



NOTICE AND AGENDA

December 18, 2019

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 Executive Committee of the MPHA Board of Commissioners will meet at 12:00 Noon, same date and place

The Resident Advisory Board will meet at 12:00 Noon, same date and place

Commissioners:

- Sharmarke Issa, Chair**
- Andrea Brennan, Vice-Chair**
- Mikkel Beckmen, Secretary**
- Abdullahi Isse, Commissioner**
- Cara Letofsky, Commissioner**
- Tamir Mohamud, Commissioner**
- Hon. James Rosenbaum, Commissioner**
- Tessa Wetjen, Commissioner**
- Faith Xiong, Commissioner**

GENERAL:

- Roll Call
- Approval of Agenda
- Minutes of Regular Meeting of November 20, 2019

RESIDENT ADVISORY BOARD – RAB Chairperson Comments

EXECUTIVE DIRECTOR’S UPDATE

DISCUSSION:

1. Write-Off of Delinquent Accounts for Former Public Housing Tenants (Betsy Grossman, Assistant General Counsel)

RESOLUTION:

2. Approval of MPHA 2020 Budget (Tim Durose, CFO)
3. Approval of Changes to the Low-Income Public Housing Statement of Policies (Mary Boler, Director of Operations)



RECEIVE AND FILE:

- Monthly Performance Report for November 2019 (Tracey Scott, Interim Executive Director / CEO)

Next Annual Meeting:

**Wednesday, January 22, 2020 - 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
November 20, 2019**

The Minneapolis Public Housing Authority in and for the City of Minneapolis met in a regularly scheduled meeting at 1:30 P.M. on November 20, 2019, 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:

Sharmarke Issa	Chair
Andrea Brennan	Vice Chair
Abdullahi Isse	Commissioner
Cara Letofsky	Commissioner
Tamir Mohamud	Commissioner
Hon. James Rosenbaum	Commissioner
Faith Xiong	Commissioner

The following members of the Board were absent:

Mikkel Beckmen	Secretary
Tessa Wetjen	Commissioner

The following others were also present:

Tracey Scott	Interim Executive Director / CEO
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The Chair declared the presence of a quorum.

Approval of Agenda:

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

Approval of Minutes:

The Minutes of the Regular Meeting of September 25, 2019, were presented for approval. Commissioner Mohamud moved the minutes be accepted as presented. The motion was seconded by Commissioner Brennan. Upon a voice vote, the Chair declared the motion carried.



- Chair Issa reported the Search Committee's progress on the MPHA's Executive Director/CEO position. The job description/profile was created, and the position is currently posted on MPHA's website. Updates on the Committee's progress will be reported monthly during the regular board meetings.

Resident Advisory Board (RAB)

- RAB Chair, Lisa Anderson, reported that their Board did not have a quorum; however, with no board items to review, they did have a discussion around MPHA's Statement of Policies; [NOTE: Later determined that the RAB had a quorum]

Executive Director's Update:

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

Volunteers of America (VOA)

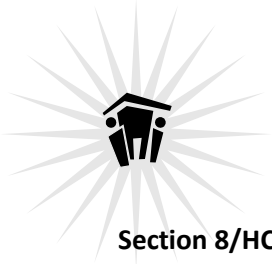
- The Hennepin County Board of Commissioners recommended cuts to the VOA's budget. The VOA provides important services in MPHA's highrise buildings. The Minneapolis Highrise Representative Council (MHRC) and MPHA staff supported the residents by approaching Hennepin County to not make those cuts, which amounts to 30% of VOA's budget and possibly losing three case workers. Seven hundred MPHA residents would be affected by the VOA cuts. This week, Commissioner Conely of Hennepin County Board of Commissioners, issued an amendment to their process so that the budget would not cut funding for VOA.

ACC (Annual Contribution Contract)

- The Annual Contribution Contract we have with HUD is the mechanism for MPHA to receive funds for the programs we support. HUD tried to change this contract unilaterally which was done improperly. With pushback from housing authorities across the country, HUD retracted their changes late last year and have reissued changes by going through the proper rulemaking process. However, they are insisting that this is not a contract "an agreement between parties" but a "grant". Recently, HUD changed the meaning of the acronym "ACC". They are now calling it the "Annual Contribution Terms and Conditions". We will keep you posted on the progress.

Budget - Washington, DC

- The Continuing Resolution that Congress passed last spring expires November 21st. The House passed a Continuing Resolution to extend federal government funding through late December. The legislation is headed to the Senate for consideration. MPHA has taken this into account and made estimates in its budget process. MPHA hopes to receive more clarity from Washington D.C.



Section 8/HCV Program

- MPHA was allocated five new VASH vouchers which support our homeless veterans.
- MPHA also received \$1.6 million dollars in vouchers under HUD's mainstream program, which serves individuals with disabilities, and or recently homeless. With these particular vouchers, we have the ability to project base them, and will search for property owners who are interested.

Receive and File Items:

The following items were received and filed by the Board:

- The Monthly Performance Report for September 2019. [See Document No. 2019-40]
- The Monthly Performance Report for October 2019. [See Document No. 2019-41]
- Summary of Draft Changes to MPHA Statement of Policies [See Document No. 2019-42]

Adjournment:

There being no further business to come before the meeting, and upon a motion duly made and seconded, the meeting was adjourned at 1:50 p.m.

Public Hearing:

The public hearing was open to residents' testimony, notice of which appeared in all residents' rent statements and posted in all public housing buildings. Interested residents were invited to express their comments regarding the "MPHA Statement of Policies". The hearing adjourned at 2:27 p.m.

Secretary of the Board of Commissioners

Date These Minutes Approved



December 18, 2019

Agenda Item 1

REPORT TO THE COMMISSIONERS

FROM: Tracey Scott, Interim Executive Director / CEO

SUBJECT: Write-Off of Delinquent Accounts for Former Public Housing Tenants

Previous Directives: General accounting practices require that MPHA write off the delinquent accounts of former public housing tenants. The Board of Commissioners approved the last write-off on December 19, 2018.

Resident Council Review / Recommendations: This matter will be discussed with the Resident Advisory Board (RAB) immediately prior to the Board's December 18, 2019 meeting.

Budget Impact: Conforms to the 2019 budget.

Affirmative Action Compliance: Not Applicable.

Procurement Review: Not Applicable.

RECOMMENDATION: It is recommended that the Board of Commissioners authorize the Interim Executive Director or her designee to declare the amounts specified in this Report uncollectible and to write off the uncollected amounts as a loss.

Every year, MPHA writes off uncollectible amounts from former tenants' accounts. This write-off is permitted by federal regulation and is a generally accepted accounting practice. MPHA takes action to collect monthly rent, retroactive rent, sales and service charges and court and service fees incurred in prosecuting eviction actions for cause and non-payment of rent.

When MPHA suspects tenant fraud, MPHA submits retroactive rents in excess of \$10,000 to the HUD Office of the Inspector General (OIG) for investigation. MPHA also uses the Minnesota Department of Revenue's Recapture Program to collect the amounts written off. In the fiscal year, through December 5, 2019, MPHA collected \$77,504.46 through the Revenue Recapture Program.

This write-off includes \$45,673.91 in sales and service charges and \$59,208.57 in eviction-related costs. It includes retroactive rents in the amount of \$101,543.18. This write-off also includes \$84,613.88 in dwelling rent and utilities for 2018 tenants who vacated mainly in 2018 and represents 1.4% of the dwelling rent charged.

As HUD requires, rent for the current fiscal year 2019 is not included in the write-off. The total write-off amount will not exceed \$291,039.54 and may be lower after a final review of accounts and additional payment postings.

This Report was prepared by Betsy K. Grossman, MPHA Assistant General Counsel. For further information, please contact Ms. Grossman at (612) 342-1489 or egrossman@mplspha.org.



December 18, 2019

REPORT TO THE COMMISSIONERS

FROM: Tracey Scott, Interim Executive Director/ CEO

SUBJECT: Approval of the 2020 Budget

Previous Directives: The Board approved the 2020 Moving to Work (MTW) Annual Plan on September 25, 2019.

Resident Association Notification: MPHA provided the Public Housing Operating Budget summaries to Resident Councils for comment on November 21, 2019. Staff presented this Public Housing Operating Budget to the residents at the Minneapolis High-rise Representative Council (MHRC) Executive Committee on November 21, 2019.

The Budget is scheduled to be discussed with the Resident Advisory Board (RAB) immediately prior to the Board of Commissioners December 18, 2019 meeting.

Budget Impact: This 2020 Budget authorizes and allocates resources for 2020 expenditures.

Affirmative Action Compliance: Not applicable.

Procurement Review: Not applicable.

RECOMMENDATION: It is recommended that the Board of Commissioners approve the 2020 MPHA Budget and adopt the attached resolution specifically approving the 2020 Public Housing Operating Budget.

Staff requests the Board of Commissioners to approve the Minneapolis Public Housing Authority (MPHA) Fiscal Year 2020 (FY20) Budget. The Budget allocates resources to carry out the management, maintenance, and security functions in operating MPHA's public housing program, the administration and housing assistance for the Housing Choice Voucher and other Section 8 Programs, the operation of the central office, and other programs as identified in the attached Budget.

The Board of Commissioners, through the approval of the 2020 Moving to Work Annual Plan

(MTW Plan), approved the 2020 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 considered estimates based on the best available information at the time. This Budget provides updated and more precise funding forecasts and updated program-specific sub-budgets; identifies budgetary controls and spending policy; and details budgets for each asset management project (AMP), as required by HUD.

MPHA staff provided the Board an in-depth review of the 2020 Budget on December 5th, December 6th, and December 9th at the 2020 Budget Workshop sessions.

MPHA provided the budget summaries for the AMPs to the Resident Councils on November 21, 2019 and presented those Budgets at the Minneapolis Highrise Resident Council's November Executive Committee meeting. Residents were informed to submit any written comments by December 13, 2019. Any comments received prior to the December Board of Commissioner's meetings will be provided to the Board.

This Report was prepared by Tim Durose, Deputy Executive Director / CFO. If you have any questions or require further information regarding this Report, please contact Mr. Durose at 612-342-1410 or tdurose@mplspha.org.

PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 07/31/2019)

Public reporting burden for this collection of information is estimated to average **10 minutes per response**, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: *****PHA Code:

PHA Fiscal Year Beginning: *****Board Resolution Number:

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☐ Operating Budget approved by Board resolution on:
- ☐ Operating Budget submitted to HUD, if applicable, on:
- ☐ Operating Budget revision approved by Board resolution on:
- ☐ Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name:	Signature:	Date:
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2020 MPHA BUDGET ANALYSIS & SUMMARY

The Board of Commissioners, through the approval of the 2020 Moving to Work Annual Plan (MTW Plan), approved the 2020 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 Annual Plan and make the draft available in June, the budgets included in the MTW Annual 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 20, 2019. This short-term appropriation provides funding at 2019 levels and the funding amounts for the rest of the 2020 federal fiscal year (October-September 2020) are unknown. The MPHA's 2020 Budget assumes program funding near levels approved in each of the Congressional chambers' 2020 Appropriation Bills. A Conference Bill has not been considered at this time.

