



NOTICE AND AGENDA

November 15, 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
 Cara Letofsky, Commissioner
 Abdullahi Isse, Commissioner
 Tamir Mohamud, Commissioner
 Hon. James Rosenbaum, Commissioner
 Faith Xiong, Commissioner

GENERAL:

- Roll Call
- Approval of Agenda
- Minutes of Regular Meeting of October 25, 2017

TENANT ADVISORY COMMITTEE – TAC Chairperson Comments

EXECUTIVE DIRECTOR'S UPDATE

RESOLUTION:

1. Authorization to Execute Deferred Loan Repayment Agreement (Laura Dykema, Director of Planning and Development)

RECEIVE AND FILE:

- Monthly Performance Report for October 2017 (Gregory P. Russ, Executive Director / CEO)
- Financial Update (Tim Durose, Chief Financial Officer)



- Memorandum to the Board: 2018 Draft Budget (Tim Durose, Chief Financial Officer)
- HCV presentation (Kyle Hanson, Director of HCV)

Next Regular Meeting:

**Wednesday, December 20, 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
October 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 October 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:

F. Clayton Tyler	Chair
Charles T. Lutz	Vice Chair
Mikkel Beckmen	Secretary
Tom DeAngelo	Commissioner
Cara Letofsky	Commissioner
Tamir Mohamud	Commissioner
Hon. James Rosenbaum	Commissioner
Faith Xiong	Commissioner

The following members of the Board were absent:

Abdullahi Isse	Commissioner
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The following others were also present:

Greg Russ	Executive Director / CEO
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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 September 27, 2017, were presented for approval. Commissioner Lutz moved the minutes be accepted as presented. The motion was seconded by Commissioner Mohamud. Upon a voice vote, the Chair declared the motion carried.



Introduction:

At the Chair's request, Commissioner Xiong introduced herself and was welcomed to membership on the MPHA Board of Commissioners.

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:

CLPHA Washington, DC trip

- The Industry group (CLPHA, NAHRO and PHADA) sent a letter to HUD requesting the Department to engage in a set of negotiations to begin talks about changing the regulatory framework and platform for public housing in light of the reduced funding.
- Three general areas the group would like to talk to HUD about:
 1. Releasing and Replacing Declaration of Trust (DOT) which is a document HUD has had around since bonds were first issued for housing authorities and allowing them to access with different restrictions and more private capital.
 2. Replacing the annual contribution contract (ACC) allowing public housing authorities to more readily move to other possible subsidy platforms.
 3. Taking some of the flexibilities that are available to a MTW agencies and sprinkling some of those throughout the system to allow housing authorities that are not MTW to have some of those flexibilities.
- The Industry group had their first meeting with HUD and the Department has assigned an internal team to begin the negotiations.
- Met with Public and Indian Housing Assistant Secretary nominee Hunter Kurtz. He currently works in policy and development and has some limited experience in the field. His nomination hearing is in the next few weeks.
- Informed that HUD has engaged the Heritage Foundation to look at rent reform as a national policy.
- HUD is estimating 300-400 small housing authorities are in difficult financial conditions and are considering turning back keys to the housing authorities minus operating subsidies.
- Heard from HUD staff on the Rental Assistance Demonstration Program (RAD) that public housing authorities have now closed 72,000 units and migrated them to RAD which is a combination of operating subsidies and capital. Those families in many cases now reoccupied units that were renovated and are returning to them. That effort has raised \$4 billion in capital for reinvestments in those units.
 - MPHA has received invitations from Baltimore, New York, Cleveland, King County, to visit their RAD properties that have been renovated.
- A panel consisting of the senate and house appropriation staff indicated that our flat funding is likely to continue and if the different budget pressures are high enough HUD may reduce some of the numbers they proposed in the current budgets.



- Their biggest program is HCV and if the numbers are difficult there may be measures taken inside that program. We won't know until December 8 when the continuing resolution expires.

Moving to Work (MTW)

- MPHA's MTW plan is a step towards a new era - the document's fundamental ideas are:
 - stabilizing housing stock
 - preserving those units
 - protecting our families
 - having capital available to reinvest
- Subsequent materials will be provided to residents, board members and community at large later this year.

HCV

- HCV had its first regional working group meeting, eight neighboring agencies and two legal services representatives attended.
- Received from consultant first preliminary information on looking at areas of opportunities in the city. We'll be reviewing in the next few weeks.
- Will report to the board, what those maps look like and the four or five factors used in evaluating areas of opportunities versus areas of not so classified. As the data matures, we'll also come back to the board, if not this year, early next year with some ideas on how to set rents that will attract more families to those areas.
- We held second Mobility meeting hosted by the Met Council. The next will be in December at St. Paul Public Housing Agency. The third will be held in January.

Item No. 1: Approval of MPHA 2018 Moving to Work (MTW) Plan

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 Lutz seconded the motion. Upon a roll call vote, eight Commissioners voted "aye" (Commissioners Beckmen, DeAngelo, Letofsky, Lutz, Mohamud, Rosenbaum, Xiong and Chairman Tyler) and no Commissioner voted "nay". The Chair declared the motion carried. [See Document No. 2017-31] [See Resolution No. 17-175]

Item No. 2: Changes to MPHA Statement of Policies

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, eight Commissioners voted "aye" (Commissioners Beckmen, DeAngelo, Letofsky, Lutz, Mohamud, Rosenbaum, Xiong and Chairman Tyler) and no Commissioner voted "nay". The Chair declared the motion carried. [See Document No. 2017-32] [See Resolution No. 17-176]



Receive and File Items:

The following items were received and filed by the Board:

- The Monthly Performance Report for September 2017. [See Document No. 2017-33]
- Memorandum to the Board: Executed Construction Management at Risk (CMAR) Agreements [See Document No. 2017-34]

Adjournment:

There being no further business to come before the meeting, and upon a motion duly made and seconded, the meeting was adjourned at 2:13 p.m.

Secretary of the Board of Commissioners

Date These Minutes Approved



November 15, 2017

Agenda Item 1

REPORT TO THE COMMISSIONERS

FROM: Greg Russ, Executive Director / CEO

SUBJECT: Authorization to Execute Deferred Loan Repayment Agreement

Previous Directives: In December 2014, the Board of Commissioners authorized MPHA to submit a Publicly Owned Housing Program (POHP) grant proposal to the Minnesota Housing Finance Agency (MHFA). In August 2016, the Board of Commissioners authorized MPHA to enter into loan documents for this grant.

Resident Association Notification: This matter will be discussed with the Tenant Advisory Committee (TAC) immediately prior to the Board's November 15, 2017 meeting.

Impact on MPHA Budget: Provides funding for budgeted activities.

Affirmative Action Compliance: Not Applicable.

RECOMMENDATION: It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Executive Director or his designee to execute a deferred Loan Repayment Agreement and all related documents with Minnesota Finance Agency (MHFA) for \$1,200,000.

MPHA applied for and was awarded through MHFA's Publicly Owned Housing Program (POHP) a \$1,200,000 deferred loan which will provide funding to cover some of the costs related to a major capital improvement project at 620 Cedar Avenue South. The project involved piping replacement, fire suppression retrofit/fire alarm system upgrade, apartment finishes, bathroom modernization and ADA improvements for 6 units.

MHFA has offered a non-interest deferred repayment loan for \$1,200,000 to MPHA. The loan has a term of 20 years and is forgiven and extinguished with no repayment required if MPHA continues to operate and manage the development as public housing for public housing residents. MPHA's Board of Commissioners previously approved this Resolution in August 2016. However, MPHA opted for an end loan which is executed after construction is complete. MHFA requires this resolution be passed within 90 days of loan closing which will be scheduled for early December 2017.

This Report was prepared by Laura Dykema, Director of Planning & Development. For further information, please contact Ms. Dykema at (612) 342-1428 or ldykema@mplspha.org.

RESOLUTION NO. 17- 177

WHEREAS, The Minnesota Legislature authorized the Minnesota Housing Finance Agency (MHFA) to make loans for the rehabilitation of public housing; and

WHEREAS, the Minneapolis Public Housing Authority (MPHA) has applied for such loan and has been awarded a \$1,200,000 no-interest deferred payment loan to provide building rehabilitation at the Cedars located at 620 Cedar Avenue South, Minneapolis, Minnesota; and

WHEREAS, on this 15th day of November 2017, there has been presented to the MPHA Board of Commissioners, a proposal for MPHA to borrow a zero-interest, forgivable loan from the Minnesota Housing Finance Agency, a public body corporate and politic of the State of Minnesota, 400 Sibley Street, St. Paul, Minnesota 55101, (the "Agency") in an amount not to exceed \$1,200,000, (the "Loan") that will be forgiven in 20 years, which Loan will be evidenced by a Deferred Loan Repayment Agreement. Further, a General Obligations Bond Declaration of Covenants, Conditions and Restrictions (the "G.O. Declaration") and a Publicly Owned Housing Program Declaration of Covenants, Conditions and Restrictions (the "POHP Declaration") shall be executed in connection with the Loan, the terms of which require that (i) the MPHA retain ownership of the Development located in the County of Hennepin, State of Minnesota and more fully described in Exhibit A attached hereto and made a part hereof, and (ii) provides public housing for a term of 35 years. The Deferred Loan Repayment Agreement, the G.O. Declaration and the POHP Declaration are referred to collectively as the "Loan Documents",

NOW THEREFORE BE IT RESOLVED, that Gregory Russ, Executive Director / CEO of the Minneapolis Public Housing Authority is authorized at any time hereafter and without further action by or authority or direction from the MPHA Board of Commissioners, to execute and deliver to the Agency in such form as may be required by the Agency, the Loan Documents evidencing the indebtedness.

BE IT FURTHER RESOLVED, that Executive Director of the Minneapolis Public Housing Authority is authorized at any time hereafter and without further action by or authority or direction from the Board of Commissioners, to execute and deliver or cause to be executed and delivered, all such other further agreements, assignments, statements, instruments, certificates and documents and to do or cause to be done all such other and further acts and things as they may determine to be necessary or advisable under or in connection with such borrowing, and that their execution of any such agreement, assignment, statement, instrument, certificate or document, or the doing of any such act or thing, shall be conclusive evidence of their determination in that respect.

BE IT FURTHER RESOLVED, that the MHFA be and hereby authorized to rely on continuing force and effect of this Resolution until receipt by the Commissioner of the MHFA at its principal office of notice in writing from the MPHA of any amendments or alterations thereof.

EXHIBIT A

LEGAL DESCRIPTION

26-029-24-41-0007

Abstract & Torrens

Block 14 except Lots 7 and 8 and the Northeasterly 35 feet of Lots 5 and 6 and, Block 15, Atwaters Addition to the Town of Minneapolis including that part of adjacent vacated 17th Avenue South lying Northwesterly of said Block 14 and Southeasterly of said Block 15. Part of which is registered property as evidenced by:

CERTIFICATE OF TITLE NO. 336735 and described as:

The Northwesterly 1/2 of Lot 11, Block 15, except the rear or Southwesterly 35 feet thereof, Atwaters Addition to the Town of Minneapolis, according to the plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County; and

CERTIFICATE OF TITLE NO. 332593 and described as:

Lot 11 in Block 14 in Atwaters Addition to the Town of Minneapolis, according to the plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County; and

CERTIFICATE OF TITLE NO. 332598 and described as:

Lot 8 in Block 15 of Atwater's Addition to Minneapolis according to the official plat of said Addition on file or of record in the office of the Register of Deeds in and for said Hennepin County; and

CERTIFICATE OF TITLE NO. 339400 and described as:

The Northeasterly 26.5 feet of Lot 1, Block 15, Atwaters Addition to the Town of Minneapolis, according to the recorded plat thereof; and

CERTIFICATE OF TITLE NO. 339773 and described as:

Northwesterly 31 feet of Northeasterly 100 feet of Lot 12 in Block 15 in Atwaters Addition to the Town of Minneapolis, according to the plat thereof on file and of record in the office of the Register of Deeds in and for said County.



