the Board on a quarterly basis for the first three fiscal quarters. Fiscal year-end results will be presented to the Board in the Spring following the financial closing.

Finance

- ▶ MPHA will be meeting with the Mayor in mid-June to present our budget request for City funding in 2018.
- ▶ Staff submitted the IRS 990 filing for Community Housing Resources and Heritage Park Senior Services Center; the two non-profit affiliates of the MPHA.

Procurement

Construction Contracting Activity for April





Friendly Manor 1206 Second St NE

BUILDING MODERNIZATION

Project Scope & Budget

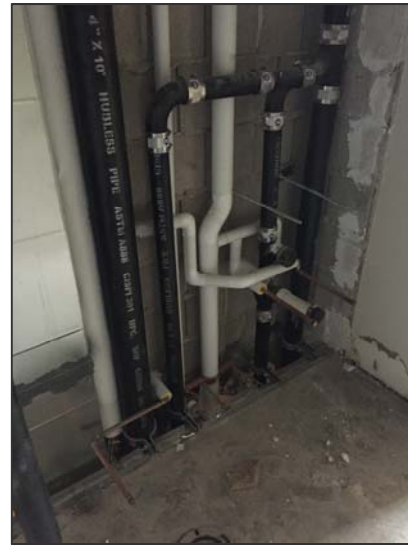
1206 Second Street NE is an 8-story highrise with 57 apartments, built in 1967. \$2.35 million of apartment and building systems renovations were completed in April 2017 including:

- ▶ Extensive plumbing replacement including new main waste and vent stacks and domestic water piping. Radiographic profiles of pipe samples taken prior to replacement indicated ~45% wall loss in waste piping and up to 70% wall loss in domestic water piping.
- ▶ Bath upgrades including new showers, lavatories & accessories
- ▶ Asbestos floor tile abatement & new tile installation
- ▶ New kitchen countertops, range hoods & Energy Star refrigerators
- ▶ New apartment LED lighting
- ▶ New window treatments & closet doors

Plumbing Replacement



Original cast & galvanized plumbing



New bath & kitchen plumbing

Bath & Kitchen Updates



Original showers

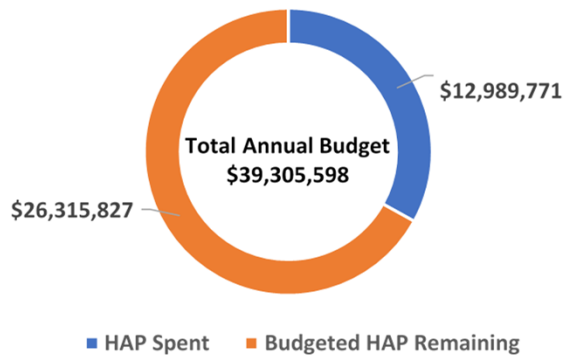
New showers &
kitchen updates



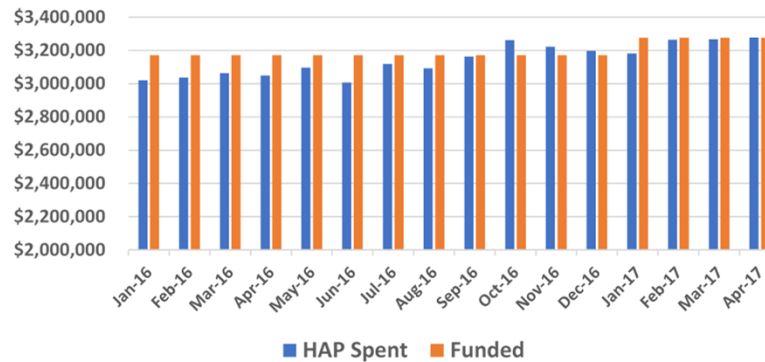
Housing Choice Voucher Program Utilization