MPHA's 2020 Budget assumes HUD will provide 99% of the public housing operating subsidy formula; approximately \$200,000 less than the amount of subsidy eligibility for which MPHA is eligible. The Housing Choice Voucher Program housing assistance payment (HAP) subsidy is anticipated to be funded at 100% of the formula amount and the program administrative fees funded at only 80% of the formula amount. These funding levels create greater stress on the resources MPHA has available to meet program needs. The Budget also assumes that the public housing Capital Fund award will be near the amount awarded in 2019 or approximately \$14.9 million.

Considering these assumptions MPHA estimates \$286,000 less of available federal subsidy due to insufficient Congressional appropriations for 2020. The breakdown by appropriation account is presented in the following schedule.

Program	Subsidy Formula Eligibility	2020 Budget (Prorated Subsidy)	Subsidy Loss
Public Housing Operating Subsidy	19,645,070	19,448,400	196,670
MTW HCV Admin Subsidy	3,026,622	2,936,400	90,222
Total Subsidy Loss due to Proration			286,892

Agency-wide Budget

The schedule to the right presents the total Minneapolis Public Housing Authority (MPHA) budget for 2020. Total Sources of funds are expected to be \$138 million; \$110 million coming directly from federal subsidies and grants. Total net ordinary uses of funds are \$132 million and an additional extraordinary expenditure of \$1 million is planned for the agency-wide software conversion to a single platform and network infrastructure upgrades. The most significant ordinary use of funds (43%), at \$57 million, is for housing assistance payments to landlords. Labor and employee benefit costs are expected to be \$29.8 million (21%) of total ordinary uses of funds.

The 2020 Budget reflects the prioritization of resources in alignment with MPHA's long-term *Strategic Vision and Capital Plan* adopted by the Board in May, 2018. Related to the strategic objective of housing preservation, uses of funds includes nearly \$20 million in public housing building modernization including contributions for the Elliot's RAD conversion and safety and security-related physical improvements. MPHA has increased spending under Tenant Services for senior and assisted living services in addition to the continued operation of the Cora McCorvey Health and Wellness Center and the growth of the Stable Homes Stable Schools program. Aligned with the strategic objective of operational excellence, the budget provides for the implementation of a new agency-wide computer software system and related network upgrades.

An extraordinary use of funds of \$6 million is estimated to be needed to pay off a portion of the MPHA's 2009 loan which was used to pay for energy improvements for the scattered sites housing portfolio. The loan was part of a 20-year energy performance contract (EPC) in which future energy savings cover the debt service. With the anticipated sale of the majority of the MPHA's scattered site housing portfolio

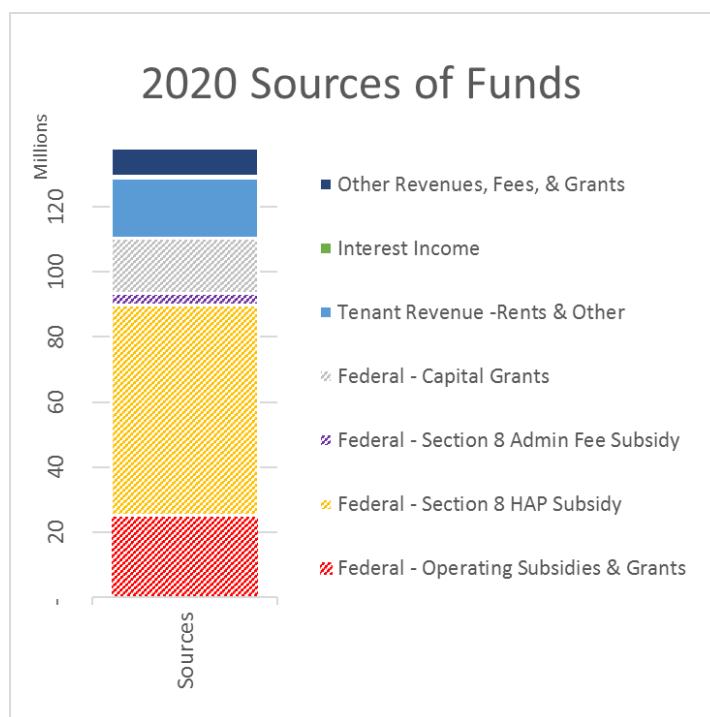
2020 MPHA Budget

		Total MPHA
Sources		
Tenant Revenue -Rents & Other	18,598,000	
Federal - Operating Subsidies & Grants	22,765,400	
Federal - Operating Subsidies & Grants (ARF)	2,311,900	
Federal - Section 8 Admin Fee Subsidy	3,620,900	
Federal - Section 8 HAP Subsidy	64,803,900	
Federal - Capital Grants	16,855,000	
City Contribution	2,480,000	
Interest Income	435,300	
Managed Services Group Revenue	4,389,600	
Other Revenues, Fees, & Grants	1,706,000	
Total Sources	137,966,000	
Uses		
Property Management and Program Admin	14,008,250	
Administration	8,004,200	
Development Administration	1,143,800	
Tenant Services	1,483,200	
Utilities	7,315,900	
Maintenance	15,482,400	
Protective Services	2,844,350	
Insurance & Casualty Loss	2,012,700	
Other General	2,827,500	
Debt Service	1,709,000	
Housing Assistance Payments	57,201,800	
Capital Improvements & Equipment	17,650,000	
Total Uses	131,683,100	
Net Ordinary Sources/(Uses)	6,282,900	
Software and Computer Infrastructure	1,034,900	
Net Operating Sources/(Uses)	5,248,000	
Partial EPC Payoff	6,000,000	
Net Sources/(Uses)	(752,000)	

to MPHA's affiliate, Community Housing Resources, HUD and the lender require that the loan amount associated with the units being sold is retired. To cover agency-wide planned spending, \$752,000 of reserves will be needed.

Total budgeted reserves are expected to be \$25.5 million at the end of 2020.

MPHA relies heavily on federal housing subsidies and grants anticipating \$110 million in 2020 (depicted in the chart below as hatched) and when combined with tenant and space rent from the operation of federal public housing, 93% of MPHA sources of funds come from the operation of federal housing programs.



The Agency-wide budget consists of several sub-fund budgets. Each sub-fund's budget is discretely presented at the end of this report to provide program level detail. Each MPHA program area has spending eligibility restrictions that affect how funds are being used and, when allowable, the amounts transferred among program areas.

The 2020 budget assumes that 717 scattered site units will be sold to MPHA's wholly-owned affiliate, Community Housing Resources (CHR), in March 2020 and Elliot Twins Tower will be leased to Elliot's Limited Partnership, in June 2020. The operation of these properties have been historically covered under MPHA's public housing operating budget. With the sale/lease, the accounting for these properties will no longer be within MPHA's budget but rather within each of those entities' budgets. As redevelopment plans and financing is determined, the boards of each of these entities will be informed and staff will seek board approval as applicable.

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.

The Executive Director is further authorized to increase the net use of funds up to an additional 3% of routine operating program budgeted reserves (comprised of the MTW, Central Office, and Other Voucher Programs budgeted year-end reserve amounts) 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	13,820,100
Other Vouchers	1,403,200
Central Office Budgeted Reserve Level	5,826,600
Combined FYE 2020 Budgeted Reserve	21,049,900
Additional Use of Reserves Authorization w/o Further Board Approval	631,500

Moving To Work Programs Budget

The MTW Budget presented for 2020 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.

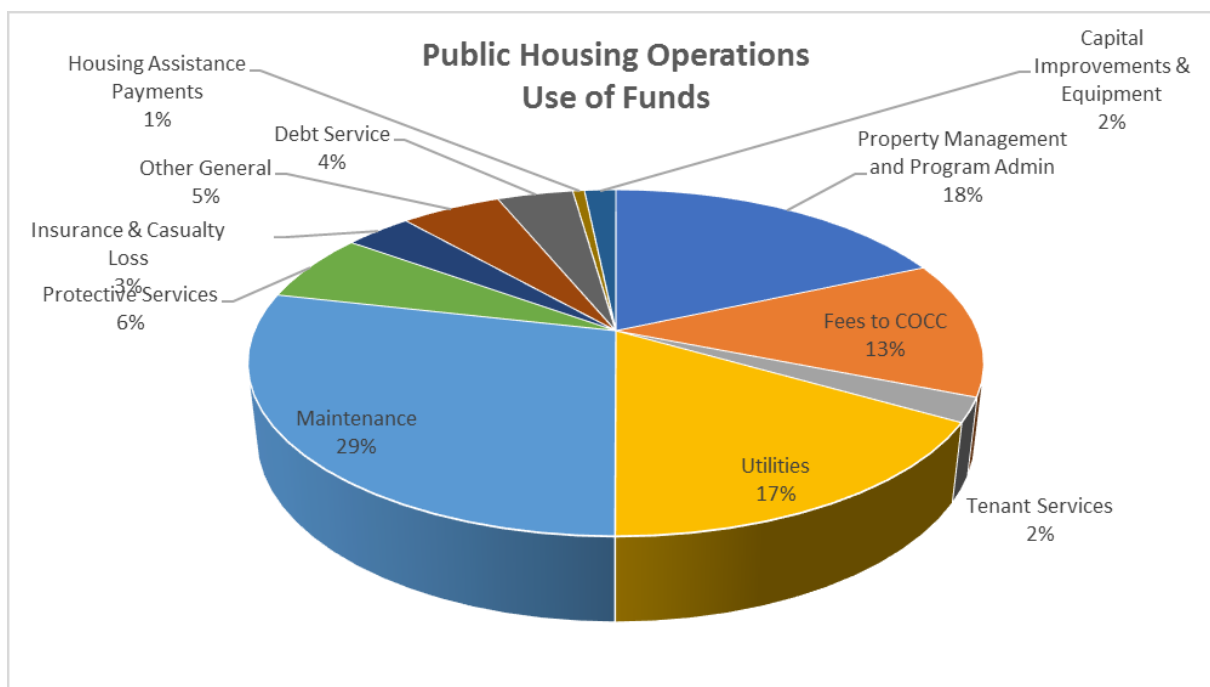
	2020 MTW Single Fund				Total MTW Programs
	Public Housing Operations	MTW Housing Choice Vouchers	Capital Fund Program	MTW Initiatives and Human Services	
Sources					
Tenant Revenue - Rents & Other	18,598,000	-	-	-	18,598,000
Federal - Operating Subsidies & Grants	19,448,000	-	3,317,000	-	22,765,000
Federal - Operating Subsidies & Grants (ARF)	2,311,900	-	-	-	2,311,900
Federal - Section 8 Admin Fee Subsidy	-	2,936,400	-	-	2,936,400
Federal - Section 8 HAP Subsidy	-	58,940,600	-	-	58,940,600
Federal - Capital Grants	-	-	16,855,000	-	16,855,000
City Contribution	450,200	753,400	-	-	1,203,600
Interest Income	248,500	16,000	-	-	264,500
Other Revenues, Fees, & Grants	1,427,900	-	-	-	1,427,900
Total Sources	42,484,900	62,646,400	20,172,000	-	125,303,300
Uses					
Property Management and Program Admin	7,881,350	3,563,800	10,000	167,500	11,622,650
Fees to COCC	5,443,800	1,164,200	2,588,000	-	9,196,000
Tenant Services	969,000	-	-	490,400	1,459,400
Utilities	7,175,000	-	-	-	7,175,000
Maintenance	12,250,800	5,000	500,000	-	12,755,800
Protective Services	2,733,750	-	-	-	2,733,750
Insurance & Casualty Loss	1,518,300	31,500	-	-	1,549,800
Other General	2,263,900	97,000	-	-	2,360,900
Debt Service	1,709,000	-	-	-	1,709,000
Housing Assistance Payments	263,900	50,578,800	219,000	-	51,061,700
Capital Improvements & Equipment	706,800	1,500	16,855,000	-	17,563,300
Total Uses	42,916,000	55,441,800	20,172,000	657,900	119,187,700
Net Ordinary Sources/(Uses)	(431,100)	7,204,600	-	(657,900)	6,115,600
Software and Computer Infrastructure	296,300	289,600	-	-	585,900
Net Operating Sources/(Uses)	(727,400)	6,915,000	-	(657,900)	5,529,700
Transfer in/(Out) for MTW Single Fund	2,887,000	(3,544,900)	-	657,900	-
Transfer in/(Out) for Collection Losses	152,300	-	-	-	152,300
Transfer in/(Out) for Stable Homes Stable Schools	-	318,000	-	-	318,000
Transfer in/(Out) for EPC Payoff	3,688,100	(3,688,100)	-	-	-
Net Operating Sources/(Uses) after Transfers	6,000,000	-	-	-	6,000,000
Partial EPC Payoff	6,000,000	-	-	-	6,000,000
Net Sources/(Uses)	-	-	-	-	-