Gregory P. Russ, Executive Director / CEO

Performance Report for October 2017

Board of Commissioners Meeting -

November 15, 2017

This Month's Report

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

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

Glendale AMP 1 –

Total Units 184

- Units Leased: 1
- Average Turnover: 22
 - Down Time: 1
 - Days Make Ready: 14
 - Days for Re-rental: 7
- Total Work Orders
 - 3 emergency work order completed in 24 hours – 100%
 - 165 non emergency work orders completed – 75%
- Occupancy Level: 98%

Scattered Sites AMP 2 –

Total Units 736

- Units Leased: 7
- Average Turnover: 26
 - Down Time: 1
 - Days Make Ready: 13
 - Days for Re-rental: 11
 - One Rent-to-Own unit 282 days
- Total Work Orders
 - 8 emergency work orders completed in 24 hours – 100%
 - 615 non emergency work orders completed – 72%
- Occupancy Level: 98%

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

North AMP 3 – Headquarters:

315 Lowry Total Units 1296

- Units Leased: 17
- Average Turnover: 44
 - Days Down Time: 6
 - Days Make Ready: 20
 - Days for Re-rental: 18(Numbers are being reviewed)
- Total Work Orders
 - 10 emergency work orders completed in 24 hours – 100%
 - 493 non emergency work orders completed – 59%
- Occupancy Level: 99%

Northeast AMP 4 Headquarters:

1815 Central – Total Units 944

- Units Leased: 32
- Average Turnover: 11
 - Days Down Time: 1
 - Days Make Ready: 5
 - Days for Re-rental: 5
- Total Work Orders
 - 1 emergency work orders completed in 24 hours – 100%
 - 367 non emergency work orders completed – 53%
- Occupancy Level: 99%

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

Hiawatha AMP 5

Headquarters:

2123 – 16th – Total Units 886

- Units Leased: 9
- Average Turnover: 34
 - Days Down Time: 2
 - Days Make Ready: 5
 - Days for Re-rental: 26
- Total Work Orders
 - 18 emergency work orders completed in 24 hours – 100%
 - 278 non emergency 64%

○ Occupancy Level: 99%

Cedar AMP 6 Headquarters:

1611 So. 6th – Total Units 895

- Units Leased: 6
- Average Turnover: 18
 - Days Down Time: 3
 - Days Make Ready: 7
 - Days for Re-rental: 9
- Total Work Orders
 - 15 emergency work orders completed in 24 hours – 100%
 - 308 non emergency 62%

○ Occupancy Level: 99%

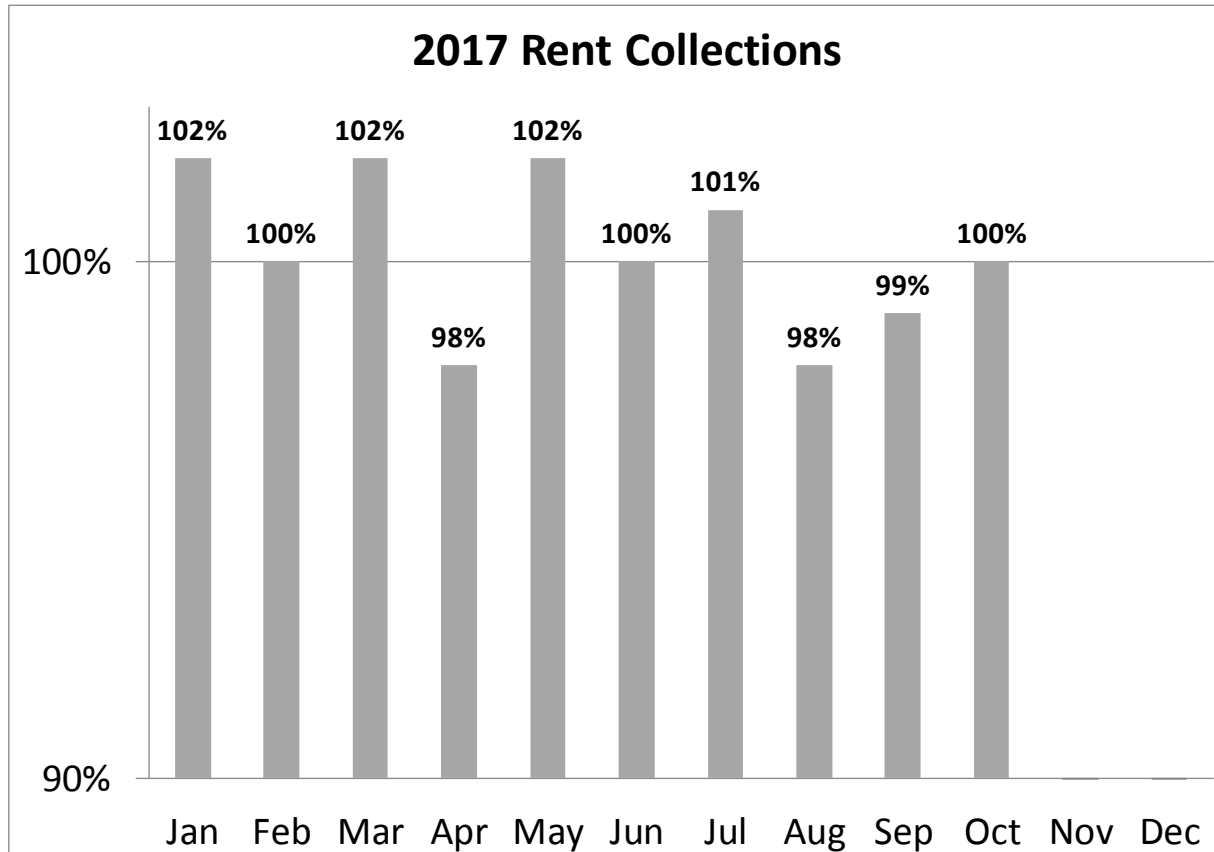
Asset Management Project (AMP) Report (Units Leased/Turnaround/Work Orders/Occupancy) October 2017

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

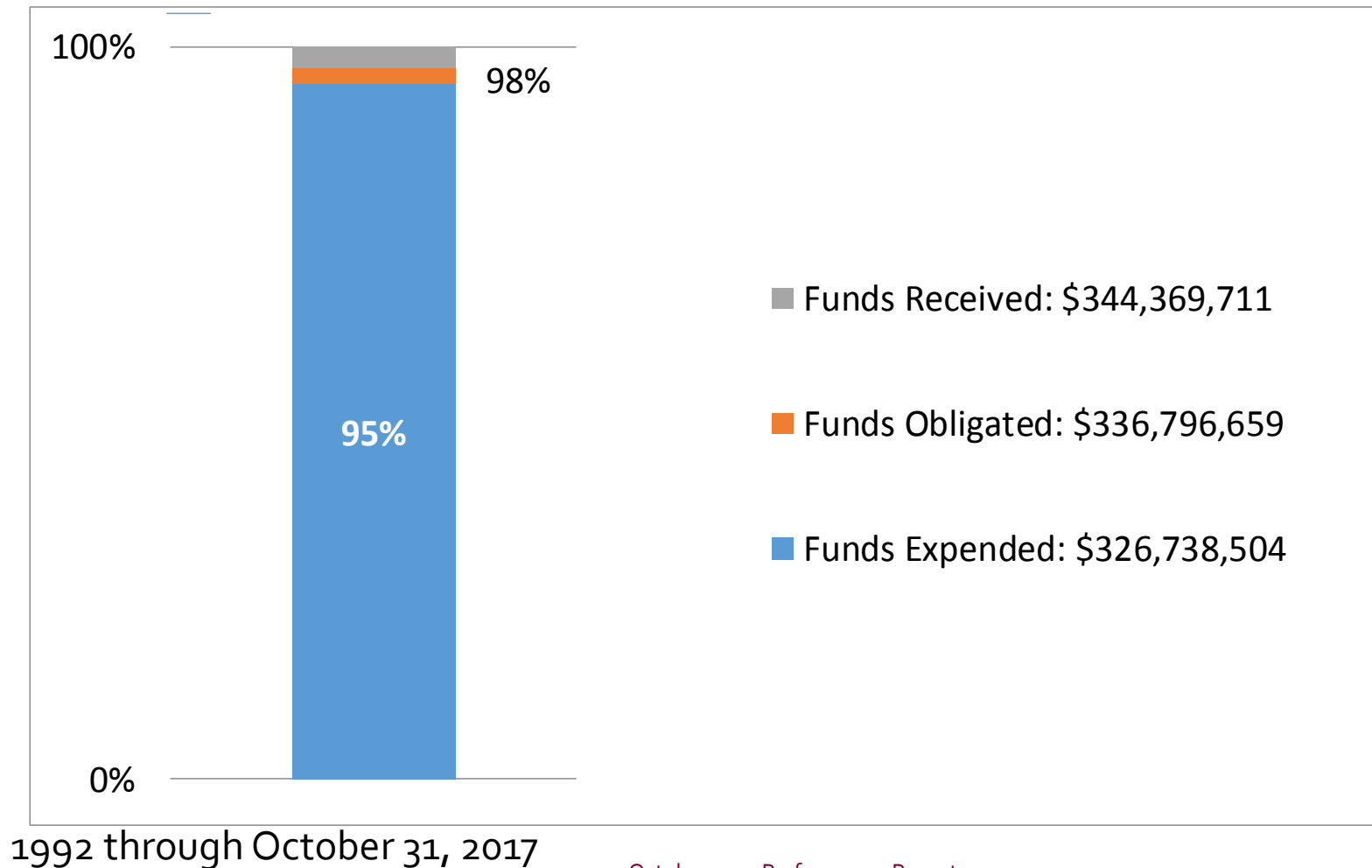
- Units Leased: 21
- Average Turnover: 3
 - Days Down Time: 0
 - Days Make Ready: 1
 - Days for Re-rental: 1
- Total Work Orders
 - 3 emergency work orders completed in 24 hours – 100%
 - 391 non emergency work orders completed 55%

○ Occupancy Level: 100%

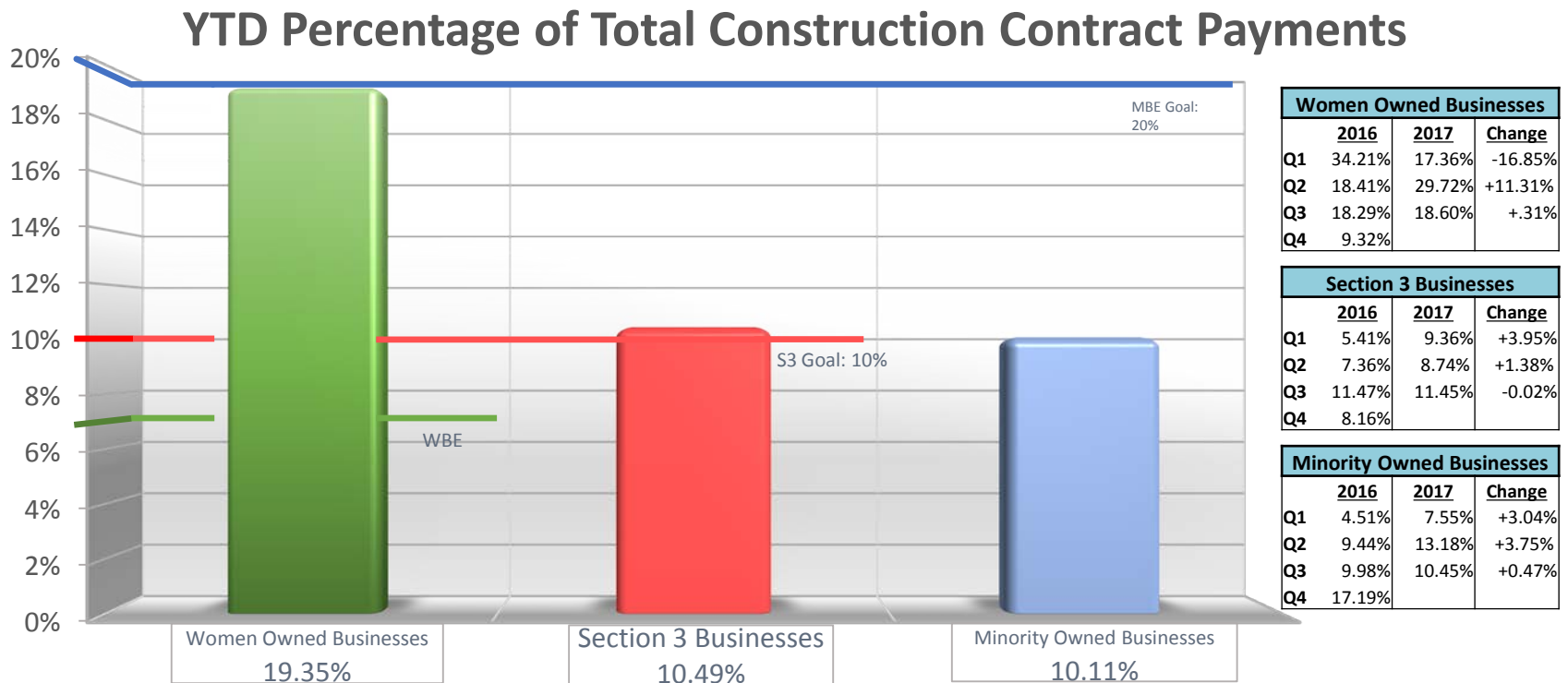
Rent Collections



Facilities & Development Capital Fund Program Obligation & Expenditure Report

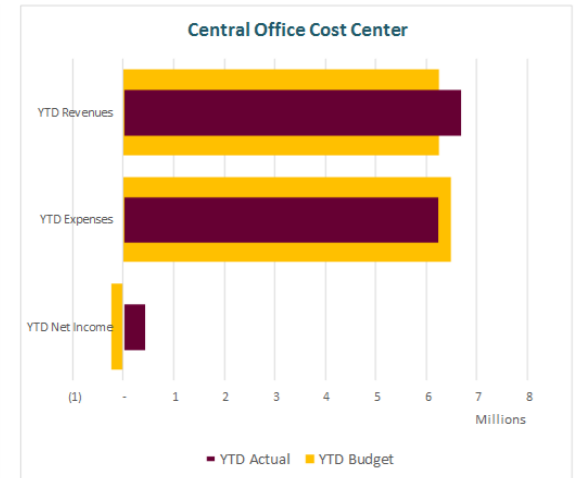
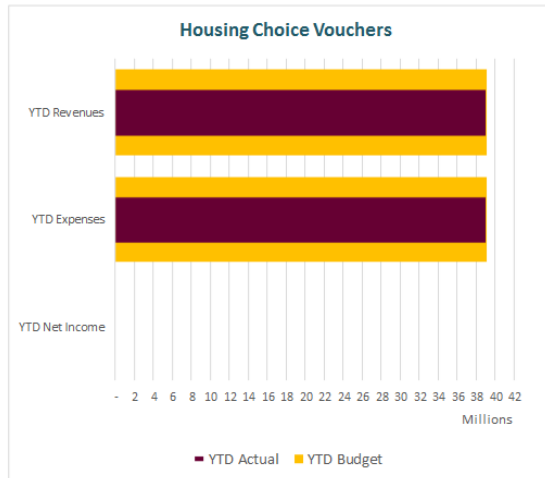
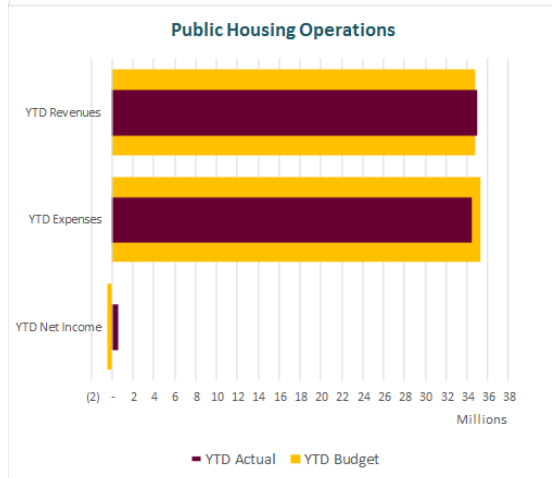