April 2017

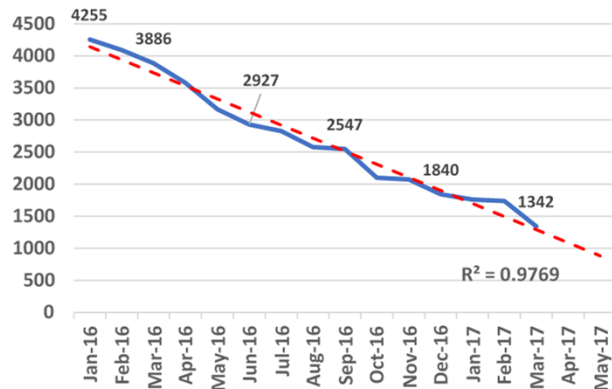
Annual HAP Budget



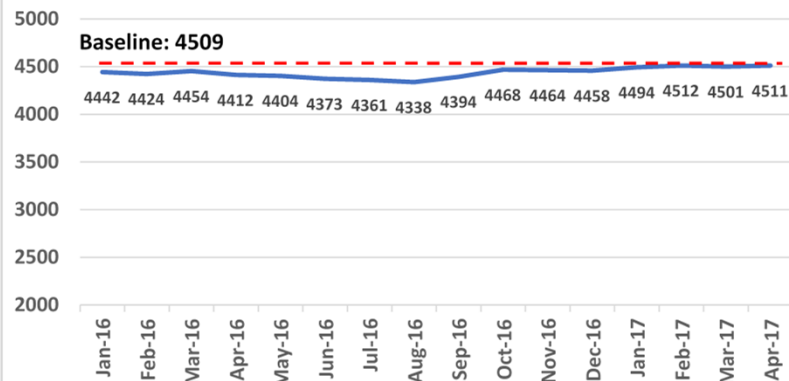
HAP Spent vs Funded by Month



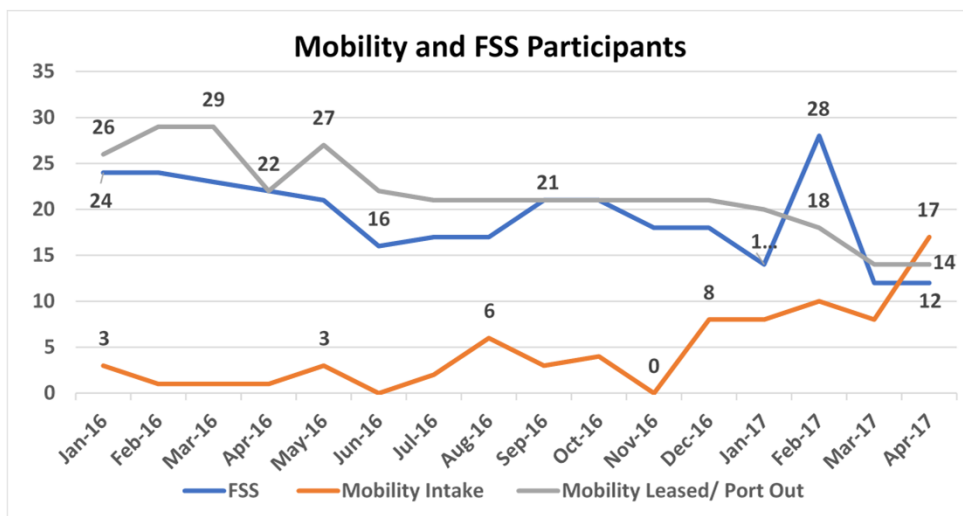
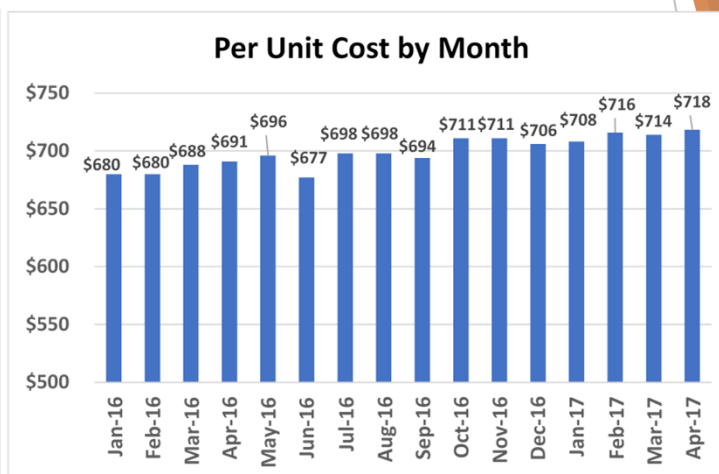
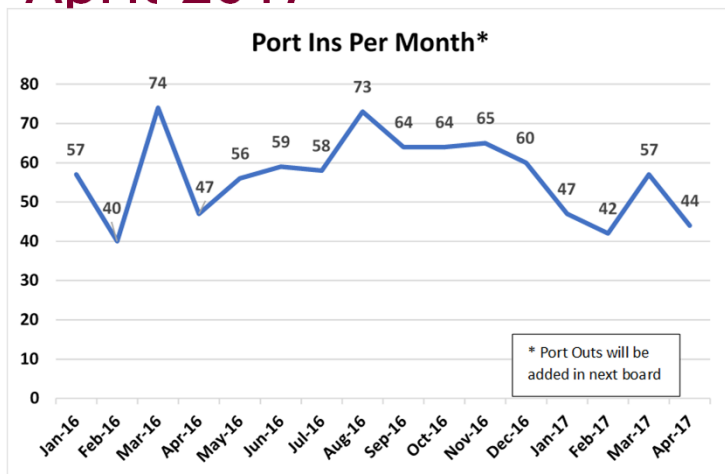
Waitlist Size by Month