The total 2020 MTW Budget is balanced without the use of reserves and anticipates \$125 million in sources of funds and plans for \$119 million in uses of funds plus a one-time extraordinary use for the allocated portion of the software conversion to a single platform and network infrastructure upgrade of \$585,000. In addition, the MTW Budget provides \$6 million to pay off a portion of the EPC loan. The MTW Program reserve is budgeted to remain at \$13.8 million or 3.8 months of public housing routine operating costs and debt service.

Public Housing Operations

Over \$42.9 million is planned to be spent on the day-to-day operation of the public housing program. The largest budgeted expense is in maintenance expenses; which is 28.5% of the program's expenses. MPHA pays the utility costs in all of the public housing properties and that cost is expected to be \$7.2 million. The annual debt service payments to satisfy borrowing needed to install energy saving measures totals \$1.7 million in 2020. Additionally, MPHA

continues to value resident safety and the budget plans to increase spending by \$300,000 to \$2.7 million in protective service activities. The program is primarily funded by HUD operating subsidy (\$19.5 million) and tenant rent (\$18.6 million). The budget includes \$2.3 million in asset repositioning fees related to the sale of scattered site units to MPHA's wholly-owned affiliate entity, Community Housing Resources (CHR). The additional fees are provided to assist housing authorities in removing the units from the public housing program. These fees are being used to cover a portion of the \$6 million EPC loan pay-off.



In August 2019, MPHA received approval from HUD to sell 717 scattered site housing units to CHR; converting the subsidy platform from public housing to vouchers. The subsidy conversion will increase the amount of federal subsidy provided by HUD to operate the units. The Budget assumes the sale will occur in March 2020 and MPHA will no longer receive HUD Operating Subsidy but instead will receive HUD Section 8 HAP Subsidy. The operating costs associated with these units will be covered under CHR's budget. MPHA will provide property management and maintenance services to CHR. The MPHA services for these units at the sale are no longer under the public housing program but rather budgeted under the Managed Services Group fund (see Other Program Budgets section).

In order to cover uses that exceed program sources, nearly \$2.9 million is budgeted to be transferred into the public housing operating program. Because HUD is only funding the public housing program operating subsidy at 99% of the subsidy formula amount and because of the need to fund security and other resident services at an amount higher than what the subsidy formula provides, MPHA plans to cover the public housing operating needs with \$2.9 million of Housing Choice Voucher (HCV) subsidy. Furthermore, \$3.7 million of HCV HAP subsidy will be used to cover the EPC loan pay-off. The Budget presents these as transfers under the MTW Single

Fund. The public housing program also receives transfers in from the Central Office for covering losses for uncollectible rents (\$152,300).

The total public housing operations budget is subdivided into Asset Management Projects (AMPs). Each AMP is a cluster of high-rise buildings or properties which are grouped to promote efficient and effective management. MPHA's AMPs are based on the geographical proximity of the properties, housing type (family, high-rise), and program. 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.

2020 Public Housing Operations Budget by Asset Management Project (AMP)										
	Glendale	Scattered Sites	North	Northeast	Hawatha	Cadaret	Horn	Heritage Park	Suburban MMCP	Total PH Operations
Sources										
Tenant Revenue - Rents & Other	974,200	1,488,700	4,636,300	3,357,200	2,775,600	2,524,500	2,841,500	-	-	18,598,000
Federal - Operating Subsidies & Grants	835,000	865,600	4,249,900	2,910,900	3,249,000	2,964,900	3,250,500	823,000	299,600	19,448,400
Federal - Operating Subsidies & Grants (ARF)	-	2,311,900	-	-	-	-	-	-	-	2,311,900
City Funds	15,200	300	120,600	79,800	99,600	67,000	67,700	-	-	450,200
Interest Income	10,800	21,000	37,100	53,000	46,200	41,800	38,600	-	-	248,500
Other Revenues, Fees, & Grants	29,300	283,900	581,200	198,200	150,200	68,600	116,500	-	-	1,427,900
Total Sources	1,864,500	4,971,400	9,625,100	6,599,100	6,320,600	5,666,800	6,314,800	823,000	299,600	42,484,900
Uses										
Property Management and Program Administration	474,200	324,900	2,030,650	1,302,900	1,362,000	1,124,900	1,261,800	-	-	7,881,350
Fees	179,200	519,000	1,286,100	916,100	835,800	792,200	915,400	-	-	5,443,800
Tenant Services	101,700	4,700	275,200	187,700	130,900	112,300	152,100	4,800	-	969,400
Utilities	449,300	667,700	1,811,800	1,084,300	1,083,600	1,020,200	1,058,100	-	-	7,175,000
Maintenance	748,300	975,200	3,074,000	1,909,000	2,033,400	1,664,900	1,846,000	-	-	12,250,800
Protective Services	49,400	100	745,150	389,100	812,500	358,000	379,500	-	-	2,733,750
Insurance & Casualty Loss	76,200	98,000	368,200	267,000	243,400	213,800	251,700	-	-	1,518,300
Other General	36,100	81,700	315,300	275,600	160,100	113,900	163,400	818,200	299,600	2,263,900
Debt Service	10,800	500	454,900	475,200	313,000	132,100	322,500	-	-	1,709,000
Housing Assistance Payments	-	-	-	-	-	263,900	-	-	-	263,900
Capital Improvements & Equipment	8,500	16,300	251,200	94,000	164,000	64,200	108,600	-	-	706,800
Total Uses	2,133,700	2,688,100	10,612,500	6,900,900	7,138,700	5,860,400	6,459,100	823,000	299,600	42,916,000
Net Ordinary Sources/(Uses)	(269,200)	2,283,300	(987,400)	(301,800)	(818,100)	(193,600)	(144,300)	-	-	(431,100)
Software and Computer Infrastructure	10,200	12,600	74,700	52,400	49,200	44,900	52,300	-	-	296,300
Net Operating Sources/(Uses)	(279,400)	2,270,700	(1,062,100)	(354,200)	(867,300)	(238,500)	(196,600)	-	-	(727,400)
Transfer in/(Out) for MTW Single Fund	273,900	37,400	1,001,600	289,000	860,700	232,600	191,800	-	-	2,887,000
Transfer in/(Out) for Collection Losses	5,500	3,800	60,500	65,200	6,600	5,900	4,800	-	-	152,300
Transfer in/(Out) for EPC Payoff	-	3,688,100	-	-	-	-	-	-	-	3,688,100
Net Operating Sources/(Uses) after Transfers	-	6,000,000	-	-	-	-	-	-	-	6,000,000
Partial EPC Payoff	-	6,000,000	-	-	-	-	-	-	-	6,000,000
Net Sources/(Uses)	-	-	-	-	-	-	-	-	-	-
Budgeted Reserves as of Dec. 2020										12,928,400

MTW Housing Choice Voucher Program

The MTW budget funds an average of 4,350 participants each month with MTW Housing Choice Vouchers (HCV) and continues MPHA's rent reform initiative. The HCV budget also assumes no changes in MPHA's payment standards over the 2019 payment standards level. The 2020 HCV Program anticipates \$50.6 million will be needed for housing assistance payments (HAP).

The Budget estimates that HUD will provide \$58.9 million in HCV HAP Subsidy and the City of Minneapolis will provide \$753,000 for HAP costs needed for its Stable Homes, Stable Schools Initiative. Since the program sources of funds are greater than the planned need for HAP and program administrative costs, it is expected that \$7.2 million of net sources will be available for MTW Single Fund transfers.

Capital Fund Program

MPHA has identified \$150 million in unmet capital needs. This figure represents building components that have reached or exceeded their estimated useful life. When formulating its annual capital spending plan, MPHA is forced to make difficult decisions between competing needs due to continual insufficient federal funding. To aid in capital planning with limited resources MPHA considers several factors including:

1. The type of need:
 - Building Systems/Infrastructure (e.g. mechanical systems, plumbing and electrical systems, security systems, fire protection systems, roofs/façades, windows, elevators, etc.) – Components that are required to keep the building functioning and safe.
 - Building Site Work, Interiors & Equipment/Furnishings (apartment kitchen and bath rehab, landscaping/site improvements, community room furnishings, building amenities, etc.) –Components that address livability and resident quality of life.
2. The remaining useful life of the building component, which generally ranges between 0 – 20 years.
3. The urgency of action relative to other competing capital needs:
 - a. Low: This action is not currently impeding building functionality or safety and may be deferred. Quality of life may be impacted by deferment.
 - b. Medium: This action is not currently impeding building functionality or safety, but should be done with in the next 2-5 years. Quality of life may already be impacted and manageable component failure may occur by deferment.
 - c. High: This action is of high urgency and necessary to address building functionality and livability and should be done within the next 1-2 years. Quality of life is likely impacted and component failures will become more frequent by deferment.
 - d. Urgent: This action should not be deferred and must be done as soon as possible. Building functionality or safety is currently compromised.

A large portion of MPHA's immediate capital needs are infrastructure/building systems. Due to their age, systems and infrastructure at many of our buildings have exceeded their life expectancy and have started to fail. MPHA deems a portion of these items as high or urgent needs that could become life/safety needs if left unaddressed. Additionally, as building codes have evolved, we need to address increased safety requirements such as retrofitting our high-rise buildings with sprinkler systems. Consistent with the *Strategic Vision and Capital Plan* adopted by the Board in 2018, MPHA has prioritized infrastructure/building systems and will target these types of improvements over the next several years.