Procurement Construction Contracting Activity for October



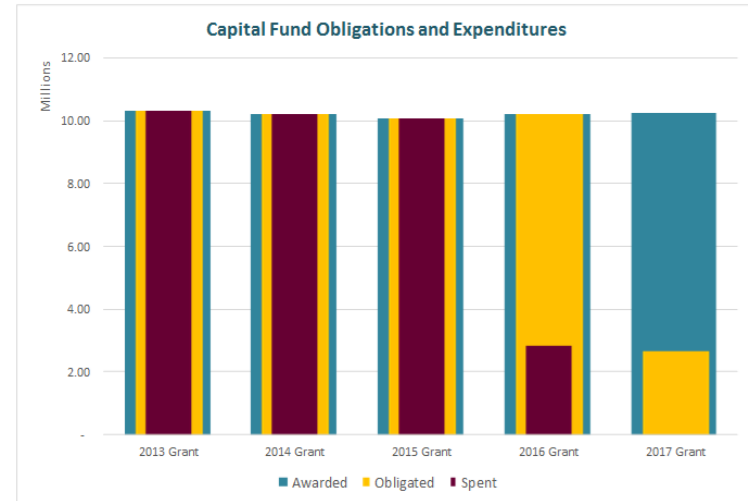
Minneapolis Public Housing Authority Financial Summary

October 31, 2017



MTW Operating Sources and Uses (Public Housing, Housing Choice Vouchers, & MTW)

	YTD Budget 10/31/17	YTD Actual 10/31/17	Favorable (Unfavorable) Variance	Variance %
Sources				
Tenant Revenue -Rents & Other	\$ 16,965,800	\$ 16,913,133	\$ (52,667)	0%
Federal - Operating Subsidies & Grants	\$ 17,922,462	\$ 17,987,455	\$ 64,993	0%
Federal- Section 8 HAP Subsidy	\$ 36,997,906	\$ 36,801,509	\$ (196,397)	-1%
Other Revenues, Fees, & Grants	\$ 2,010,023	\$ 2,308,785	\$ 298,762	15%
Transfers-In	\$ -	\$ -	\$ -	n/a
Total Sources	\$ 73,896,191	\$ 74,010,882	\$ 114,691	0%
Uses				
Property Management and Program Administration	\$ 9,273,633	\$ 8,410,783	\$ 862,850	9%
Fees	\$ 5,360,361	\$ 5,635,603	\$ (275,242)	-5%
Tenant Services	\$ 538,568	\$ 546,541	\$ (7,973)	-1%
Utilities	\$ 6,265,826	\$ 6,346,210	\$ (80,384)	-1%
Maintenance	\$ 10,959,873	\$ 10,310,242	\$ 649,631	6%
Protective Services	\$ 1,642,922	\$ 1,636,415	\$ 6,507	0%
Insurance	\$ 892,307	\$ 823,919	\$ 68,388	8%
Other General	\$ 1,798,229	\$ 1,805,975	\$ (7,746)	0%
Debt Service	\$ 1,913,139	\$ 1,913,134	\$ 5	0%
HAP	\$ 32,562,645	\$ 32,475,318	\$ 87,327	0%
Nonroutine	\$ 218,491	\$ 596,942	\$ (378,451)	-173%
Transfers-Out	\$ 3,090,909	\$ 3,090,909	\$ -	0%
Total Uses	\$ 74,516,903	\$ 73,591,991	\$ 924,912	1%
Net Sources/(Uses)	\$ (620,712)	\$ 418,891	\$ 1,039,603	167%



Capital Fund Program Spending YTD	6,417,129.09
MTW Capital Spending YTD	3,090,910.09
Total Capital Improvement Spending YTD	9,508,039.18

SINGLE FAMILY HOMES

2017 EXTERIOR RENOVATION

ROOF REPLACEMENT AT 16 HOMES



Before & After Roof at South Minneapolis Home



STOOP & BRICK REPLACEMENT AT NORTH MPLS HOME



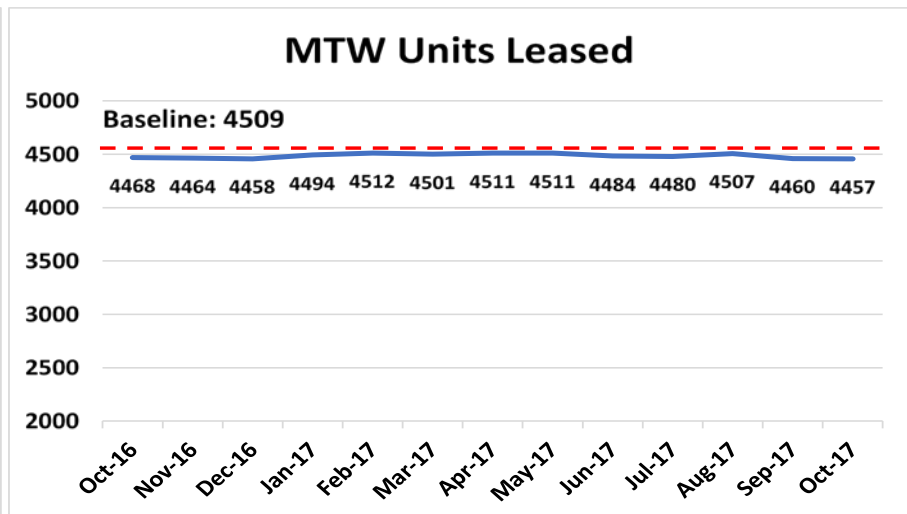
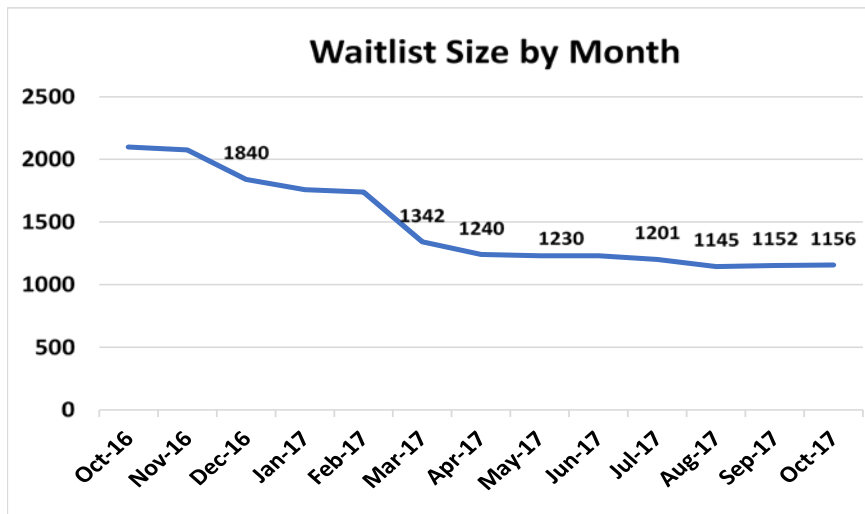
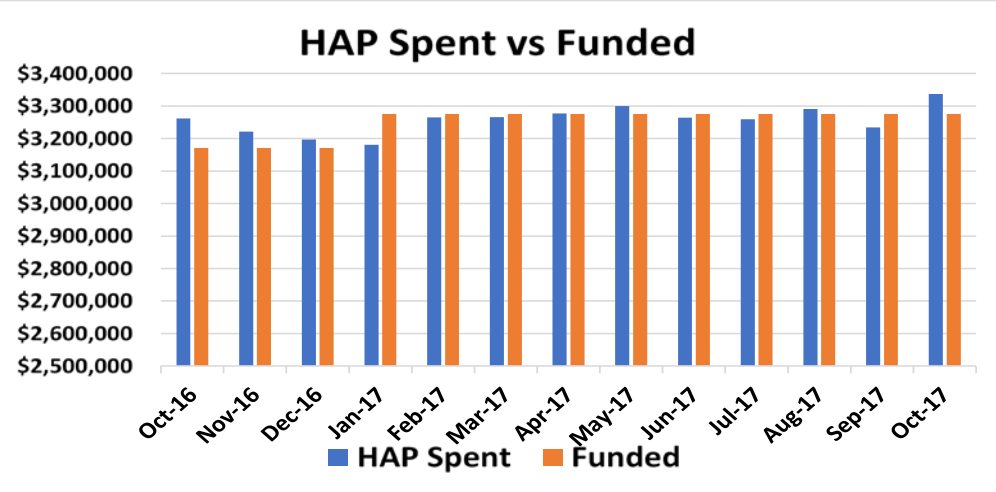
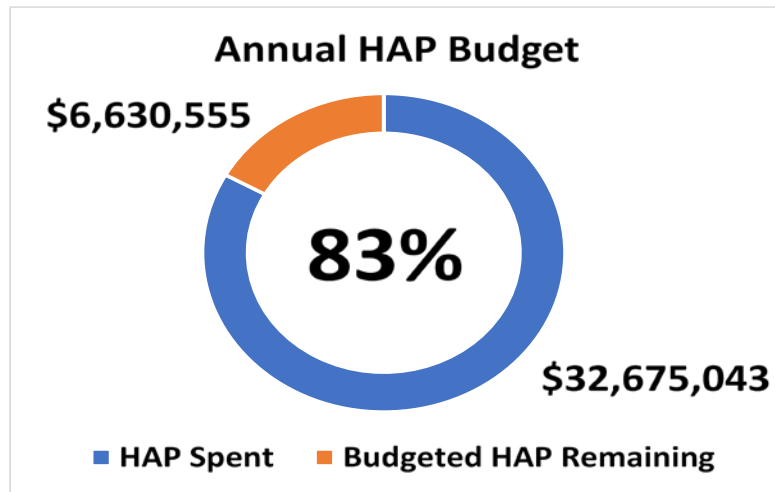
Before: Failed Masonry Stoop