MTW Units Leased



Housing Choice Voucher Program Utilization April 2017



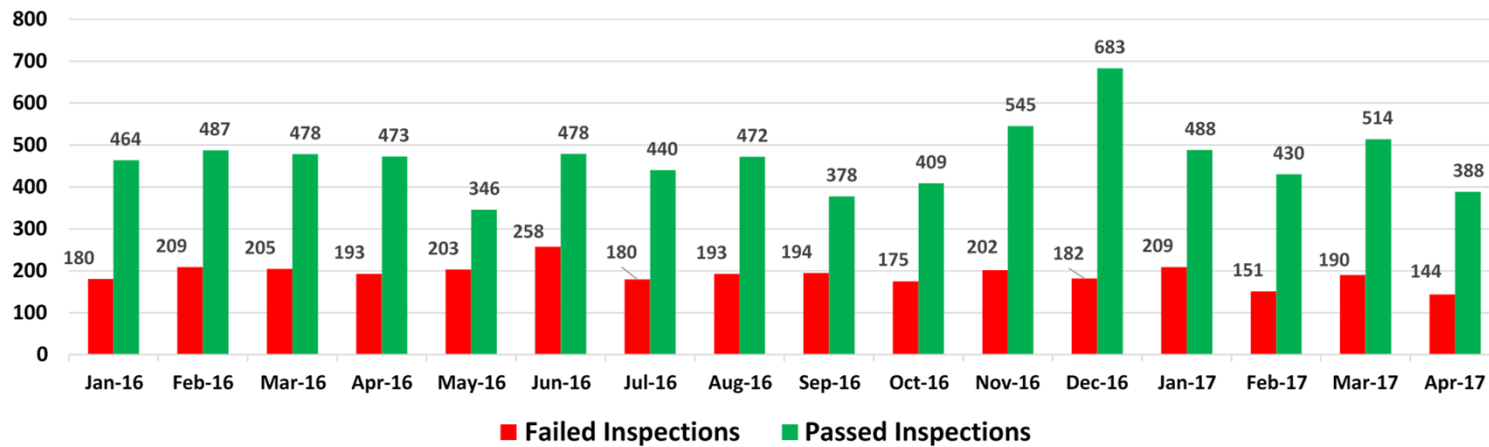
Program Highlights

1. All Staff 2-day customer service training
2. Ground breaking YouthLink PBV 25 units for a 20 year commitment to housing homeless youth.
3. Exploring housing partnership opportunities with NAZ, Summit Academy and Twin Cities Rise.
4. Creating a Rental Incentive Program with the City of Minneapolis to attract new landlords.
5. RFP for Geo-Mapping of Minneapolis neighborhood rental markets has been issued.
6. Total review of Administrative Plan with Edgemere Consulting. Working review of inspection process with IT Continuous improvement planning.
7. Community Engagement Specialist Kayona Adams has started coordinated landlord outreach efforts and simplifying HAP Contracts.
8. 8 new owners in for the month of April.
9. The HCV Board Report has been redesigned!

Housing Choice Voucher Program Utilization

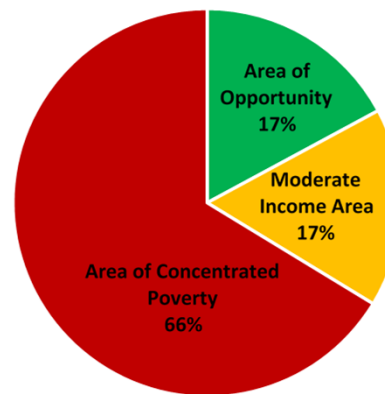
April 2017

Failed and Passed Inspections



| Wards | Households | % of HCV | Employed | Elderly | Disabled |
|-------------|------------|----------|----------|---------|----------|
| 1 | 330 | 6% | 44% | 20% | 44% |
| 2 | 132 | 2% | 44% | 20% | 50% |
| 3 | 380 | 6% | 45% | 18% | 44% |
| 4 | 865 | 15% | 48% | 7% | 35% |
| 5 | 1,069 | 18% | 46% | 8% | 36% |
| 6 | 1,063 | 18% | 52% | 17% | 33% |
| 7 | 410 | 7% | 28% | 22% | 54% |
| 8 | 143 | 2% | 53% | 15% | 41% |
| 9 | 501 | 9% | 49% | 20% | 40% |
| 10 | 337 | 6% | 48% | 18% | 38% |
| 11 | 171 | 3% | 47% | 18% | 40% |
| 12 | 144 | 2% | 50% | 15% | 41% |
| 13 | 58 | 1% | 55% | 7% | 36% |
| Move Status | 269 | 5% | 38% | 9% | 39% |
| Total | 5,872 | 100% | 46% | 14% | 39% |

HCV Households by Area Income Level



Definitions

Area of Opportunity:
Median household income of census tract above \$60K.