In addition to the costs for the day-to-day public housing operation, \$20 million is planned for implementing major building rehabilitation projects including the following:

- The largest spending on building improvements planned in 2020 include a contribution to the RAD conversion at Elliot Twins (\$4.6 million) which includes a comprehensive rehabilitation including energy efficiency upgrades, unit updates, fire sprinklers and the addition of 10 new handicapped-accessible units
- Completion of 1611 S. 6th Street (\$1.8 million) which includes fire alarm system upgrades and fire sprinklers
- 600 18th Avenue North (\$2 million) which includes window replacement and HVAC repairs
- Over \$2 million of funding for elevator modernization at several buildings, and physical improvements related to improving building security such as site lighting, fencing, and security cameras.

A portion of anticipated 2020 HUD Capital Grant awarded funds and carry over capital funds from prior years' grant awards are planned to be used to carry out \$20 million for the work items listed on the following schedule.

2020 Planned Capital Projects

Sources		
2019 Capital Fund Grant ¹		9,008,000
2020 Capital Fund Grant ²		11,164,000
Total Sources		20,172,000
Uses		
N/A	Administration - Development Projects	1,500,000
TBD	Pre-development activities/contingency	700,000
Scattered Sites	Energy pilots – new construction	640,000
Scattered Sites	Pre-development/rehab	50,000
Elliot Twins	Pre-development/comprehensive mod/EPC debt	4,645,000
Elliot Twins	RAD CFP portion of HAP	219,000
Glendale	Site lighting upgrades	40,000
Minnehaha Townhomes	Security camera system installation	100,000
2415 N 3 rd Street	Security improvements	185,000
315 Lowry Avenue North	Security fence installation	250,000
Hiawatha Towers	Site security improvements	725,000
1627 S 6 th Street	Elevator modernization	100,000
1611 S 6 th Street	Elevator modernization	500,000
2728 E Franklin Ave	Elevator modernization	520,000
3755 Snelling	Elevator modernization	200,000
3205 E 37 th Street	Elevator modernization	200,000
Horn Towers	Elevator modernization	600,000
1707 3 rd Avenue South	Elevator modernization, main electrical switch gear & generator replacement	1,150,000
1611 S 6 th Street	Piping, apartment upgrades, fire alarm system replacement/fire suppression retrofit, HVAC improvements	1,800,000
600 18 th Avenue North	Window replacement, masonry repairs, HVAC systems replacement	2,000,000
1515 Park Ave S	Piping, apartment upgrades, HVAC improvements	50,000
1015 4 th Avenue North	HVAC improvements	460,000
Area-Wide	High-rise systems replacements	350,000
2121 Minnehaha	Building modernization	65,000
Scattered Sites	Comprehensive modernization, energy improvements	600,000
Hiawatha Towers	HCPD accessible unit upgrades, common area improvements	400,000
1314 44 th Avenue North	Roof replacement	400,000
350 Van White Blvd	Corridor flooring replacement	125,000
Area-Wide	Quality maintenance program	500,000
N/A	Administration	1,088,000
N/A	Audit fee	10,000
Total Uses		20,172,000
Net Sources/(Uses)		-

¹Estimated 2019 Capital Fund Grant award remaining as of 1/1/20

²Estimated spending from the 2020 Capital Fund Grant - not the entire estimated grant award amount

MTW Single Fund Flexibility

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 2020 use of Single Fund Flexibility is presented on the MTW Single Fund Flexibility Transfer Schedule. The financial flexibility utilizes \$7.2 million of HCV Program resources to fund public housing operating costs related to property security services and resident services, pay off a portion of the EPC loan, and fund other MTW Initiatives and MPHA’s Human Services Department.

MTW Single Fund Flexibility Transfer Schedule	
Transfer (Out) for MTW Single Fund Details:	
HCV Net Sources after Transfers In	7,233,000
Total MTW Single Fund Transfers (Out)	(7,233,000)
Transfer In for MTW Single Fund Details:	
Fund Public Housing Ops @100%	196,500
Public Housing Security supplemental funding	1,862,700
Public Housing non-routine supplemental funding	312,200
CMHWC Shortfall	219,300
Software and Computer Infrastructure	296,300
Public Housing Operations	2,887,000
Human Services and MTW Admin Support and Legal	657,900
Scattered Site EPC Loan Pay-Off	3,688,100
Total MTW Single Fund Transfers In	7,233,000
Total Net Transfers In/(Out)	-

The funding for the public housing operating program is needed to cover the level of security guard services planned and contracted social worker services above the amount the HUD operating subsidy formula is intended to provide and funding from the City. The use of HCV resources is also being used to supplement the operations at the Cora McCorvey Health and Wellness Center and cover the public housing program’s cost of the new software.

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 holds the general administrative overhead for MPHA and accounts for 6% of the overall ordinary uses of funds.

The Central Office budgeted costs are supported by fees charged to each program and are limited by HUD regulations. 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, funds to leverage other grants, and for development activities and loan commitments.

The 2020 Central Office budget includes \$8.6 million in routine uses, \$1.1 million for administrative costs related to the portfolio plan administration (Development Administration) and \$373,000 in software and network infrastructure costs. Additionally, the Central Office covers public housing rent collection losses (\$152,300). The uses are supported by \$9.8 million in fees charged to other HUD programs combined with \$153,900 in other income. To cover the net use of funds, the budget calls for \$267,000 in reserves. The use of reserves brings the Central Office reserve position to \$5.8 million.

Central Office	
Sources	
Interest Income	125,800
Central Office Fee Revenue	9,779,400
Other Revenues, Fees, & Grants	28,100
Total Sources	9,933,300
Uses	
Administration	7,969,000
Development Administration	1,143,800
Utilities	140,900
Maintenance	210,800
Protective Services	64,600
Insurance & Casualty Loss	93,100
Other General	17,400
Capital Improvements & Equipment	35,400
Total Uses	9,675,000
Net Ordinary Sources/(Uses)	258,300
Software and Computer Infrastructure	373,000
Net Operating Sources/(Uses)	(114,700)
Transfer in/(Out) for Collection Losses	(152,300)
Net Operating Sources/(Uses) after Transfers	(267,000)

Other Program Budgets

Other Vouchers

In addition to MTW funds, MPHA receives funds for other federal housing voucher programs (Other Vouchers). These HUD programs include Section 8 moderate rehabilitation and single room occupancy housing vouchers, Veterans Affairs Supportive Housing (VASH), Family Unification Program (FUP), Mainstream Vouchers, and 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 private 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. Mainstream vouchers provide housing assistance to non-elderly persons with disabilities. The SNAP program provides rental assistance to quickly rehouse homeless individuals and families. In total, these programs are planned to provide housing assistance to 712 families per month. To fund increased utilization in the VASH program and cover some of the costs related to the software conversion, the Other Voucher budget calls for the use of \$294,800 in reserves.

	Other Vouchers	Insurance Fund	Managed Services Group	Other Non-Federal Funds
Sources				
Federal - Section 8 Admin Fee Subsidy	684,500	-	-	-
Federal - Section 8 HAP Subsidy	5,863,300	-	-	-
City Contribution	-	-	-	1,276,400
Interest Income	-	35,000	-	10,000
Managed Services Group Revenue	-	-	4,389,600	-
Other Revenues, Fees, & Grants	-	-	-	250,000
Total Sources	6,547,800	35,000	4,389,600	1,536,400
Uses				
Property Management and Program Admin	473,600	-	1,138,900	773,100
Administration	-	-	-	35,200
Fees to COCC	168,000	-	415,400	-
Tenant Services	-	-	23,400	-
Maintenance	800	-	2,515,000	-
Protective Services	-	-	46,000	-
Insurance & Casualty Loss	4,500	200,000	165,300	-
Other General	13,900	-	-	435,300
Housing Assistance Payments	6,140,100	-	-	-
Capital Improvements & Equipment	400	-	50,900	-
Total Uses	6,801,300	200,000	4,354,900	1,243,600
Net Ordinary Sources/(Uses)	(253,500)	(165,000)	34,700	292,800
Software and Computer Infrastructure	41,300	-	34,700	-
Net Operating Sources/(Uses)	(294,800)	(165,000)	-	292,800
Transfer in/(Out) for Stable Homes Stable Schools	-	-	-	(318,000)
Net Operating Sources/(Uses) after Transfers	(294,800)	(165,000)	-	(25,200)

Insurance Fund

MPHA has traditionally been self-insured for general liability (tort) claims and other claims not covered by purchased insurance for property, auto, workers compensation, crime, and cyber exposures. The Insurance Fund was created to cover this liability. 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. In 2019 MPHA purchased insurance to cover comprehensive general liability, directors and officers omissions and errors, and employment practices liability insurance. However, to cover potential claim liability prior to the purchase of insurance, MPHA is budgeting \$200,000 as a contingency.

Managed Services Group

The Managed Services Group (MSG) is a new fund created to account for contracted services the MPHA will provide to its affiliated entities for property management and maintenance. The budget assumes CHR and Elliot's Limited Partnership will require these services beginning in March 2020 and June 2020, respectively. MSG is expecting to receive sufficient revenues for the services provided so that the operation will breakeven.

Other Non-Federal Funds

The Other Non-federal funds includes City of Minneapolis and Pohlad Foundation contributions for the non-housing costs for the Stable Homes, Stable Schools initiative and associated program costs. It also includes funds awarded as a settlement from HUD regarding the offset of 2012 operating subsidy.

Reserve Accounts

Prudent fiscal management and HUD oversight dictate that MPHA maintain adequate reserves. MPHA manages multiple reserve accounts under various guidelines and restrictions. All agency reserves must be spent on public purposes, and some are further limited by the grant award (for example, \$1.4 million of the reserves is limited to non-MTW Section 8 expenses and other housing purposes permitted by the federal appropriation line item).

Typical affordable housing underwriting standards require six months of operating and debt service costs in reserves. HUD also evaluates the adequacy of a public housing project's reserves by comparing the reserve balance to the number of months of operating expenses it could cover. To receive the highest evaluation score, a public housing project must have at least four months of operating costs in its reserves. The MTW reserves are budgeted for fiscal year end 2020 at \$13.8 million; the equivalent of 3.8 months of routine public housing operating and debt service costs.

The Central Office reserve is projected to end 2020 at \$5.8 million. This reserve has been used most recently for the analysis on MPHA's assets and the development of the asset preservation strategy behind the *MPHA's Strategic Vision and Capital Plan*. The reserve has the least amount of program restrictions and can be used as needed across all programs.

MPHA's Insurance Fund and Other Non-Federal Funds are budgeted to have \$2.7 million and \$1.7 million in reserves at year-end. In total, MPHA reserves are budgeted at \$25.5 million.