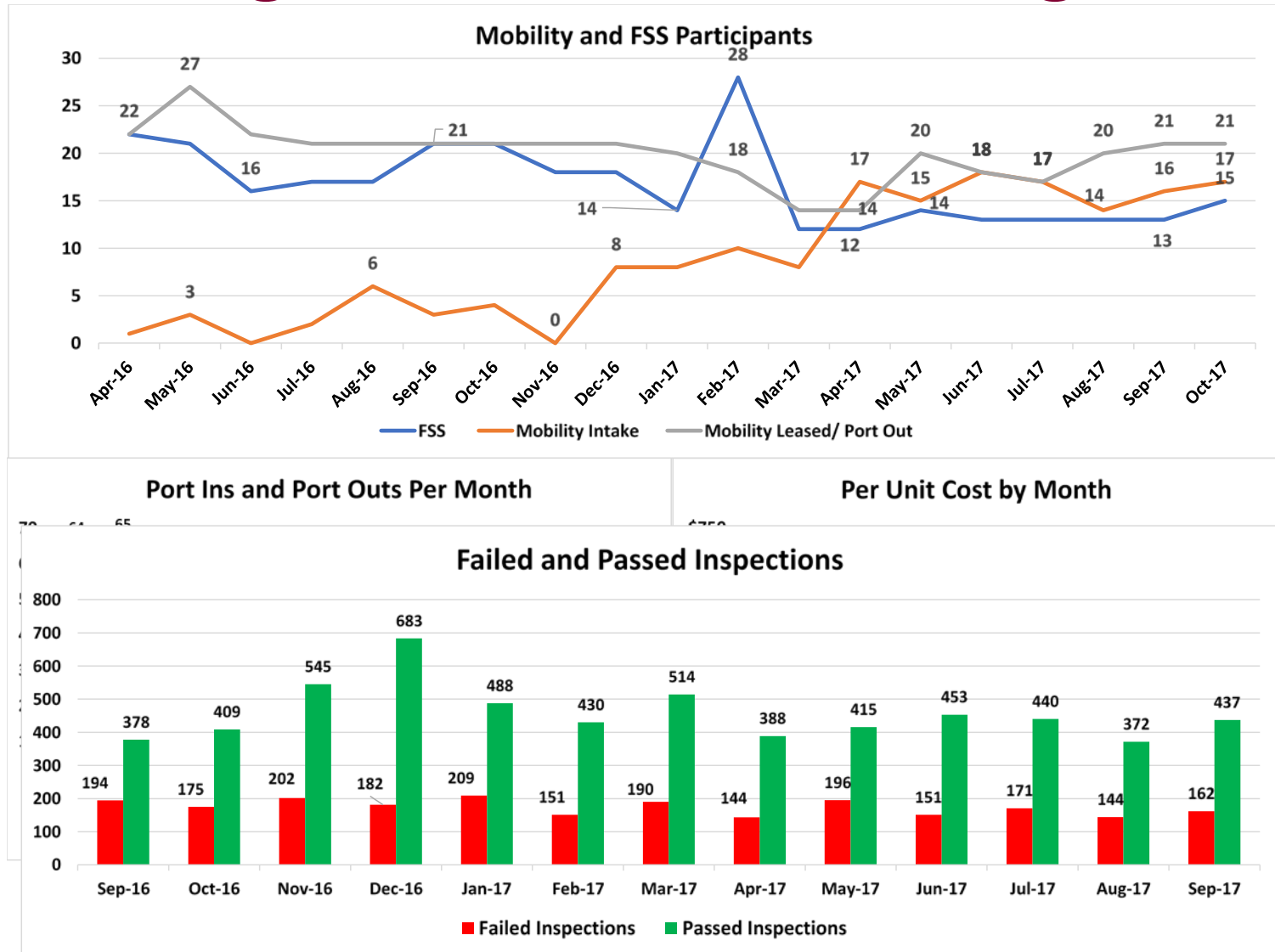
After: New Stoop

Housing Choice Voucher Program

Housing Choice Voucher Program Board Report on Utilization October 2017

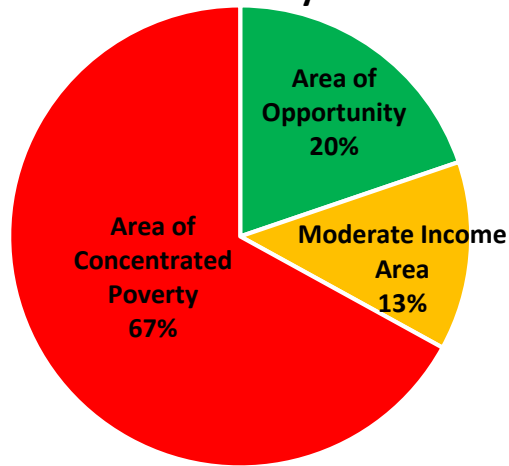


Housing Choice Voucher Program



Housing Choice Voucher Program

HCV Households by Area Income Level



Definitions

Area of Opportunity:

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

Moderate Income Area:

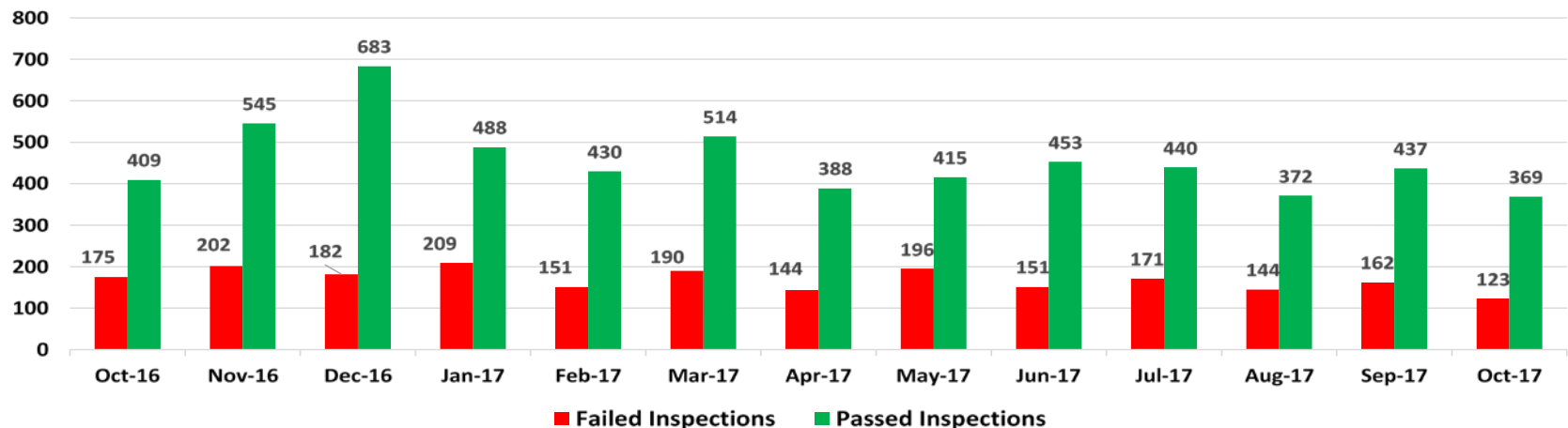
Median household income of census tract between \$48K- \$60K.

Area of Concentrated Poverty:

Median household income of census tract less than \$48K.

Ward	Households	Disabled	Elderly	Employed
1	274	47%	22%	43%
2	118	52%	23%	42%
3	320	45%	21%	48%
4	654	38%	8%	48%
5	824	39%	10%	44%
6	915	34%	17%	53%
7	368	58%	23%	25%
8	124	39%	19%	51%
9	408	42%	23%	49%
10	288	40%	20%	46%
11	135	44%	19%	50%
12	122	43%	14%	51%
13	56	38%	9%	59%
Total	4606	41%	16%	46%

Failed and Passed Inspections



Housing Choice Voucher Program

October 2017 Highlights



Terrill Clark is the winner of the HCV Impact award for the month of October! Terrill Clark has worked various positions in MPHA from an eligibility technician who works on a regular caseload, to Veterans Affairs Supportive Housing (VASH) and now to being a housing inspector! Terrill is a very talented and dynamic employee who has learned various types of skills to continue to build himself. Terrill is known for his sense of humor and his laser focus on his work. Terrill is a veteran of the Gulf War and a family man with a wife and three kids. He now conducts Move-In inspections making sure that families move into a safe, sanitary, decent and in good repair units. He has quickly developed a strong working relationship with homeowners of all walks of life in Minneapolis with his stellar work ethic, attention to detail and customer service. Everyone in the HCV Program has no doubt that for the month of October Terrill Clark deserves the

HCV Impact award.

The HCV Program also welcomes Brandon Crow to the team as the Assistant Director of the Housing Choice Voucher Program. Brandon has 20 years of experience working with homeless and at-risk populations. Doctorate in Clinical Psychology and experience in designing and administering social service programming, developing and operating permanent supportive housing, and staff development. Originally from Arkansas, but in Chicago for 20 years, before moving to Minneapolis in October with his husband (a native of the Twin Cities). Previously with Volunteers of America of Illinois.

Communications

- Joint announcement of Glendale weatherization project (with SRC and CenterPoint Energy)
- Produced MPHA “Pathways to Preservation” video slide-deck, in English and Somali
- Multiple media requests, including Executive Director appearance on KFAI radio
- Revisions and responses to comments on MTW Annual Plan
- Prepared MPHA online "info kit" for candidates for city office
- Responses to information requests from City Council, candidates, and researchers

Communications

- Secured translation of online waitlist application into Spanish and Somali
- Toured interested third-parties through Cora McCorvey Center
- Began analysis and planning for 2019 YMCA public housing resident scholarships
- Worked with HVC on owner-outreach marketing campaign

MPHA's Website

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

www.mphaonline.org



November 15, 2017

MEMORANDUM TO: MPHA Board of Commissioners

FROM: Greg Russ, Executive Director

SUBJECT: 2018 Draft Budget

The draft 2018 MPHA Budget is attached for your review. The Budget will be brought forward at the December 20, 2017 Board of Commissioner's meeting. I encourage you to review the document and contact me or Tim Durose, Chief Financial Officer, with any questions or the need for additional information. Although Special Board of Commissioner sessions to review the 2018 Budget are not currently planned, please let me know if you would like to meet to discuss the Budget.

I can be reached at gruss@mplspha.org or 612-342-1380 and Tim Durose can be reached at tdurose@mplspha.org or 612-342-1410.

Attachment

2018 DRAFT MPHA BUDGET

The Board of Commissioners, through the approval of the 2018 Moving to Work Annual Plan (MTW Plan), approved the 2018 Moving to Work (MTW) Budget and other program-specific budgets. Because the U.S. Department of Housing and Urban Development (HUD) requires MPHA to present an MTW Budget as part of the draft MTW Plan and make the draft MTW Plan available in June, the budgets included in the MTW Plan are developed with less precision than desirable. This document provides updated funding estimates and program budgets, restates current budgetary controls and spending policy, and details budgets for each asset management project (AMP) as required by HUD.

Funding Assumptions

Congress is funding MPHA programs through a short-term funding bill (a Continuing Resolution) that expires on December 8, 2017. This short-term appropriation provides funding at 2017 levels and the funding amounts for the rest of the 2018 federal fiscal year are unknown. For this reason, the MPHA's 2018 Budget assumes program funding near 2017 levels. The estimates rely heavily upon the 2018 appropriation bills approved by each chambers' Appropriations Committee, but a conference appropriations bill has not been drafted. MPHA's 2018 Budget assumes HUD will provide only 91% of the public housing operating subsidy formula; approximately \$2 million less than the amount of subsidy eligibility needed for MPHA's housing stock. The Housing Choice Voucher Program housing assistance payment (HAP) subsidy is anticipated to be funded at 97% of the formula amount and the program administrative fees funded at only 75% of the formula amount putting greater stress on the resources MPHA has available to meet program needs. The Budget also estimates that the public housing Capital Fund award will be near the amount funded in 2017 or approximately \$10 million.

A look at the MPHA estimated federal subsidy loss due to insufficient Congressional appropriations is over \$4 million for 2018. The breakdown by appropriation account is presented in the following schedule.

	Subsidy Formula Eligibility	2018 Budget (Prorated Subsidy)	Subsidy Loss
Public Housing Operating Subsidy	22,156,369	20,162,296	1,994,073
MTW HCV HAP Subsidy	44,902,399	43,555,300	1,347,099
Admin Fee Subsidy	2,872,428	2,154,300	718,128
Total Subsidy Loss due to Proration			4,059,300

Agency-wide Budget

The schedule that follows presents the total Minneapolis Public Housing Authority (MPHA) budget for 2018. Total uses of funds are \$119.2 million and are covered by \$115.7 million in funds earned in 2018, \$2.9 million in carryover funds previously approved by the Board, and \$0.6 million use of reserves. Almost 42% of MPHA's budgeted funds come Section 8 HAP subsidy. The primary uses of funds are planned for Section 8 housing assistance payments (HAP) and public housing major building improvements and maintenance. These use of funds account for 67% of the budgeted spend.

Total budgeted reserves¹ are expected to be \$24.1 million at the end of 2018 which includes \$2.9 million set aside as a reserve to cover general liability claims.