Moderate Income Area:
Median household income of census tract between \$48K- \$60K.

Area of Concentrated Poverty: Median household income of census tract less than \$48K.

Policy & Special Initiatives

March & April

► Policy

Moving To Work (MTW)

- 2018 MTW Plan
 - MTW Resident Advisory Board (RAB) met 3 times in March and April
 - RAB Developed its 2018 MTW Plan Guiding Principles and Priorities
 - MPHA Department Heads and Directors were reminded of the 2018 MTW Plan process and ask to identify possible initiatives and changes to Agency Plans and Policies

Policy & Special Initiatives

March & April

► Policy

Moving To Work (MTW)

- 2017 MTW Report
 - Submitted MPHA 2017 MTW Report to HUD
- MTW Governance Development Strategies
 - Continued work on MTW governance structures for possible creation of MTW organizational structure

Policy & Special Initiatives

March & April

► Policy

MTW Other:

- Quadel Report Analysis and Partnership with City on Possible MTW Initiatives to Enhance MPHA HCV program
- Presented MPHA MTW Homeless Initiatives at National MTW Conference in Washington D. C.
- Revised and resubmitted HUD request for Waiver of Conflict of Interest for Better Futures 'Prison To Home' Initiative
- Agency Participated in 'Groundbreaking' MTW PBV Homeless Youth Initiative
- Created comprehensive analysis of HUD Operational Notice for Expanding MTW
- Coordinated with HCV and City to integrate MTW Shelter to Home PBV Initiative with City Housing Trust Fund RFP
- Worked with Executive Administration and IT on McKnight Proposal Submission

Policy & Special Initiatives

March & April

► 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 – Finalized negotiations with Sustainable Resource Center staff on Agreement for weatherization and energy improvements at Glendale
- **Faircloth:**
 - Continued exploring strategies for expanded use of Faircloth Units for partnerships with other affordable housing developers
 - Met with Aeon regarding a possible use of Faircloth for its NE Minneapolis Development
 - Met with Red Lake Tribe Representatives about possible use of Faircloth for Minneapolis Development

Policy & Special Initiatives

March & April

► Special Initiatives

Development:

○ **Urban Garden:**

- Continued progress on purchase of Urban Garden MHOP Development

○ **Lease To Own (LTO):**

- Waiting List Remains Open
 - MPHA initiated outreach effort to identify and respond to new applicants to program.
- There were five vacant townhomes at the end of April. MPHA is initiating a recruitment strategy to fill the vacancies
- As of the end of April, MPHA has closed on four LTO units and expects a fifth closing in May-June
- Annual Meeting of Homeowners Association HA, new former resident owners elected to HA Board

○ **MHOP AMP 8 and AMP 9:**

- MPHA continues to monitor MHOP contracts and work with MHOP providers on compliance requirements and filling vacant units.

Policy & Special Initiatives

March & April

► Communication/Marketing Activities

- Communications around Minneapolis Housing Choice Voucher non-discrimination ordinance, including fact sheets, joint press availability with the city, and multiple press interviews.
- Coordinated communications and advertising related to reopening of two-bedroom public housing waitlist.
- Drafted and released multi-partner announcement with Sustainable Resource Center, CenterPoint Energy, and City Council Member Gordon about weatherization pilot at Glendale; assisted with kick-off meeting for affected residents.
- Outreach to candidates for city office following candidate questionnaire circulated by Glendale-related group.
- Prepared presentation materials for residents on MPHA capital needs and Guiding Principles for

Policy & Special Initiatives

March & April

► Communication/Marketing Activities

- Redevelopment and Capital Investment.
- Prepared information on MPHA's federal funding challenges for U.S. Senators Franken and Klobuchar.
- Coordinated introductory meetings for E.D. with local HUD officials and U of M Center for Urban and Regional Affairs.
- Implemented new MPHA 2017 Marketing Plan for the Cora McCorvey Health and Wellness Center.
- Assisted with event publicity and marketing of services for new McCorvey Center tenants Odom and The Learning Lab; continued regular marketing interaction with all tenants, and publicizing of Center events.
- Kicked off research leading to policy, communications, and training enhancements ahead of 2018 HUD non-smoking rule implementation.

Policy & Special Initiatives

March & April

► Other

- Met with Augustana Care about possible partnerships and coordination to enhance services at MPHA
- Met with Housing Justice Center on Fair Housing Implementation Committee Draft Analysis of Impediments to Fair Housing
- Met with Ed Goetz - CURA regarding possible coordination and research opportunities with University of Minnesota

Policy & Special Initiatives

March & April

► Website Contacts

- MPHA Received and Responded to 151 Website Contacts Requesting Assistance with Housing in March and April

MPHA's Website

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

www.mphaonline.org