Program	2019 Estimated Reserve Amount	2020 Budgeted Reserve Amount
Moving To Work	\$ 13.8 million	\$ 13.8 million
Central Office Cost Center	\$ 6.1 million	\$ 5.8 million
Other Vouchers	\$ 1.7 million	\$ 1.4 million
General Liability Self Insurance	\$ 2.9 million	\$ 2.7 million
Other	\$ 1.7 million	\$ 1.7 million
Overall	\$ 26.2 million	\$ 25.5 million

As MPHA implements its long-term *Strategic Vision and Capital Plan*, transactions that involve third-party financing will often require reserve commitments, and MPHA reserves will be needed for these commitments. Furthermore, financing requirements may likely require the commitments to come from non-federal reserves. For instance, MPHA is currently negotiating the financing for the redevelopment of Elliot Twins. MPHA's affiliate, as the sole Developer in this low-income housing tax credit transaction, is expected to commit a portion of reserves for project guaranties. Additionally, CHR, MPHA's wholly-owned affiliate, is preparing to finance capital improvements for scattered site properties and will also be required to commit a portion of reserves for loan guaranties. Because of the uncertainty on the amount and the nature of commitments that might be required, the 2020 MPHA budget does not include a use of reserves for these commitments but they should be considered in evaluating the MPHA reserve level. Also, although MPHA carries property and liability insurance, the fire at 630 Cedar Avenue South may require expenses not covered by insurance and may call for an additional use of reserves beyond the 2020 budgeted use of funds.

2020 Sub-Fund Budget Summary

The total MPHA Budget by sub-fund is presented below.

2020 Budget Summary

	MTW Single Fund				Total MTW Programs	Other Vouchers	Insurance Fund	Central Office	Managed Services Group	Other Non-Federal Funds	Inter-Program Eliminations	Total MPHA
	Public Housing Operations	MTW Housing Choice Vouchers	Capital Fund Program	MTW Initiatives and Human Services								
Sources												
Tenant Revenue - Rents & Other	18,598,000	-	-	-	18,598,000	-	-	-	-	-	-	18,598,000
Federal - Operating Subsidies & Grants	19,448,400	-	3,317,000	-	22,765,400	-	-	-	-	-	-	22,765,400
Federal - Operating Subsidies & Grants (ARF)	2,311,900	-	-	-	2,311,900	-	-	-	-	-	-	2,311,900
Federal - Section 8 Admin Fee Subsidy	-	2,936,400	-	-	2,936,400	684,500	-	-	-	-	-	3,620,900
Federal - Section 8 HAP Subsidy	-	58,940,600	-	-	58,940,600	5,863,300	-	-	-	-	-	64,803,900
Federal - Capital Grants	-	-	16,855,000	-	16,855,000	-	-	-	-	-	-	16,855,000
City Contribution	450,200	753,400	-	-	1,203,600	-	-	-	-	1,276,400	-	2,480,000
Interest Income	248,500	16,000	-	-	264,500	-	35,000	125,800	-	10,000	-	435,300
Central Office Fee Revenue	-	-	-	-	-	-	-	9,779,400	-	-	(9,779,400)	-
Property Management Services Revenue	-	-	-	-	-	-	-	-	4,389,600	-	-	4,389,600
Other Revenues, Fees, & Grants	1,427,900	-	-	-	1,427,900	-	-	28,100.00	-	250,000	-	1,706,000
Total Sources	42,484,900	62,646,400	20,172,000	-	125,303,300	6,547,800	35,000	9,933,300	4,389,600	1,536,400	(9,779,400)	137,966,000
Uses												
Property Management and Program Admin	7,881,350	3,563,800	10,000	167,500	11,622,650	473,600	-	-	1,138,900	773,100	-	14,008,250
Administration	-	-	-	-	-	-	-	7,969,000	-	35,200	-	8,004,200
Development Administration	-	-	-	-	-	-	-	1,143,800	-	-	-	1,143,800
Fees to COCC	5,443,800	1,164,200	2,588,000	-	9,196,000	168,000	-	-	415,400	-	(9,779,400)	-
Tenant Services	969,400	-	-	490,400	1,459,800	-	-	-	23,400	-	-	1,483,200
Utilities	7,175,000	-	-	-	7,175,000	-	-	140,900	-	-	-	7,315,900
Maintenance	12,250,800	5,000	500,000	-	12,755,800	800	-	210,800	2,515,000	-	-	15,482,400
Protective Services	2,733,750	-	-	-	2,733,750	-	-	64,600	46,000	-	-	2,844,350
Insurance & Casualty Loss	1,518,300	31,500	-	-	1,549,800	4,500	200,000	93,100	165,300	-	-	2,012,700
Other General	2,263,900	97,000	-	-	2,360,900	13,900	-	17,400	-	435,300	-	2,827,500
Debt Service	1,709,000	-	-	-	1,709,000	-	-	-	-	-	-	1,709,000
Housing Assistance Payments	263,900	50,578,800	219,000	-	51,061,700	6,140,100	-	-	-	-	-	57,201,800
Capital Improvements & Equipment	706,800	1,500	16,855,000	-	17,563,300	400	-	35,400	50,900	-	-	17,650,000
Total Uses	42,916,000	55,441,800	20,172,000	657,900	119,187,700	6,801,300	200,000	9,675,000	4,354,900	1,243,600	(9,779,400)	131,683,100
Net Ordinary Sources/(Uses)	(431,100)	7,204,600	-	(657,900)	6,115,600	(253,500)	(165,000)	258,300	34,700	292,800	-	6,282,900
Software and Computer Infrastructure	296,300	289,600	-	-	585,900	41,300	-	373,000	34,700	-	-	1,034,900
Net Operating Sources/(Uses)	(727,400)	6,915,000	-	(657,900)	5,529,700	(294,800)	(165,000)	(114,700)	-	292,800	-	5,248,000
Transfer in/(Out) for MTW Single Fund	2,887,000	(3,544,900)	-	657,900	-	-	-	-	-	-	-	-
Transfer in/(Out) for Collection Losses	152,300	-	-	-	152,300	-	-	(152,300)	-	-	-	-
Transfer in/(Out) for Stable Homes Stable Schools	-	318,000	-	-	318,000	-	-	-	-	(318,000)	-	-
Transfer in/(Out) for EPC Payoff	3,688,100	(3,688,100)	-	-	-	-	-	-	-	-	-	-
Net Operating Sources/(Uses) after Transfers	6,000,000	-	-	-	6,000,000	(294,800)	(165,000)	(267,000)	-	(25,200)	-	5,248,000
Partial EPC Payoff	6,000,000	-	-	-	6,000,000	-	-	-	-	-	-	6,000,000
Net Sources/(Uses)	-	-	-	-	-	(294,800)	(165,000)	(267,000)	-	(25,200)	-	(752,000)
Budgeted Reserves¹ as of Dec. 2019	12,928,400	891,700	-	-	13,820,100	1,698,000	2,854,200	6,093,600	-	1,741,000	-	26,206,900
Budgeted Changes in Reserves	-	-	-	-	-	(294,800)	(165,000)	(267,000)	-	(25,200)	-	(752,000)
Budgeted Reserves¹ as of Dec. 2020	12,928,400	891,700	-	-	13,820,100	1,403,200	2,689,200	5,826,600	-	1,715,800	-	25,454,900

¹ Reserves are defined as Unrestricted Net Position

Acronyms

Adm. or Admin = Administration
CHR = Community Housing Resources
CMHWC = Cora McCorvey Health & Wellness Center
COCC = Central Office Cost Center
Dec. = December
EPC = Energy Performance Contract
Exp = Expense
FHF = Family Housing Fund
FUP = Family Unification Program
GL = General Liability
HAP = Housing Assistance Payment
HCV = Housing Choice Voucher
HVAC = Heating, Ventilation, and Air Conditioning
HUD = Department of Housing and Urban Development
J-PAL = J-Poverty Action Lab Grant
MHOP = Metropolitan Housing Opportunities Program
MHRC = Minneapolis Highrise Representative Council
MPHA = Minneapolis Public Housing Authority
MSG = Managed Service Group
MTW = Moving To Work
N/A = Not applicable
Ops = Public Housing Operations
QMP = Quality Maintenance Program
RAD = Rental Assistance Demonstration Program
RCC = RAD Conversion Commitment
SS = Scattered Sites
TBD = To be determined
TPV = Tenant Protection Voucher
VASH = Veteran Affairs Supportive Housing
VOA = Volunteers of America



December 18, 2019

Agenda Item 3

REPORT TO THE COMMISSIONERS

FROM: Tracey Scott, Interim Executive Director/CEO

SUBJECT: Changes to the Low-Income Public Housing Statement of Policies

Previous Directives: On October 26, 2017, the MPHA Board of Commissioners approved changes to the *Low-Income Public Housing Statement of Policies* that govern the public housing program, this approval was received in conjunction with the approval for the *2018 Moving to Work Annual Plan*.

Resident Notification: Residents were notified of the draft changes and the public hearing through postings in the buildings and Management Offices, at building resident council meetings and a flier inserted in their rent statement. The Draft SOPs and a summary of the changes were posted on MPHA's website. The Resident Advisory Board (RAB), and the Minneapolis Highrise Representative Council also reviewed the changes.

Impact on Budget: The proposed changes to the Statement of Policies will have minimal material impact on MPHA's 2020 Budget.

Procurement Review: Not applicable

Recommendation: It is recommended that the Board of Commissioners adopt a resolution approving the proposed changes to MPHA's Low-Income Public Housing Statement of Policies.

MPHA solicited input and comments regarding the draft changes to the Low-Income Public Housing Statement of Policies (SOPs) from residents, the Minneapolis Highrise Representative Council (MHRC), Legal Aide and the public regarding the proposed changes. The summary of the changes was sent to all building Resident Council presidents, and to the MHRC Executive Committee. MPHA included an insert to its rent statements to all MPHA residents that informed them how to access copies of the proposed changes to the SOPs. This notice also included the date and time for the Public Hearing. MPHA specific notified Mid-Minnesota Legal Aid of the public hearing and comment period with links to the draft Statement of Policies.

MINNEAPOLIS PUBLIC HOUSING AUTHORITY
EQUAL HOUSING OPPORTUNITY – EQUAL EMPLOYMENT OPPORTUNITY

MPHA's General Counsel, Director of Operations, and the Staff Attorney met with Legal Aid staff to discuss any concerns and suggestions related to the SOPs.

MPHA has documented and attached the public comments and MPHA's responses related to the proposed 2020 Low-Income Public Housing Statement of Policies. As a result of the comments MPHA has revised the Flat Rate Rent schedule to reflect the HUD-required 80 percent of current Fair Market Rents for households that choose this non-income-based rent.

A copy of the Board Resolution is attached to this Report.

This Report was prepared by Mary Boler, Director of Operations. For further information, please contact Ms. Boler at (612) 342-1453 or mboler@mpslpha.org.

Summary of Public Process

MPHA believes that all residents deserve adequate notice and the opportunity to review and comment on changes to policies that might affect them. With the proposed 2020 updates, MPHA followed its past practice in notifying residents, publishing a draft for review, and scheduling a public hearing prior to board consideration.

MPHA published the red-lined draft to its web site on October 4, 2019 (47 days in advance of the public hearing and 54 days prior to the close of the comment period). MPHA also published a six-page summary of the proposed changes (in English and Somali). At this time MPHA updated its web site front page to prominently reflect the materials available for review.

On October 9, all MPHA property managers were instructed to post the notice (in English and Somali) prominently in their buildings. This notice included information on how to review the documents (online or in-person at any property office), the date and location of the public hearing, and instructions on how to mail or email written comments. All MPHA public housing residents received this notice directly in rent statements at the beginning November.