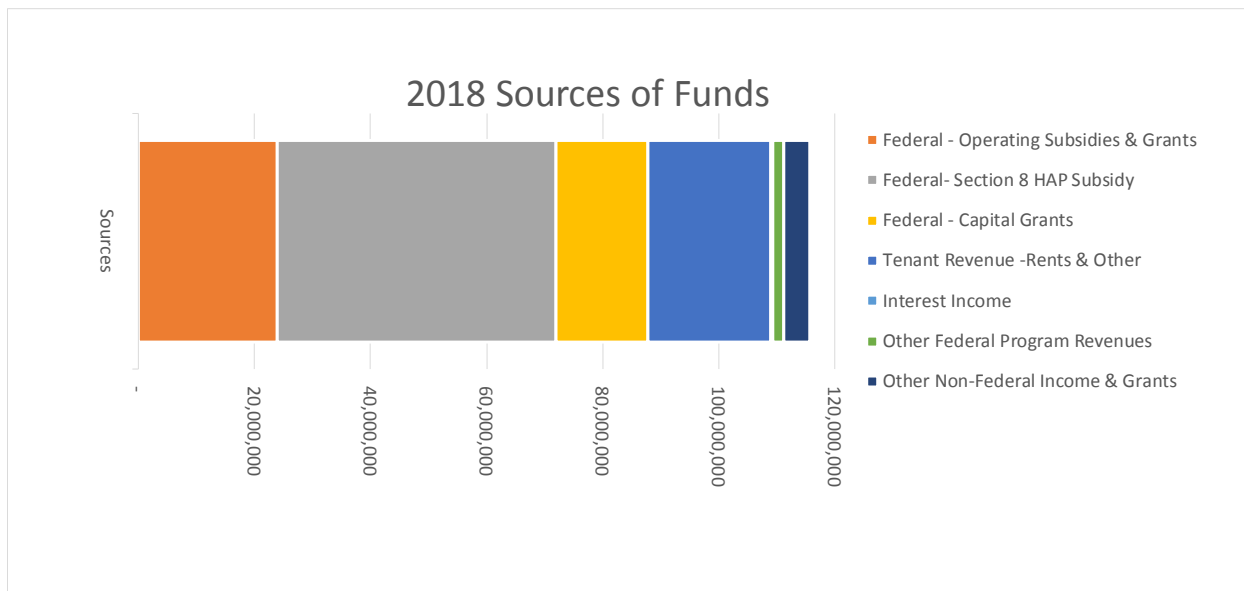
	MTW Programs	Other Section 8 Programs	Central Office	Self Insurance Fund	Other Funds	Inter-Program Eliminations	Total MPHA
Sources							
Tenant Revenue - Rents & Other	21,191,000	-	-	-	-	-	21,191,000
Federal - Operating Subsidies & Grants	23,349,500	504,500	-	-	-	-	23,854,000
Federal- Section 8 HAP Subsidy	43,555,300	4,575,100	-	-	-	-	48,130,400
Federal - Capital Grants	15,733,500	-	-	-	-	-	15,733,500
Interest Income	228,200	13,000	71,600	21,000	13,000	-	346,800
Other Revenues, Fees, & Grants	2,422,300	-	7,577,300	-	3,970,000	(7,503,900)	6,465,700
Total Sources	106,479,800	5,092,600	7,648,900	21,000	3,983,000	(7,503,900)	115,721,400
Uses							
Property Mgmt and Program Admin.	11,600,900	388,800	-	-	1,125,000	-	13,114,700
General Administration	-	-	7,261,800	-	-	-	7,261,800
Fees	7,372,800	131,100	-	-	-	(7,503,900)	-
Tenant Services	867,100	-	-	-	25,000	-	892,100
Utilities	8,913,900	-	162,800	-	-	-	9,076,700
Maintenance	13,357,600	-	181,600	-	-	-	13,539,200
Protective Services	2,206,300	-	68,600	-	-	-	2,274,900
Insurance & Casualty Loss	1,313,300	2,400	63,900	-	-	-	1,379,600
Other General	2,541,800	-	202,000	200,000	-	-	2,943,800
Debt Service	2,368,900	-	-	-	-	-	2,368,900
HAP	39,551,500	4,620,900	-	-	-	-	44,172,400
Capital Improvements & Equipment	16,385,700	-	108,300	-	5,717,000	-	22,211,000
Total Uses	106,479,800	5,143,200	8,049,000	200,000	6,867,000	(7,503,900)	119,235,100
Net Sources/(Uses) before Carryovers	-	(50,600)	(400,100)	(179,000)	(2,884,000)	-	(3,513,700)
Board Approved Carryover Contributions							
Working Capital Carryover	-	-	-	-	525,000	-	525,000
Development Proceeds Carryover	-	-	-	-	842,000	-	842,000
Settlement Funds Carryover	-	-	-	-	1,530,000	-	1,530,000
Total Carryover Contributions	-	-	-	-	2,897,000	-	2,897,000
Net Sources/(Uses)	-	(50,600)	(400,100)	(179,000)	13,000	-	(616,700)
Budgeted Reserves¹ as of December 2018	13,878,000	1,829,400	5,458,000	2,924,000	18,000	-	24,107,400

¹ Reserves are defined as Unrestricted Net Position less prior Board Approved Uses

MPHA's operating reserve levels remain at reasonable amounts given HUD's view of reserve levels. HUD has considered public housing operating reserves over 4 months of public housing operating expenses to be excessive. Other affordable housing projects are typically required to hold 6 months of operating expenses plus debt service.

MPHA relies heavily on federal housing subsidies and grants anticipating \$87.7 million in 2018

and when combined with tenant and space rent from the operation of federal public housing, 96% of MPHA sources of funds come from the operation of federal housing programs.



Budgetary Controls

Although MPHA presents budgetary data at a lower level on the accompanying schedules, MPHA's MTW Agreement eliminates any restriction to transfer funds among MTW program areas, among asset management projects, and between line items. The approval of the Budget provides the Executive Director authorization to carry out business operations using no more than the net uses of funds identified in the Agency-wide Budget with full expenditure flexibility throughout all agency funds subject to all spending limitations imposed by the sources of the funds. However, the net uses of funds and expenditure flexibility does not apply to the Self Insurance Fund. Self Insurance Fund resources are limited to costs related to the settlement of claims without any net use limitations, subject to any additional Board limitations.

The Executive Director is further authorized to increase the net use of funds up to an additional 2.5% of routine operating program budgeted reserves; that is, the combined MTW, Central Office, and Other Section 8 Program budgeted year-end reserve amount without further approval from the Board. The calculation of the additional net use approval is as follows.

Additional Net Uses Authorization Calculation	
MTW Budgeted Reserve Level	13,878,000
Other Section 8 Programs	1,829,400
Central Office Budgeted Reserve Level	5,458,000
Combined FYE 2018 Budgeted Reserve	21,165,400
Additional Net Uses Authorization w/o Further Board Approval	529,135

Moving To Work Budget

The MTW Agreement provides MPHA financial flexibility to expend HUD public housing operating and capital resources and Housing Choice Voucher (HCV) Program resources interchangeably among these programs rather than limited within the program “silos” from which the funds were derived. The combination of the three programs create an MTW Block Grant with an expanded allowable use of funds beyond what traditional PHA’s are permitted. (The term used in the MTW agreement for this ability is “Single Fund Flexibility”.) The expanded use of funds provides MPHA the opportunity to design and test innovative, locally-designed strategies that use Federal dollars more efficiently and provide opportunities for program creativity and innovation.

The MTW Budget presented for 2018 allocates resources to: (1) carry out the daily management and maintenance operations; (2) within the funds available, provide for selected major building rehabilitation activities for MPHA’s public housing stock; (3) provide for the administration and housing assistance payments for the HCV Program; and (4) set aside the funds needed for innovative, locally-designed strategies to meet the mission of MPHA.

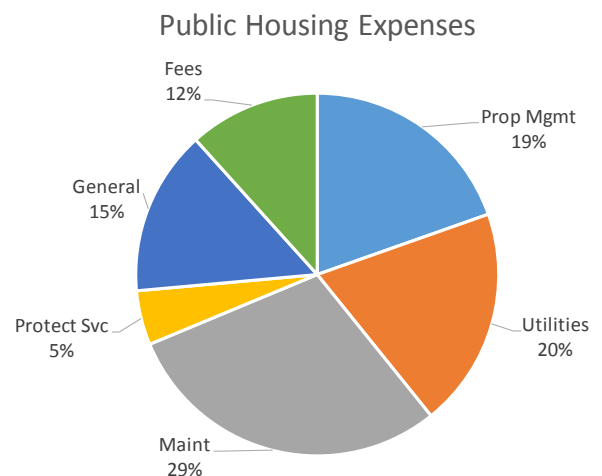
The total 2018 MTW Budget is balanced without the use of reserves and anticipates \$106.5 million in sources of funds and plans for \$106.5 million in uses of funds. The MTW reserve is budgeted to remain at \$13.9 million or 3.7 months of operating costs. There will likely be a need to use reserves in future with anticipated flat to decreasing federal funding and rising operational costs. Additionally, the deferred building rehabilitation needs are increasing each year by at least \$10 million more than the expected funding available. In order to preserve operations, MPHA must find ways to reduce costs. Planning will begin in 2018 to identify cost reduction strategies that will compromise services to current families and potentially reduce MPHA’s ability to provide housing assistance to as many families as assisted in 2018. Reductions in 2019 may also impact the MPHA workforce. Should MPHA fare better in the federal funding process, adjustments to the plan will be made accordingly. But MPHA is at a tipping point where the prolonged funding compromises at the Federal level will require more difficult responses at the local level.

	Public Housing Operations	MTW Housing Choice Vouchers	Capital Fund Program	MTW Initiatives	Total MTW Funds
Sources					
Tenant Revenue - Rents & Other	21,191,000	-	-	-	21,191,000
Federal - Operating Subsidies & Grants	20,162,200	2,154,300	1,033,000	-	23,349,500
Federal- Section 8 HAP Subsidy	-	43,555,300	-	-	43,555,300
Federal - Capital Grants	-	-	15,733,500	-	15,733,500
Interest Income	168,200	60,000	-	-	228,200
Other Revenues, Fees, & Grants	2,005,300	417,000	-	-	2,422,300
Total Sources	43,526,700	46,186,600	16,766,500	-	106,479,800
Uses					
Property Management and Program Administration	8,075,300	3,145,900	10,000	369,700	11,600,900
Fees	5,290,900	1,058,900	1,023,000	-	7,372,800
Tenant Services	847,700	-	-	19,400	867,100
Utilities	8,913,900	-	-	-	8,913,900
Maintenance	13,357,600	-	-	-	13,357,600
Protective Services	2,206,300	-	-	-	2,206,300
Insurance & Casualty Loss	1,294,500	18,800	-	-	1,313,300
Other General	2,516,800	-	-	25,000	2,541,800
Debt Service	2,368,900	-	-	-	2,368,900
HAP	-	39,551,500	-	-	39,551,500
Capital Improvements & Equipment	525,700	-	15,860,000	-	16,385,700
Total Uses	45,397,600	43,775,100	16,893,000	414,100	106,479,800
Net Program Sources/(Uses)	(1,870,900)	2,411,500	(126,500)	(414,100)	-
Program Transfers In/(Out)	1,870,900	(2,411,500)	126,500	414,100	-
Net Sources/(Uses)	-	-	-	-	-
Budgeted Reserves¹ as of Dec. 2018					
	13,030,000	848,000	-	-	13,878,000

¹ Reserves are defined as Unrestricted Net Position less prior Board Approved Uses

Public Housing Operations

Over \$45 million is planned to be spent on the day-to-day operation of the public housing program; an increase of 4% over the 2017 budgeted levels. The largest budgeted expense increase is in maintenance expenses; which is 29% of the program's expenses. The program is primarily funded by tenant rent (\$21.2 million) and HUD operating subsidy (\$20.2 million). Because HUD is only funding the public housing program subsidy at 91%, \$1.9 million of Housing Choice Voucher (HCV) subsidy must be repurposed to cover public housing operating needs which funds the program at the equivalent of what would be funded if 99% of the operating subsidy amount were funded by HUD.



The total operating program budget is subdivided into AMPs. Each AMP is a cluster of high-rise buildings or family units which are grouped to promote efficient and effective management. MPHA's AMPs are based on the geographical proximity of the properties and housing type (family, high-rise, privately-owned). MPHA has an organizational structure and management reporting system that allows for project-based management, accounting and budgeting that meets HUD's asset management requirements. Below, the total public housing operating program budget is subdivided into each AMP.

	Glendale	Scattered Sites	North	Northeast	Hiawatha	Cedars	Horn	Heritage Park	Suburban MHOP	Total PH Operations
Sources										
Tenant Revenue -Rents & Other	850,200	4,540,700	4,418,700	3,269,600	2,614,300	2,722,800	2,774,700	-	-	21,191,000
Federal - Operating Subsidies & Grants	760,700	2,741,400	4,103,000	2,728,300	2,947,700	2,834,800	2,978,500	754,600	313,200	20,162,200
Interest Income	6,600	46,200	22,400	27,800	22,800	22,800	19,600	-	-	168,200
Other Revenues, Fees, & Grants	49,400	176,200	796,000	327,500	283,900	159,700	212,600	-	-	2,005,300
Total Sources	1,666,900	7,504,500	9,340,100	6,353,200	5,868,700	5,740,100	5,985,400	754,600	313,200	43,526,700
Uses										
Property Management and Program Administration	333,700	1,155,000	1,768,100	1,219,700	1,269,400	1,123,800	1,205,600	-	-	8,075,300
Fees	164,900	670,500	1,184,200	846,500	775,800	805,800	843,200	-	-	5,290,900
Tenant Services	55,600	-	216,000	147,100	139,600	139,000	146,100	4,300	-	847,700
Utilities	519,900	2,392,900	1,755,700	1,064,900	1,062,600	1,103,900	1,014,000	-	-	8,913,900
Maintenance	607,800	2,620,200	2,707,500	1,984,400	1,872,300	1,743,800	1,821,600	-	-	13,357,600
Protective Services	47,800	-	616,500	163,100	663,900	443,500	271,500	-	-	2,206,300
Insurance & Casualty Loss	58,500	275,400	254,200	181,400	179,500	176,600	168,900	-	-	1,294,500
Other General	29,200	223,900	321,100	252,000	151,700	155,500	171,800	898,400	313,200	2,516,800
Debt Service	14,100	62,200	593,000	619,500	407,900	251,700	420,500	-	-	2,368,900
Capital Improvements & Equipment	16,700	35,300	198,600	64,700	111,500	29,700	69,200	-	-	525,700
Total Uses	1,848,200	7,435,400	9,614,900	6,543,300	6,634,200	5,973,300	6,132,400	902,700	313,200	45,397,600
Net Program Sources/(Uses)	(181,300)	69,100	(274,800)	(190,100)	(765,500)	(233,200)	(147,000)	(148,100)	-	(1,870,900)
Program Transfers In/(Out)	181,300	(69,100)	274,800	190,100	765,500	233,200	147,000	148,100	-	1,870,900
Net Sources/(Uses)	-	-	-	-	-	-	-	-	-	-
Budgeted Reserves¹ as of Dec. 2018										13,030,000

¹ Reserves are defined as Unrestricted Net Position

Capital Fund Program

Outside of the costs for the day-to-day public housing operation, \$16.9 million is planned to be spent in carrying out major building rehabilitation projects. Some significant spending on building improvements are planned in 2018 at 1627 South 6th Street (\$3.7 million), 2728 East Franklin Avenue (\$2.9 million), and 314 Hennepin Avenue (\$1.3 million). A portion of 2018 awarded funds and carry over capital funds from prior years' grant awards combined with the repurposing of \$126,500 of 2018 HCV funds are planned to be used to carry out \$16.9 million

for the work items listed on the following schedule.