MPHA met with the Minneapolis Highrise Representative Council executive and full board, before and after the draft was prepared, on October 3 and November 21. MPHA also provided the red-lined draft to Mid-Minnesota Legal Aid, who met in-person with MPHA Legal Department and Director of Operations on November 6 to discuss the draft. MPHA also discussed the proposed changes and answer questions from MPHA's Resident Advisory Board (RAB) on November 20, 2019.

MPHA conducted a public hearing on November 20, 2019, following the regularly scheduled board meeting. Seven individuals commented during the public hearing, including the oral delivery of the official comments from the Minneapolis Highrise Representative Council (MHRC). With the exception of comments submitted by Mid-Minnesota Legal Aid, MPHA received no written comments through its mail and email channels.

Summary of Comments

The six commenters at the public hearing identified themselves as public housing residents. (We address the comments from MHRC separately, below.) Some comments expressed anger at the housing authority but did not reference the Statement of Policies or the proposed changes.

- 1) Comments that did refer to the SOPs all related to the same subject: the proposed increase in flat rent amounts. One commenter stated his concern that his rent will go up and would now be more than 30 percent of his income. Another stated that resident rents will increase by \$500 "for people who cannot afford it." Another commenter stated that she paid flat rent, understood the policy reasons for the change, but still worried it would be difficult to afford.

MPHA Response: MPHA proposes the flat rent changes in order to comply with HUD requirements. At the hearing MPHA clarified that the changes to flat rent are not an across-the-board rent increase. Rather, the proposed changes to flat rent would affect approximately five percent of public housing households with the highest incomes (less than 300 households) that have chosen to pay flat rent rather than 30 percent of their adjusted income toward rent. Flat rent households may choose to revert to income-based rent. However, after consideration of

resident feedback during this process, MPHA has modified this proposed change to modify flat rents at this time only to the HUD-required 80% of the 2020 Fair Market Rent.

- 2) Some commenters discussed the process itself, expressing that there was no “community meeting,” and that the notice residents received did not outline the policy changes.

MPHA Response: The relevant audience for the SOPs is residents of public housing, to whom these policies apply. MPHA notified all residents far in advance and provided multiple channels through which interested residents could review the proposed changes. MPHA staff conferred with elected resident leaders along the way. While not required, MPHA compiled a summary of draft changes to simplify the review process for any interested residents, including a Somali translation.

- 3) As in past years, MPHA received extensive comments from Mid-Minnesota Legal Aid. Legal Aid’s comments cover the entirety of the SOPs, not just the changes proposed for 2020.

MPHA Response: MPHA thanks Legal Aid for its detailed attention to the text of the SOPs, including suggestions for how to make the document easier to understand and navigate. MPHA has made certain technical and clarifying changes to the draft in response to these suggestions.

Minneapolis Highrise Representative Council (MHRC) Comments

As is our convention, comments from the MHRC are reproduced below. MPHA responses are in-line.

This is a summary of resident comments regarding the Draft Changes to the MPHA Statement of Policies. They come from discussions at MHRC Executive Committee, Maintenance Modernization and Management Committee and MHRC Board meetings. Please let us know if you have further questions. Thank you.

Regarding Part V; Waiting List Assignment Plan and Designation of Buildings:

We support the proposed addition of MPHA permitting housing applicants to specify one or more of four geographic areas of the city in which to be offered an apartment, rather than just being offered the oldest vacant unit in the city. Increasing choice is always good and allows prospective residents increased self-determination about where they will live. We recommend that MPHA determine a set of likely wait times for each geographic area based on demand and turnover in each area, so that prospective residents will know how long they should expect to wait for an offer.

MPHA Response: Thank you for the support of this change.

Regarding Part VI; Occupancy Standards and Lease Add-ons:

We do not support the proposed change that when MPHA approves an adult lease add-on, the Head of Household (HOH) must remain in the unit for now five years, instead of the current policy of three years, after the adult is added to the lease. The add-on would be required to vacate the apartment with the HOH, the only exception being the death of the HOH. This seems punitive and also does not take into account other unforeseen reasons the HOH might have to leave the

apartment, for example, no longer being able to live independently. The lease add-on should not be expected to vacate the apartment in this case. This policy would be too restrictive. Please keep the current policy of three years and expand the reasons where the add-on would be allowed to remain in the apartment after the HOH vacates.

MPHA Response: MPHA appreciates the concerns of the MHRC and residents. However, with a scarcity of housing units and tens of thousands of families on the waiting list who, in many cases, wait for longer than five years, this approach is a more equitable use of a scarce resource. As with all of our policies, residents who qualify may avail themselves of the Reasonable Accommodation or the Violence Against Women Act exception to this policy.

Regarding Part XI; Lease Terminations

The proposed change is that residents must give MPHA a minimum of 10 days advance notice prior to leaving their apartment for more than 30 days, or face lease termination if they do not. This does not take into account the fact that many times residents will not know that they will be gone for more than 30 days, for example unexpected hospitalization and extended rehab or a resident being unexpectedly called to care for a sick or terminally ill family member. These exceptions should be noted and management should be required to determine the reason for an extended absence before lease termination action is taken, if the resident either failed to give notice or could not give a 10-day advance notice.

MPHA Response: As with all of our policies, residents who qualify may avail themselves of the Reasonable Accommodation or the Violence Against Women Act exception to this policy.



Agenda Item 3

December 18, 2019

RESOLUTION No. 19-193

WHEREAS, the Minneapolis Public Housing Authority in and for the City of Minneapolis (MPHA) has a Low-Income Public Housing Statement of Policies that govern the Public Housing program; and

WHEREAS, MPHA last made changes to the Statement of Policies in 2017; and

WHEREAS, MPHA received and responded to public comments regarding the Statement of Policies and made changes to the document based on comments received;

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of MPHA that the changes to the Low-Income Public Housing Statement of Policies are approved and that the Interim Executive Director is authorized to implement them effective January 1, 2020.



Monthly Performance Report

Minneapolis Public Housing Authority

Board of Commissioners

For the month ending November 30, 2019

Contents

1. Highlights and Updates
2. Financials
3. Performance of Operations
 - Public Housing Programs
 - Housing Choice Voucher Programs
4. Building Improvement and Development Projects
 - Update on Elliot Twins RAD Conversion and Scattered Sites Section 18 Process
5. Inquiry Response and Social Media
6. Attachments

Highlights and Updates



MPHA joined HUD Regional Administrator Joseph Galvan and MN Lt. Governor Peggy Flanagan to announce **\$5.4 million in new Mainstream housing vouchers for disabled households** in Minnesota, including 74 vouchers for MPHA. MPHA intends primarily to work with partners to project-base these vouchers.

Hennepin County Commissioners voted unanimously to authorize **\$26.5 million in housing revenue bonds for the Elliot Twins**. This was an essential step in securing the funding for the most extensive renovation in MPHA's history, scheduled to begin in June 2020.

HUD has been conducting its tri-annual **housing inspections of MPHA highrises**. **Scores to-date have been outstanding**, speaking to the dedication and skill of MPHA staff: AMP 3 - 99a; AMP 4 - 93b; AMP 5 - 98b; AMP 7 - 95b (scores out of 100).

MPHA is a major partner with Catholic Charities and others in the "Exodus 2.0" affordable housing project announced this month. Of the 203 units, MPHA will support 54 with project-based vouchers, assuring affordability of those units to the lowest-income renters.

MPHA and partners have received a **Public Health – Cross Sector Innovation award from the Robert Wood Johnson Foundation**. Our partners in this are the Minneapolis Health Department, MHRC, VOA, UCare, and Hennepin Health. The partners are working to create a system to support long-term, cross sector partnerships, data sharing, and decision making that will result in improved services, and better health equity and outcomes for residents.

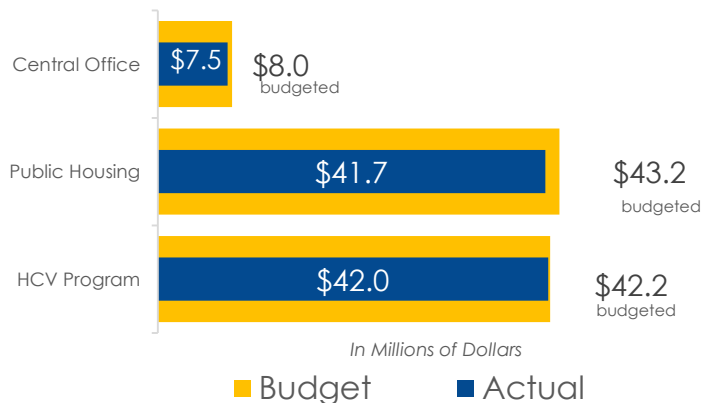
The Minneapolis Police Department awarded MPHA Security Manager Heidi Buegler its Citizen's Department Award of Merit for her actions assisting an officer who was in danger during an altercation with a suspect near MPHA property. She was nominated by the officer and received her award in a ceremony with Police Chief Medaria Arradondo.



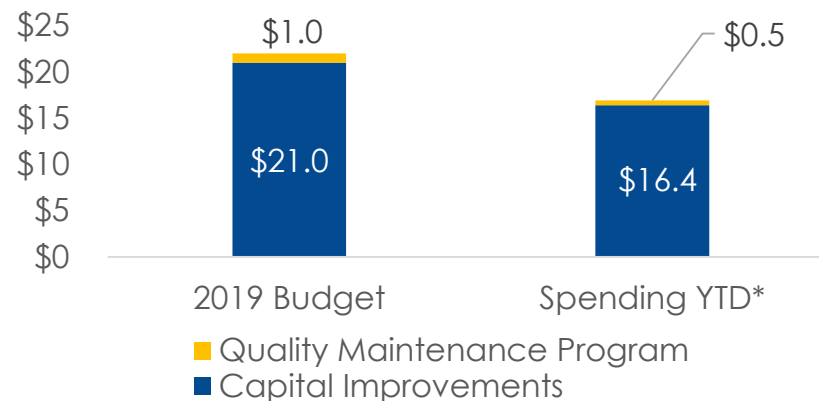
Operating Sources and Uses MTW Public Housing and Housing Choice Voucher (HCV) Program

Sources	YTD Budget	YTD Actual	Favorable (Unfavorable) Variance	Variance %
Tenant Revenue -Rents & Other	\$ 19,574,313	\$ 19,649,529	\$ 75,216	0%
Public Housing Operating Subsidy	\$ 18,871,967	\$ 19,576,887	\$ 704,920	4%
HCV HAP Subsidy & Admin Fees	\$ 41,691,713	\$ 41,045,576	\$ (646,137)	-2%
Other Revenues, Fees, & Grants	\$ 2,453,053	\$ 3,193,353	\$ 740,299	30%
Transfers-In	\$ 50,000	\$ 228,667	\$ 178,667	357%
Total Sources	\$ 82,641,046	\$ 83,694,012	\$ 1,052,966	1%
Uses				
Public Housing Operations	\$ 43,207,458	\$ 41,698,694	\$ 1,508,764	3%
Housing Choice Vouchers	\$ 42,171,327	\$ 41,962,653	\$ 208,674	0%
MTW Initiatives	\$ 105,042	\$ 64,289	\$ 40,753	39%
Human Services	\$ 276,100	\$ 72,486	\$ 203,614	74%
Total Uses	\$ 85,759,927	\$ 83,798,122	\$ 1,961,805	2%
Net Sources/(Uses)	\$ (3,118,881)	\$ (104,110)	\$ 3,014,771	97%

Year to Date (YTD) Expenses



MTW Capital Fund Program

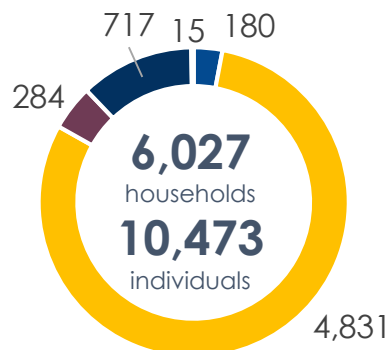


*An additional \$6.8 million is under obligation for capital projects YTD

Public Housing Programs



Occupied Units*

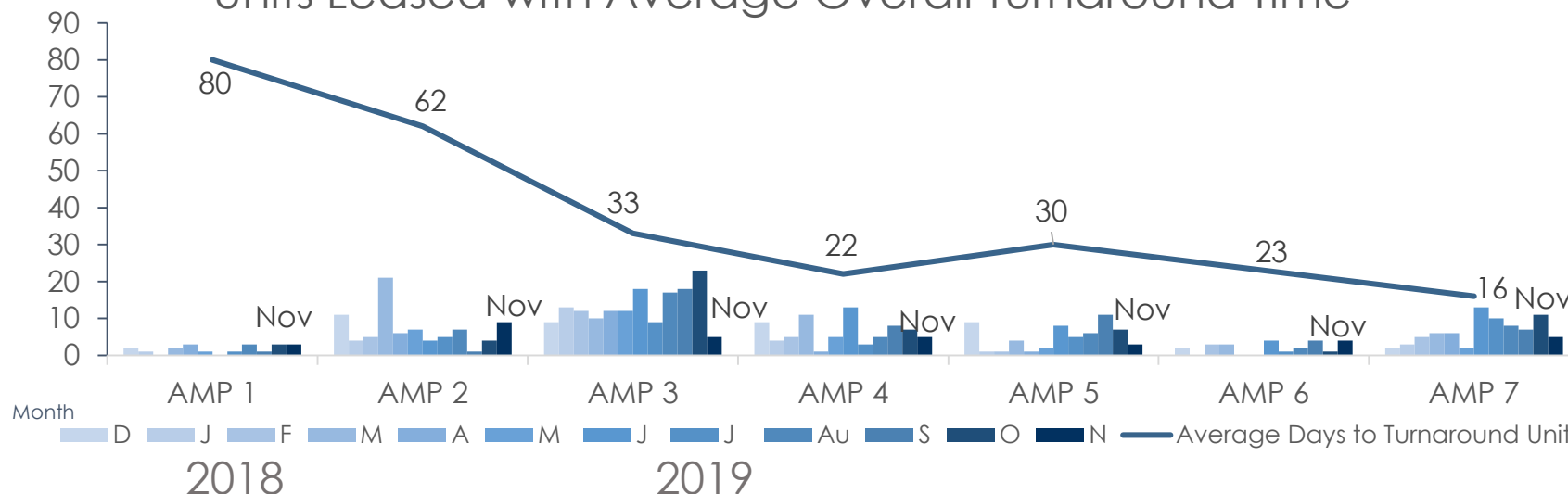


- Glendale
- MHOP**
- Minnehaha Townhomes
- Highrise
- Scattered Sites

34
new units leased during month

98.7%
occupancy

Units Leased with Average Overall Turnaround Time***



*At any given time, units may be vacant due to normal unit turnaround or because they are undergoing renovations.

**Metropolitan Housing Opportunities Program (Hollman consent decree units owned and operated by third-parties)

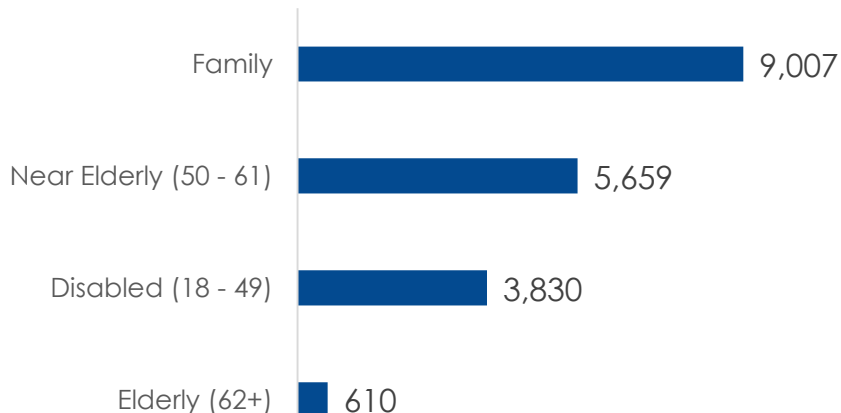
***Excluding unit transfers

Public Housing Programs

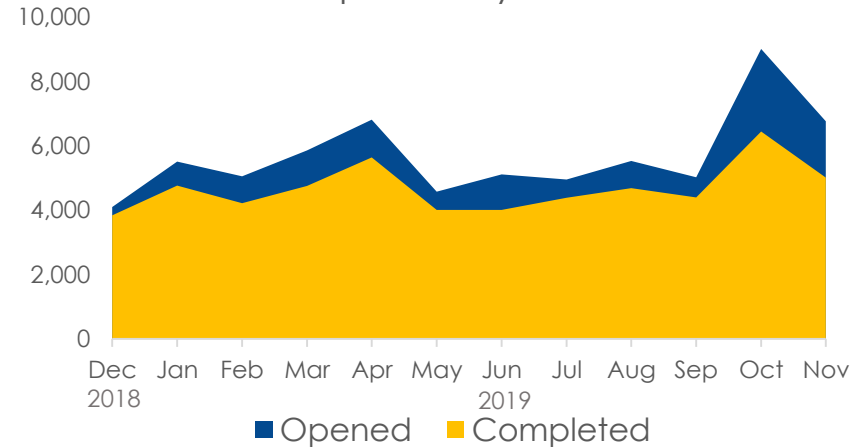


Reason for Vacating Unit	Count
Death	12
To Nursing Home	9
Moving in with or closer to Family	9
Evicted - Non Payment	5
Moving Out of Town	4
Mutual Agreement	3
Dislikes Neighborhood	3
Illness	1
Evicted - Drugs	1
Eviction - Refused Transfer	1
Change in Family Composition	1
Dislike Unit	1

Applicants on Waiting List



Work Orders Opened and Completed by Month

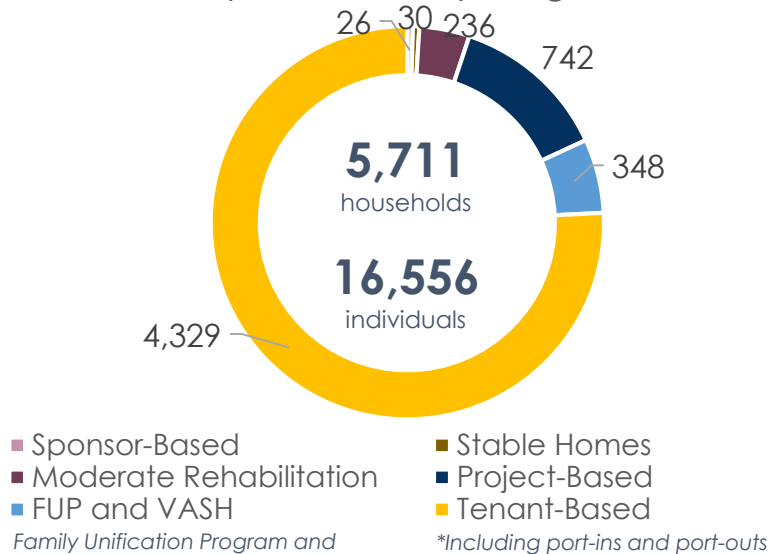


Goal	Total Completed	% Completed within Goal	Average Days Open
Emergency: 24 Hours	75	95%	0
Urgent: 1 Day	512	85%	3
After Hours Non-Emergency: 2 Days	94	54%	5
Important: 3 Days	705	62%	9
Routine: 10 Days	2,721	69%	19
Non-Routine: 20 Days	43	47%	76
Pest Control	867	100%	21

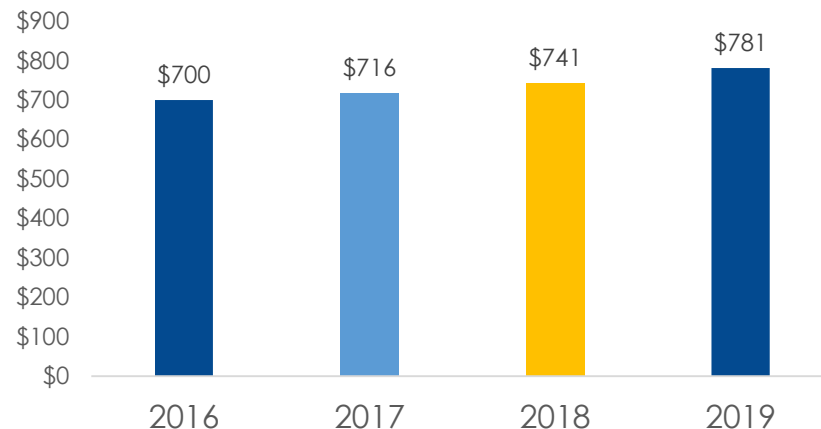
Housing Choice Voucher Programs



People Served by Program*



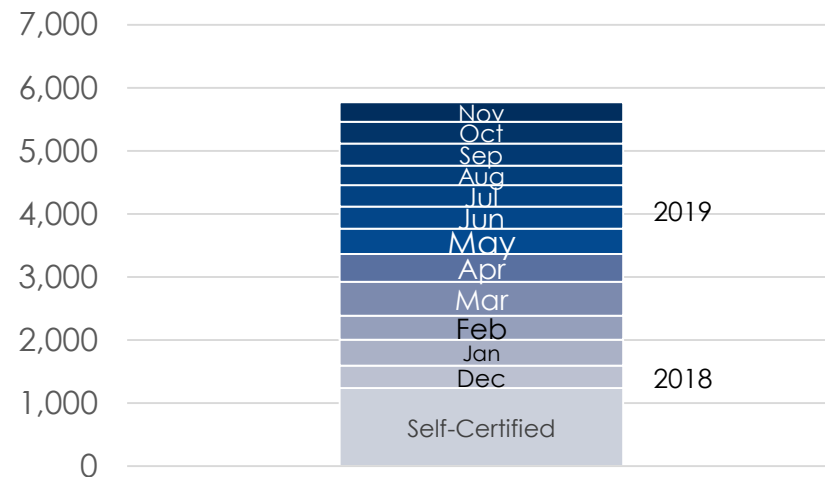
Average Housing Assistance Payment per Unit, Year to Date