Capital Fund Program (Major Building Rehabilitation Program)				
				BUDGET
AMP	PROJ	ADDRESS	WORK ITEMS	2018 EXPENDITURES
N/A	N/A	N/A	Capital Fund Administrative Fee	\$1,023,000
N/A	N/A	N/A	Audit fee	\$10,000
N/A	N/A	TBD	Pre-development activities	\$250,000
1	1	Glendale Community	Headstart Facility roof replacement	\$200,000
2	Varies	Scattered Sites	Roof replacement, infrastructure, Urban Gardens mod	\$600,000
3	20.4	2415 N 3rd Street	Fire alarm system replacement	\$195,000
3	20.5	3116 Oliver Ave N	Fire alarm system replacement	\$95,000
3	25	600 18th Ave N	Fire alarm system replacement	\$335,000
3	26	1710 Plymouth Ave N	Elevator modernization, fire alarm system replacement	\$530,000
3	37	1314 44th Ave N	Fire alarm system replacement	\$245,000
3	42	314 Hennepin Ave	Elevator modernization, site security upgrades, fire alarm system replacement	\$1,300,000
4	15.4	710 2nd Street NE	Fire alarm system replacement	\$105,000
4	15.5	616 Washington St NE	Fire alarm system replacement	\$105,000
4	21.4	1206 2 nd Street NE	Elevator modernization	\$275,000
4	21.5	1900 3rd Street NE	Fire alarm system replacement	\$105,000
4	21.6	809 Spring Street NE	Fire alarm system replacement	\$105,000
4	32	1717 Washington St NE	Fire alarm system replacement	\$205,000
4	33	828 Spring Street NE	Elevator modernization	\$50,000
5	9	1700 East 22nd Street	Elevator modernization	\$50,000
5	9	Hiawatha Towers	Fire alarm system replacement	\$390,000
6	6	620 Cedar Avenue S	Elevator modernization	\$100,000
6	6	1627 South 6th Street	Piping, apartment modernization & ADA improvements, fire alarm system, HVAC improvements	\$3,700,000
6	6/30	Cedars Community	Site security improvements	\$550,000
6	8	Elliot Twins	Fire alarm system replacement	\$250,000
6	16	1515 Park Avenue S	Sanitary waste, vent, and domestic piping, exhaust system upgrades, shower replacement	\$100,000
6	30	630 Cedar Avenue S	Fire alarm system replacement	\$240,000
7	17	2728 East Franklin Ave	Piping, apartment improvements, fire alarm system, heating system upgrades	\$2,900,000
7	18.4	3755 Snelling Ave	Piping, apartment improvements, HVAC upgrades, apartment improvements, roof replacement	\$900,000
7	22	3205 East 37th St	Piping, apartment improvements, HVAC upgrades, apartment improvements	\$1,100,000
7	31	Horn Towers	Fire alarm system replacement	\$580,000
7	36	2121 Minnehaha Ave	Sanitary waste & vent piping, fire alarm system replacement	\$300,000
				\$16,893,000

MTW Housing Choice Vouchers

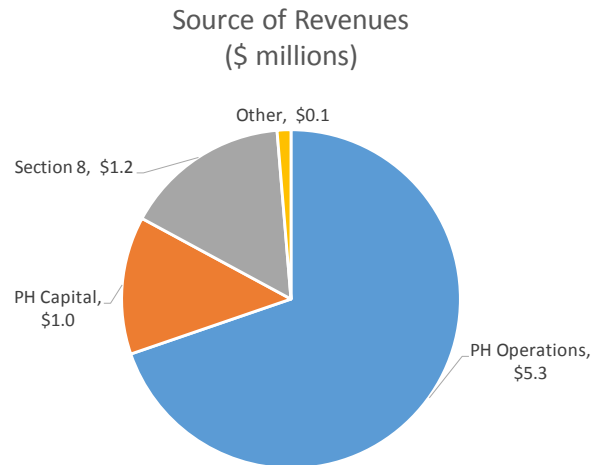
The MTW budget funds an average of 4,471 participants each month with MTW Housing Choice Vouchers (HCV) and continues MPHA's rent reform initiative. The HCV budget also assumes MPHA's payment standards will be set at 95% of the 2018 Fair Market Rents (FMRs). HUD sets FMRs for the Twin Cities metropolitan area to assure that a sufficient supply of rental housing is available to program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. In total, the HCV Program is funded at \$43.8 million; approximately the same as 2017.

In response to insufficient HUD funding for the public housing program and for the administration of the HCV Program, MPHA will use its MTW spending flexibility to transfer HCV HAP subsidy funds to cover these shortfalls for fiscal year 2018 (MPHA's Fiscal Year is January to December). The transfer is permitted by the MTW Agreement with HUD. Additionally some HCV HAP subsidy will be used to fund MTW Initiatives for costs associated with locally-designed strategies to meet MPHA's mission. A breakdown of the use of HCV HAP subsidy is presented in the schedule that follows.

	Use of HCV HAP Funding
MTW HAP Subsidy	43,600,300
MTW HAP Expenses	39,551,500
MTW HAP Gain/(Loss)	4,048,800
Repurposed for HCV Program Administration	(1,637,300)
Transfer to Public Housing Operations	(1,870,900)
Transfer to Capital Fund Program	(126,500)
Transfer to MTW Initiatives	(414,100)
Net Gain/(Loss)	-

Central Office Cost Center

Consistent with HUD's asset management requirements, overhead costs that benefit one or more HUD programs are budgeted for within the Central Office Cost Center (Central Office). The Central Office budgeted costs are supported by fees charged to each program. MPHA plans to charge up to the HUD permitted fees, including fees permitted by MPHA's local asset management plan. These fees are non-program income, de-federalized, and subject only to local government restrictions. Maximizing this fee revenue offers MPHA the greatest discretion in supporting all programs and in having funds to leverage other grants and for development activities.



The 2018 Central Office budget includes \$8 million in expenses which are supported by \$7.6 million in fees charged to other HUD programs combined with \$400,000 in reserves. The use of reserves brings the Central Office reserve position to \$5.5 million. Budgeted costs are 1% less

than the 2017 Central Office budget. On-going use of reserves for day-to-day general management can't continue over the long-term and MPHA will be considering funding and spending reductions in the future that will permit a balanced Central Office budget.

Central Office	
Sources	
Public Housing Management Fees	5,290,900
Section 8 Administrative Fee	1,190,000
Capital Fund Administrative Fee	1,023,200
Interest Income	71,600
Other Income	73,200
Total Sources	7,648,900

Uses	
Administration	7,261,800
Utilities	162,800
Maintenance	181,600
Protective Services	68,600
Insurance & Casualty Loss	63,900
Other General	202,000
Equipment	108,300
Total Uses	8,049,000

Net Program Sources/(Uses)	(400,100)
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Budgeted Reserves¹ as of December 2018	5,458,000
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Other Section 8 Program Budgets

In addition to MTW funds, MPHA receives funds for other federal housing assistance programs. These programs consist of Section 8 moderate rehabilitation and single room occupancy housing vouchers, housing vouchers for veterans (VASH), housing vouchers related to HUD's Family Unification Program (FUP), and housing vouchers for HUD's Special Needs Assistance Program (SNAP). The Section 8 moderate rehabilitation program and Section 8 single room occupancy program provides project-based rental assistance to cover rent plus property rehabilitation costs to privately owners that rent to low income families. The HUD funded VASH program provides rental assistance for homeless Veterans. The FUP program provides rental assistance to families where inadequate housing is a primary factor preventing the placement of a child or the return of a child from out-of-home care. The SNAP program provides rental assistance to quickly rehouse homeless individuals and families. In total, these programs are planned to provide housing assistance to 634 families per month.

	Section 8 Moderate Rehab	VASH	FUP	SNAP	Total Other Section 8 Programs
Sources					
Federal - Operating Subsidies & Grants	288,900	157,200	54,100	4,300	504,500
Federal- Section 8 HAP Subsidy	2,253,500	1,426,600	822,000	73,000	4,575,100
Interest Income	6,100	5,000	1,900	-	13,000
Total Sources	2,548,500	1,588,800	878,000	77,300	5,092,600
Uses					
Program Administration	184,200	153,400	47,800	3,400	388,800
Fees	63,900	50,800	16,400	-	131,100
Insurance & Casualty Loss	1,100	1,000	300	-	2,400
HAP	2,299,300	1,426,600	822,000	73,000	4,620,900
Total Uses	2,548,500	1,631,800	886,500	76,400	5,143,200
Net Program Sources/(Uses)	-	(43,000)	(8,500)	900	(50,600)
Budgeted Reserves¹ as of December 2018	1,559,000	253,000	10,500	6,900	1,829,400

Self Insurance Fund Budget

MPHA is self-insured for general liability (tort) claims and other claims not covered by purchased insurance for property, auto, workers compensation, crime, and cyber exposures. Self-insurance for this exposure was used for the public housing program at the City of Minneapolis and continued upon MPHA's separation from the City. This fund records settlements and incurred but not reported claim liability. The fund holds a reserve to cover these claims and the reserve is budgeted to be \$2.9 million. MPHA considers actuarial studies, the latest was completed as of June 2016, to ascertain expected losses and the need to purchase additional or excess coverage.

Self Insurance Fund

Sources

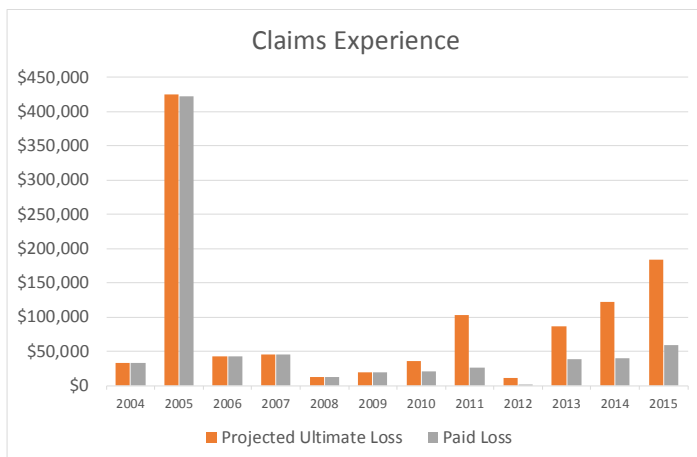
Interest Income	21,000
Total Sources	21,000

Uses

Claims	200,000
Total Uses	200,000

Net Program Sources/(Uses)	(179,000)
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Budgeted Reserves¹ as of December 2018	2,924,000
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Permission from HUD is required and a waiver is needed to be self-insured. The budget anticipates \$200,000 in claims. Historical claims experience is shown on the following graph. Paid losses are expenses already incurred. Ultimate losses also include case reserves and an estimate of incurred but not reported claims.

Other Funds Budgets

MPHA also has some non-federal funds. The non-federal funds budget includes funds derived from the settlement of damages to MPHA resulting from a 2012 HUD operating subsidy offset, profits derived from inspecting Class 4d properties for the State, and a \$300,000 grant, of which \$250,000 is expected to be spent in 2018, from the Family Housing Fund for planning and implementing a regional mobility initiative.

	Settlement and 4d Funds	Family Housing Fund Grant	Working Capital Fund	Minnehaha Townhomes	Total Other Non- Federal Funds
Sources					
Interest Income	13,000				13,000
Other Revenues, Fees, & Grants		250,000	375,000	3,345,000	3,970,000
Total Sources	13,000	250,000	375,000	3,345,000	3,983,000
Uses					
Administration		80,000			80,000
Planning		100,000	900,000		1,000,000
Research		70,000			70,000
Capital Improvements	1,530,000			4,187,000	5,717,000
Total Uses	1,530,000	250,000	900,000	4,187,000	6,867,000
Net Sources/(Uses) before Carryovers	(1,517,000)	-	(525,000)	(842,000)	(2,884,000)
Board Approved Carryover Contributions	1,530,000		525,000	842,000	2,897,000
Net Sources/(Uses)	13,000	-	-	-	13,000
Budgeted Reserves¹ as of December 2018	18,000	-	-	-	18,000

Additionally, the Board approved a Working Capital Fund of \$2 million that is used to cover the costs associated with a portfolio assessment needed to launch a 10-15 year improvement effort. MPHA provided \$1 million for the fund and the McKnight Foundation provided a \$1 million matching grant to supplement the costs for this work.

Resident Notification and Comments

MPHA has provided the AMPs budget summaries to Resident Councils on November 9, 2017. Residents were informed to submit any written comments by December 10, 2017 and staff will provide those comments to the Board at the December meeting.



November 6, 2017

Members of the Community Development and Regulatory Affairs Committee:

The Minneapolis Public Housing Authority (MPHA) is glad to join you at the upcoming CDRS committee meeting to share the enhancements underway in our Housing Choice Voucher (HCV) program. When the City Council chose to amend the Minneapolis Civil Rights Ordinance to prohibit discrimination against potential tenants with housing vouchers, it marked an important step in expanding choices for these families. The City Council's unanimous vote occurred alongside a separate initiative to implement multiple enhancements to MPHA's HCV/Section 8 program. These many changes aim to improve the program experience for participants and property owners—with the overarching goal of expanding and improving housing options for families. We look forward to sharing more details in the attached presentation, and taking your questions.

We will also place MPHA's HCV work in the context of our overall challenges and goals. MPHA operates large, deeply subsidized federal housing programs that are dangerously underfunded by Congress. (For example, the average annual household income in our highrises is around \$12,000.) MPHA is embarking on a concentrated, long-term push to make our properties and programs sustainable for the long-term. This means making the most of our existing resources, and reaching out for new resources and opportunities that will be the lifeline of public housing authorities in this new era. For our public housing, this will involve new sources of funding and a deeper engagement with the city to chart a path that preserves and renews the homes we provide. For housing vouchers, it means unprecedented partnerships with neighboring housing agencies and program changes that smooth the path to economic opportunity and self-sufficiency.

In addition to a copy of the presentation, the attached materials contain a high-level overview of our programs and demographics, copies of our Owner Outreach and Mobility Voucher Program brochures, and information about our Home Depot owner incentive program.

Sincerely,

Greg Russ
MPHA Executive Director/CEO

Kyle Hanson
MPHA Director of Housing Choice Vouchers

More Choice, More Opportunity.

Ongoing enhancements
to the Housing Choice Voucher program
of the Minneapolis Public Housing Authority



2018 marks a new path forward for MPHA

- 2018 will mark a major turning point in MPHA history. After recent years focused on stability and modest growth, MPHA will turn decisively toward building a foundation for sustainable, long-term housing and the economic well-being of residents and participants.
- The immediate result will be a heightened level of activity and forward momentum that will engage the community.
- Over time, MPHA will strive to preserve and, when opportunities occur, to create more affordable homes, increased economic advancement for families with children, and better settings for seniors to age in place, disabled residents to thrive, and immigrant families desiring to build and preserve community.



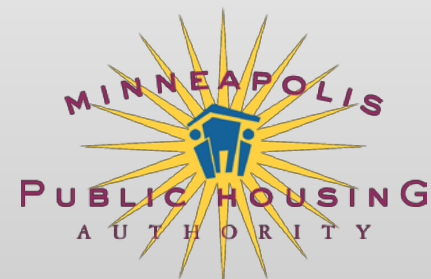
Parallel Paths to Choice and Opportunity

One major step: amending the Civil Rights Ordinance (May 2018)

Simultaneously, at MPHA...

- Specific program changes to **increase economic opportunity** for families with Housing Choice Vouchers (Section 8).
- **Enhancing and streamlining processes** to make the HCV program work better for everyone.

In both our public housing and housing voucher programs, MPHA is focused on preserving benefits and enhancing opportunity for the people we house.



The HCV Program: Families and Owners



MPHA administers 4,870 vouchers.

17,000 people use housing vouchers in Minneapolis.

- 53% are children
- 84% are people of color
- 78% of families are headed by women
- 46% of families have earned income
- 41% of households have a disability

About 250 families are searching for housing at any given time.

1,200 Minneapolis property owners provide homes for families with vouchers.

Of these, 84% have five or fewer HCV units.

Rent payments by MPHA put more than \$40 million into the city's economy each year.

Last year, MPHA conducted 8,200 inspections.



Empowering Families

- More time to search for housing, with initial search term of 120 days
- New Hire: Mobility Coordinator assists families in moving to “opportunity areas” through MPHA’s Mobility Voucher Program (MVP)
- Enhanced services for MVP families, including...
 - Simpler recertification
 - Reduced paperwork
 - Fewer appointments



Creating Opportunity

- Landlord Incentive Fund with City of Minneapolis (May 1, 2018)
- Study of small area "Fair Market Rents" (FMRs), to facilitate access to otherwise unaffordable neighborhoods
- Coordination with other regional housing authorities to enhance mobility across all parts of the Metro area
- Partnership with Home Depot provides discounts to property owners who work with HCV



Inspections Enhancements

- Allow inspection of vacant units, speeding up move-in.
- Conducting renewal inspections with any adult present.
- New MPHA "Move-in Desk," a one-stop shop for inspection and move-in procedures
- Project-based and government-funded partners can self-certify inspections.

Next-Level Customer Service

- New Hire: HCV Community Engagement Specialist devoted solely to working with property owners
- Property owner survey and feedback forums
- Enhanced owner communications (owner newsletter launching in 2018)
- External, intensive customer service training for all HCV employees
- HCV Impact Award customer service recognition program





Streamlining Processes

- Immediate payments to owners on the day the contract is approved, before inspection.
- Same-day briefing and voucher issuance for families (electronic briefings coming soon)
- Information sharing with the city to jointly address problem properties.

Thank you

...and questions.



Housing Choice Voucher Program Streamlined Approval and Inspection Process

Owner
Reference
to Assisted
Tenancy

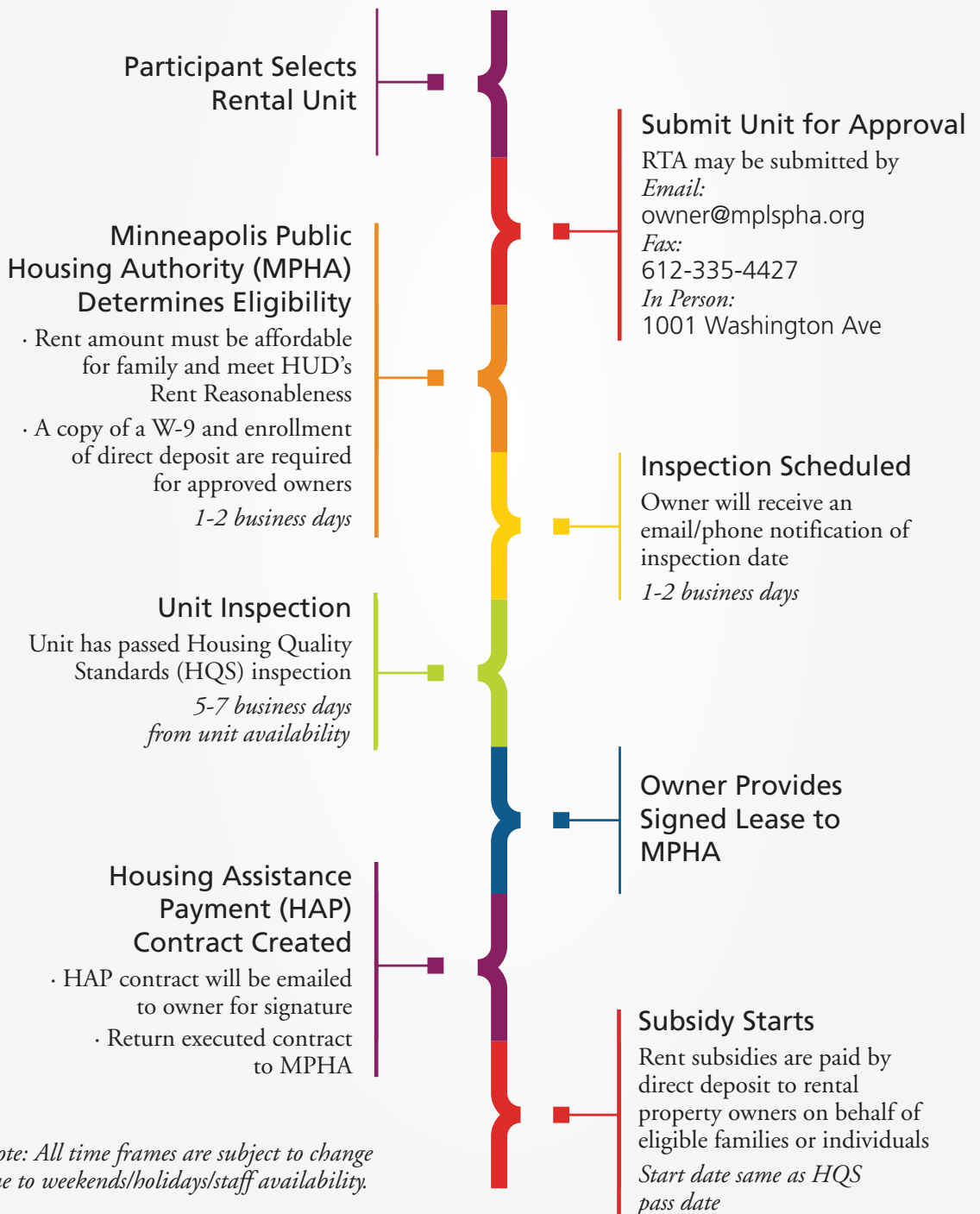
Questions?

Contact:

Kayona Adams
Community
Engagement
Specialist

kadams@mplspha.org
612-342-1222

1001 Washington
Avenue North
Minneapolis, MN
55401
mplhaonline.org



Strong communities begin at home.



Housing
Choice
Voucher
Program

Housing Choice Voucher Program

Rental Unit Requirements

- Each unit must have a minimum of a living room, kitchen area, bathroom, and living/sleeping room for the family.
- Functional smoke and carbon monoxide detectors are present within 10 feet of bedrooms.

Living/Sleeping Room(s):

- Two outlets or one permanent light fixture and one outlet
- Operable window large enough to be used as an emergency exit

Kitchen:

- Fully operational:
 - stove or range
 - refrigerator
 - sink with hot and cold water
- Space for storage, preparation, and serving of food
- Sanitary disposal of wastes
- Ceiling or wall light fixture
- One outlet

Bathroom:

- Toilet
- Fixed sink with hot and cold water
- Operable window with screen or a fan vented to the outside
- Permanent light fixture

Other:

- Ceiling, walls, floors, and windows must be in good condition
- There cannot be large cracks, peeling, or chipping paint or plaster
- Windows must open and close and stay open without a prop
- No cracked, broken, or missing window panes



Commonly Failed Inspection Items:

- Deteriorated paint
- Electrical hazards
- Fire/carbon monoxide detectors
- Cutting hazards
- Interior/exterior tripping hazards
- Appliances not operating as designed
- Leaks
- Windows
- Handrails for four or more stairs
- Exterior maintenance

IMPORTANT NOTICE: LEAD PAINT

If the unit was built before 1978 and the program participant has children under six (6), no defective or peeling paint surfaces are allowed on either the interior or exterior of the building.

Inspection Guide

Important: Please walk through and pre-inspect the unit.

Questions?

Contact:

Kayona Adams
Community Engagement Specialist

kadams@mplspha.org
612-342-1222

1001 Washington
Avenue North
Minneapolis, MN
55401
mplhaonline.org



*Make the
choice
to provide
better
housing and
opportunity.*



Housing
Choice
Voucher
Program





What is the Housing Choice Voucher (HCV) Program?

The Housing Choice Voucher (HCV) Program provides rental assistance to participant families, allowing them greater *choice* in selecting a rental unit in any Minneapolis community. Minneapolis Public Housing Authority administers the nation's largest rental assistance program in the city of Minneapolis. We believe quality, well-managed homes contribute to the well-being of individuals, families, and the community we serve.

Rental assistance for those in need:

- Low income families
- Veterans
- Disabled
- Elderly

“I want to thank them [MPHA] for it all, my family can sleep good at night.”

– Niesha, HCV Program participant

The mission of the 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.



For more information about the Housing Choice Voucher Program, contact:

612-342-1480
fax 612-335-4427

1001 Washington Ave. N
Minneapolis, MN 55401

or visit us online at
mphaaonline.org



Strong
communities
begin
at home.



**Housing
Choice
Voucher
Program**



Make the **choice**
to provide better housing
and opportunity.



Become a partner in
providing **choice** to
improve lives and
our communities.

Private property owners play an essential, necessary role in meeting the affordable, quality housing need in our community. To provide choice, the Minneapolis Public Housing Authority (MPHA) relies on partnerships with the owners of rental properties throughout Minneapolis.

These partnerships enable the expansion of housing options in neighborhoods that offer greater opportunity for self-sufficiency.

MPHA guarantees property owners consistent, timely, rental payments. Rental assistance is paid directly to property owners through direct deposit.

Creating opportunity for program participants and property owners.

MPHA continually strives to cultivate effective, supportive relationships with property owners and HCV Program participants.

Rental Property Owner Incentives

- Home Depot discount for participating owner
- Owner Incentive Fund
 - First time rental bonus of \$250
 - Claims can be made to MPHA for damages above and beyond a security deposit.
- Free listings at HousingLink and GoSection8
- Community Engagement Specialist

MPHA works with roughly **1,800 owners and property managers** creating affordable housing in the Minneapolis community, housing **5,400 program participant families** infusing nearly **40 million dollars into the community.**

Improved Housing Choice Voucher Process

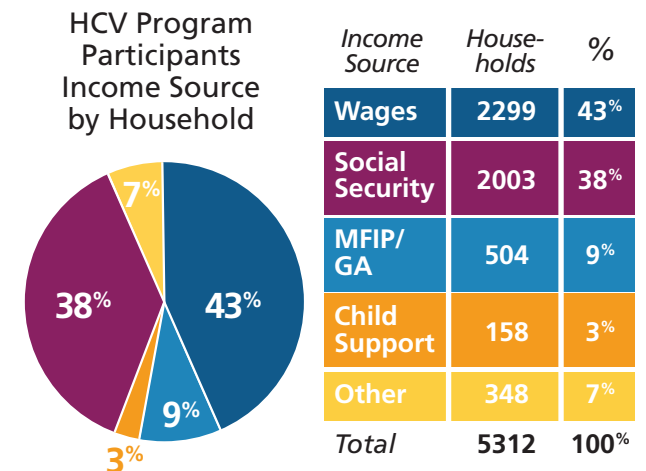
- Expedited inspections and streamlined paperwork
- Subsidy start date same as passed inspection date
- Online owner portal for payment details and inspection schedules and results
- Periodic inspection of the unit helps to alert owners of required and/or recommended repairs.

For more information, contact:

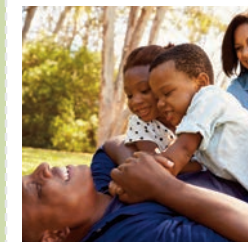
Community Engagement at
hcvoutreach@mplspha.org | 612-342-1316

More choices means more opportunity.

Only three affordable rentals exist for every ten low-income families. More than 10,000 people are on wait lists for MPHA's public housing and housing vouchers.



Through collaboration with federal and local organizations and private property owners, we seek to expand affordable housing availability throughout Minneapolis neighborhoods. Stable housing, vibrant neighborhoods, and resources provide pathways to independence and self-sufficiency.



“Thank you for the support that my family received and the opportunity to live in dignity.” – Salma, Past HCV Program participant





Housing Choice Voucher Program

Owner Workshops

MPHA is now offering **EVENING** and **WEEKEND** workshops
date, time, and locations listed.

1001 Washington
Ave N

Tuesday 2-4pm

January 16th

April 20th

July 15th

1015 4th Ave N

Saturday 10-12pm

February 24th

May 26th

August 25th

3110 Blaisdell

Ave S

Tuesday 6-8pm

March 20th

June 19th

September 18th

Oct 17th

These voluntary workshops are designed for property owners or managers who currently have Section 8 HCV tenants as well as those who would like to learn more about the program. Bring any questions you may have! Just come to the listed address above on the scheduled date and time. Registration

Benefits of being an “MVP”

MPHA makes higher rent payments to help MVP families afford to live in Areas of Opportunity.

Families also receive extra support, guidance, and referrals from a dedicated Mobility Coordinator—both before and after move-in.

Other MVP benefits include:

- Transportation Assistance, including monthly bus cards.
- Application fee assistance.
- Assistance with paying security deposits.
- Moving assistance.



Minneapolis Public Housing Authority
1001 Washington Avenue North
Minneapolis, MN 55401

Equal Housing Opportunity
Equal Employment Opportunity



Mobility Voucher Program



Be an “MVP!”

Make your next move
a move for opportunity.

What is the Mobility Voucher Program?

The Mobility Voucher Program (MVP) provides extra support and benefits for families who use their Housing Choice Voucher to live in “Areas of Opportunity.”

Where are the Areas of Opportunity?

Anywhere in the seven-county Minneapolis-St. Paul Metropolitan Area with a low-to-moderate concentration of poverty.

What are the benefits?

Studies show that:

Children who move to Areas of Opportunity earn an average of 31% more over their lifetime.

Parents experience better health.

Families experience less stress.

Families benefit from lower crime and better schools.



How to become an MVP Family

You can join whether you are already an HCV participant, or *still on the wait list*.

You must:

...be working, enrolled in school, or in a job-training program.

...have minor children in the household.

...live in an area of concentrated poverty and/or race.

If you are an MPHA HCV Participant, you must also be in good standing with the HCV program.

Requirements of the Mobility Voucher Program

There are some rules and requirements to remain in the program:

- Live in an area of opportunity for at least three years.
- Sign and comply with the MVP contract.
- Have a job or be enrolled in a job training program or school (beyond high school).
- Have minor children.
- Work with the Mobility Coordinator to create and meet your Action Plan.
- Consistently attend meetings with your Mobility Coordinator.
- Comply with all regular HCV requirements.



How We Help

I'm Caitlin, MPHA's Mobility Coordinator!

My job is to:

...help you identify your needs and barriers to an opportunity move.

...help you identify possible neighborhoods.

...support you in your housing search.

...advocate on your behalf to potential property owners.

Together, we will develop strategies to conquer your obstacles to an opportunity move.

Through a Mobility Action Plan and Mobility Workshops, we will give you the knowledge to:

- Build your credit score and financial literacy;
- Ask the right questions to potential landlords;
- Know your rights as a renter.

Questions?

Contact Mobility Coordinator, Caitlin Hunstock-Jansson

Phone:

(612) 344-2201

Email:

chunstockjansson@mplpha.org

Executive Summary

NEW ERA, FOCUS ON MISSION

2018 will mark a major turning point in Minneapolis Public Housing Authority (MPHA) history. After recent years focused on stability and modest growth, MPHA will turn decisively toward building a foundation for sustainable, long-term housing and the economic well-being of residents and participants. The immediate result will be a heightened level of activity and forward momentum that will engage the community. Over time, MPHA will strive to preserve and, when opportunities occur, to create more affordable homes, increased economic advancement for families with children, for seniors to age in place, for disabled residents to thrive, and for immigrant families desiring to build and preserve community.

Despite our success, MPHA, like public housing authorities nationwide, operates under intense budget pressures. Public housing authorities were designed to operate on federal funds. The infrastructure was built, families housed, vouchers distributed. Expectations were created. Yet over decades of Congressional budgets, it has become the “new normal” to operate without adequate funding. The current administration proposes cuts that are strikingly harsh, even compared to past declines. Nationally, public housing is at a turning point. The lack of sufficient capital to reinvest into the properties is eroding this vital housing stock. Within significant capital expenditures public housing is at risk. MPHA is affected by this capital gap, so we must prepare to act, to reinvest in our buildings and families and do so inside MPHA’s mission.

Our properties grow older. Our resident populations also age, grapple with increasing mental health challenges and other disabilities, and face new challenges as immigrants and refugees. Families with housing vouchers have in many instances found themselves more concentrated in neighborhoods that make it difficult for them or their children to emerge from the program and from poverty. Meanwhile, the thousands on our waitlists convey an extraordinary unmet need.

Given this environment, we must find new and creative ways to serve our current families and the families who will surely need us in the future. In 2018, MPHA will lay this foundation in public housing with an intense focus on preserving our buildings. This begins and ends with protecting the people who live here, via a set of *Guiding Principles for Redevelopment and Capital Investments* that assure the rights of residents. This document, drafted with residents, approved by our Board of Commissioners, and presented in five languages, commits to resident involvement, right-of-return to sites that are redeveloped, stable rent, and protecting the vulnerable populations we serve. With that as our bedrock, a \$2 million working capital fund (\$1 million provided by MPHA and a \$1 million matching grant from the McKnight foundation) and in-depth analysis of our portfolio will allow us in 2018 to begin the process of targeted investments to preserve our housing. We will look at our entire portfolio and show both the

OUR MISSION

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.

need and possible routes to re-investment. A framing document will be prepared and used to engage the community in this important discussion.

Using Housing Choice Vouchers (also known as “Section 8”), MPHA will also invest in the families we serve by building a foundation for improved economic opportunity. Under current federal budgets, we cannot bring new families into the program by offering new vouchers. But we can —more than ever before— create new paths for families to seek economic opportunity and to succeed. One component of this vision is mobility: giving families more and better choices of neighborhoods, schools, and quality housing stock. The other part is education and training, forging strategic place-based partnerships that combine housing with other tools to achieve self-sufficiency. Done right, these investments should create a virtuous cycle: current families find success and emerge from the program, and their children face a reduced chance of needing it. This, in turn, opens voucher opportunities for future families seeking help.

MPHA’s Annual Plan outlines our vision and specific steps for the next fiscal year, beginning January 1, 2018. The plan also outlines how MPHA uses a very critical tool to make it happen. The tool is called the Moving to Work (MTW) Program.

MOVING TO WORK PROGRAM: A TOOL FOR LOCAL SOLUTIONS

In 2008, the U.S. Department of Housing and Urban Development (HUD) granted MPHA full “Moving to Work” (MTW) status. This is significant because the MTW program gives MPHA the flexibility needed to weather funding pressures and design programs that adjust to our local needs and priorities, in turn, allowing us to better serve residents in our city. MPHA is one of 39 public housing authorities in the U.S. that has been granted MTW status.

Congress created the Moving to Work Demonstration Program in 1996 – a program that allows housing authorities to design and test innovative, locally-designed strategies for providing low-income families with affordable housing. MTW allows the agency to waive most HUD regulations if the agency meets at least one of three statutory objectives: (1) increasing housing choices, (2) creating opportunities for families with children to become self-sufficient, and (3) increasing cost effectiveness of the agency.

To maintain MTW status, HUD also requires MPHA to complete an annual plan in which MPHA describes the ways we intend to exercise our MTW status and go beyond standard HUD programs. This plan must include a detailed look at the programs, operations and major capital investments of the housing authority, as well as any new MTW initiatives MPHA would like to pursue in the coming year. HUD requires a 30-day public comment period review, a public hearing, and approval by the Board of Commissioners prior to submitting MPHA’s MTW Annual Plan to HUD.

While the MTW Annual Plan is a document prepared for HUD, MPHA uses the annual planning process as an opportunity for residents, participants and other stakeholders in the community to voice their concerns and questions. MPHA exceeded HUD’s requirements by scheduling multiple public presentations for residents and participants, and, this year, providing more than 82 days for comments.



Facts about MPHA Programs and Housing Assistance

The Minneapolis Public Housing Authority (MPHA) owns and manages over 6,000 public housing units and administers over 5,000 housing vouchers, providing over 25,000 people in the Minneapolis community with decent, safe, and affordable housing. MPHA provides housing to over 6,000 families (10,447 people) through its **Public Housing programs**. In this traditional model, most families receiving assistance from MPHA earn less than 30 percent of the Area Median Income (AMI) or \$27,100 (for a family of four). Families contribute in general no more than 30 percent of their income toward their rent – whether they are working or on fixed income. While most of the homes are the traditional high-rise buildings, MPHA also owns and operates single-family/duplex/fourplex homes throughout the city (scattered sites) and two townhome developments. MPHA also contracts with partners to provide assisted-living at eight facilities, including two locations with memory care.

6,241 Public Housing Units with 10,447 Residents		
UNITS	HIGHRISE (5,311 people)	FAMILY (5,136 people)
5,006 Units in 42 high-rise apartment buildings, including 12 senior-designated buildings	89% over age 50 or disabled 82% people of color 33% Somali \$12,111 average income	58% children 96% people of color 27% Somali \$26,419 average income
730 Scattered site family homes	16% of households are employed	71% of households are employed
15 Lease-to-Own townhomes		
184 Family townhome units		
306 Public housing units across other developments		

Under MPHA's **Housing Choice Voucher** (HCV, often referred to as "Section 8") program, eligible families receive a voucher that can be used to pay a portion of their rent in a privately-owned apartment or home. Families contribute on average 30 percent of their income towards their rent and utilities, and MPHA provides the rest. Families can use the voucher to choose where they want to live within Minneapolis or outside the city. MPHA administers over 5,000 vouchers, including special vouchers for veterans and families experiencing homelessness.

Through its **Project-Based Voucher** (PBV) program, MPHA provides rental assistance to low-income families living in privately owned apartments. Using voucher funding, MPHA enters into a contract with the property owner to ensure that these units are preserved as affordable housing for up to 20 years.

4,870 Housing Choice Vouchers serving 14,813 People	
4,509 Housing Choice Vouchers, including: 712 Project-based Vouchers 13 Family Self-Sufficiency participants 34 Mobility Voucher Program participants	53% of participants are children 41% of households are disabled; 15% are seniors 32% list Somalia as country-of-origin 78% of heads-of-household are women
261 Veterans Affairs Supportive Housing vouchers 100 Family Unification Program vouchers	84% are people of color 46% of households are employed \$15,550 Average income of all households; for working households, \$22,080