Applicants on Waiting List



Annual Inspections Conducted



Building Improvement Projects - Planning

ADDRESS	DESCRIPTION OF WORK	STATUS
Elliot Twins	Comprehensive building modernization	Planning
2415 N 3rd St	Security pilot	Planning
Scattered Sites – Various sites	2019 improvements: roof replacement, comprehensive modernization, structural repairs	Planning/Bidding
Hiawatha Towers	Site security upgrades	Re-bidding
Cora McCorvey Center	HVAC system upgrades	Planning
600 18 th Avenue North	Window replacement, masonry repairs & HVAC systems replacement	Planning
1707 3 rd Ave S/1611 S 6 th St/2728 Franklin	Elevator modernization	Planning

Development Projects - Planning

ADDRESS	DESCRIPTION OF WORK	STATUS
Scattered Site	Energy pilot project: single-family new construction	Planning
Scattered Site	Energy pilot project: duplex new construction	Planning
Scattered Site	Energy pilot project: rowhome new construction	Planning

Building Improvement Projects - Active

ADDRESS	DESCRIPTION OF WORK	STATUS
Horn Towers & 1627 S 6th St	Elevator modernization	In progress
2121 Minnehaha, 2728 E Franklin & 311 University	Main electrical switch gear & generator replacement	In progress
Scattered Sites – Various sites	2019 improvements: roof replacement, comprehensive modernization, structural repairs	In progress
1611 S 6th St	Plumbing & fire alarm system replacement, sprinkler system retrofit, apartment improvements including creation of 6 ADA units; HVAC upgrades	In progress
901 4th Ave N	Generator replacement	Substantially complete
Cedars Lowrises	Roof replacement	Substantially complete

Building Improvement & Development Projects - Complete

ADDRESS	DESCRIPTION OF WORK	STATUS
1515 Park Ave S	Plumbing & shower replacement	Complete

Elliot Twins RAD Conversion & Building Renovation



- **Hennepin County granted preliminary approval to submit tax exempt bond application to State of MN in January**
- **Lender/investor negotiations in December**
- Address deferred maintenance, **plus** unit improvements, community link addition, envelope enhancement, new HVAC system, addition of 10 fully accessible units
- Projected 38% reduction in utilities
- Hard costs: \$21.7M
- Ongoing resident engagement on design & relocation rights; all tenants will be offered on-site relocation

Timeline (subject to change)

HUD
Resident
Notice

Form
Resident
Committees

Determine
Design
Direction

Design Development
Resident Engagement
Develop Financing Strategy

Secure Financing
Finalize Relocation
Construction Bidding

Closing
& Begin
Construction

Jan 2019

Feb-Mar
2019

Mar-Jun
2019

Jun-Dec
2019

Jan-Jun
2020

Jun 2020



Scattered Site Section 18 Process

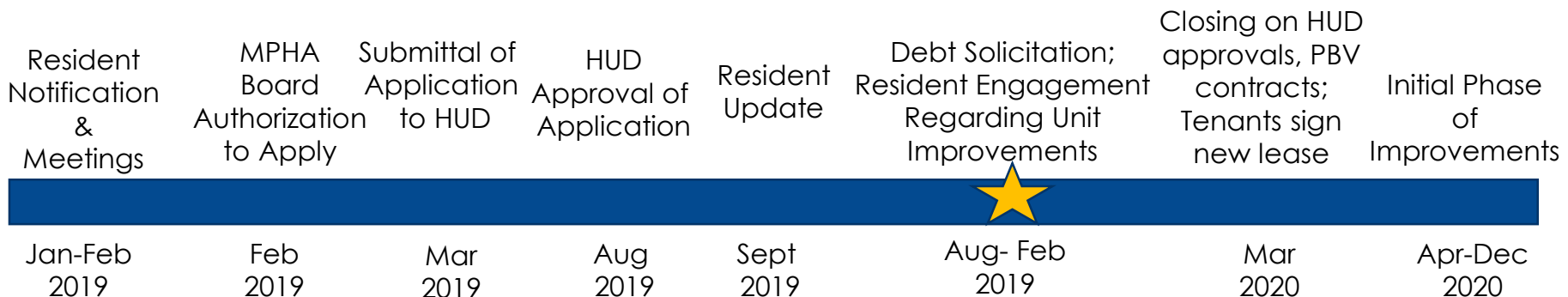


Section 18 with debt financing



- Exploring lending options to best support investments in portfolio
- Debt will support investments in deferred maintenance and ongoing unit needs as well as potential replacement/addition of units
- Ongoing resident engagement on reinvestment strategy, design, and Section 18 conversion. January resident update planned.

Timeline (subject to change based on timing of HUD approvals)



Inquiry Response and Social Media



MPHA on Facebook

Top Performing Post (5,970 views)

Today we joined U.S. Department of Housing and Urban Development officials & Lt. Governor Peggy Flanagan to announce \$5.4 million in new housing vouchers for disabled households in MN -- including 30% of the award (\$1.6M) for MPHA. (That's our giant check!) This means a deep rent subsidy for 600 *more* Minnesota families who face some of the steepest housing challenges.



MPHA on Twitter

Top Performing Post (15,000 views)

This has been a tragic day with an unprecedented fatal fire at one of our highrises. We thank all who offered condolences, food, and support (including [@MinneapolisFire](#) [@RedCross](#) [@Jacob_Frey](#) [@AbdiYWarsame](#) and [@mohamudnoor](#)) as we begin the healing process. mphaonline.org/mpha-statement...pic.twitter.com/TjA9D52agS



Nov. 2019

60

Formal inquiries received and addressed
(Channels include media, social media, and website contact forms)

 **6**
Posts for the Month
4,587 Followers

 **11**
Tweets for the Month
537 Followers

HUD awards \$5.3 million to Minnesota to house non-elderly disabled in private rentals; landlords encouraged to step up

PP twincities.com/2019/11/21/hud-awards-5-3-million-to-minnesota-to-house-non-elderly-disabled-in-private-rentals/

By Frederick Melo

November 21,
2019

Eugene Ivy
was 12 when
he first
became
homeless.
After living
for a time
with a



grandmother, he and his mother bounced from shelter to shelter for years.

The lanky 20-year-old believes he finally found stability this week when he moved into the new Ain Dah Yung Center on St. Paul's University Avenue, a 42-unit supportive housing community that offers mental health counseling and other services for young people who may need the extra TLC.

"I feel blessed," said Ivy, flanked by news media and state and federal officials. "Coming from where I'm coming from, I know nobody has to give you anything. They didn't have to give me anything."

On Thursday, officials with the U.S. Department of Housing and Urban Development joined Lt. Gov. Peggy Flanagan and community housing leaders at the Ain Dah Yung Center to announce nearly \$5.4 million in competitive grants for housing voucher programs across Minnesota.

The rent subsidies, targeted to non-elderly individuals and families struggling with trauma and disability, are expected to help more than 590 recipients lease housing in the private market, including 96 families across St. Paul and Ramsey County.

"I am standing here today as your lieutenant governor because of a Section 8 housing voucher that my family received as I was growing up in St. Louis Park," Flanagan said. "Our administration knows that everything starts with a home."

Much like traditional Section 8 housing vouchers, the Mainstream Housing Choice disability vouchers are administered by public housing officials across the state.

The largest grants will go to programs run by the Minneapolis, St. Paul and Metropolitan Council housing authorities. The three agencies received a smaller competitive grant award for disability housing a year ago.

Typically, a low-income client pays 30 percent of their income toward rent and the federal housing voucher makes up the difference.

"It is a big boost because these opportunities don't come every year," said Kyle Hanson, managing director of Housing Choice Vouchers for the Minneapolis Public Housing Authority.

FINDING CLIENTS THROUGH PARTNERSHIPS

Hanson said the \$1.6 million award will allow them to house 140 clients hand in hand with Hennepin County and the Minneapolis-based Salvation Army Harbor Light Center. A year ago, the Minneapolis PHA received enough funding to house 99 families.

HUD Midwest Regional Administrator Joseph P. Galvan says 60 percent of complaints his office fields are from the disabled. "Our work in this area is never over." Our "vigilance" is intended to "ensure all Americans have access to the American dream."

pic.twitter.com/YRmn1J9GIR

— Frederick Melo, Reporter (@FrederickMelo) November 21, 2019

Dominic Mitchell, program director with the St. Paul Public Housing Agency, said they will use the \$687,000 from HUD to house 96 individuals and families referred by 10 nonprofit agencies, including Ain Dah Yung, The Arc Minnesota, Breaking Free, JustUs Health, Ethel Gordon Community Care Center, the Emma Norton Center, Guild Inc., Phoenix Service Inc., Minnesota One Stop and Experience Neshama.

The nonprofits will help the clients locate housing and then provide supportive case management services for a year, with the intent of helping them achieve stability. The agency received enough HUD funding last year to help 35 disabled clients through the same

voucher program.

“These agencies will refer clients to the PHA who are most in need, including those who are homeless or at risk of homelessness, and then assist them in finding and locating a stable place to live with their newly awarded voucher,” Mitchell said.

Eleven vouchers are already housing young people in permanent supportive housing at the Ain Dah Yung Center, which was developed with the help of Project for Pride in Living.

“I am standing here today as your Lt. Governor because of a Section 8 housing voucher that my family received as I was growing up in St. Louis Park. ... Our administration knows that everything starts with a home.” Workers, students, the disabled can’t thrive without stability.
pic.twitter.com/v3dWYBRQdx

— Frederick Melo, Reporter (@FrederickMelo) November 21, 2019

The Metropolitan Council’s Metro HRA, which provides housing vouchers in the suburbs, received \$675,000 toward housing about 67 individuals and families.

The Washington County HRA will receive \$226,000 to house 30 clients. Dakota County Community Development Agency will receive \$154,000 to house 20 clients.

In total, HUD is awarding \$131.3 million to 325 local public housing authorities across the country to provide affordable housing to approximately 15,363 non-elderly individuals and families with disabilities.

HUD Secretary Ben Carson made the announcement Wednesday in Detroit.

Catholic Charities plans permanent housing

finance-commerce.com/2019/12/catholic-charities-plans-shelter

December 3,
2019



Less than two months after cutting the ribbon on its \$100 million emergency housing facility in St. Paul, Catholic Charities of St. Paul and Minneapolis is launching another big project with a similar mission on the other side of the river.

The organization said Monday it has a deal to acquire the 32-year-old Augustana Health Care Center at 1007 E. 14th St. in Minneapolis and turn it into a housing and respite care center for more than 200 people in need.

The seller, senior living provider Cassia, will continue to own and operate the neighboring Augustana Apartments.

Known as "Exodus 2.0," the renovated Augustana building will serve "priority populations" such as single adults, veterans, and people with "complex medical conditions in need of housing stability," Catholic Charities said. Of the project's 154 apartment homes, 19 will be set aside for veterans.

Catholic Charities said the \$65 million adaptive reuse project will replace the organization's aging Exodus Residence at 819 Second Ave. S. in downtown Minneapolis. Catholic Charities leases the Exodus building from St. Olaf Church.

The investment includes roughly \$20 million to acquire the four-story Augustana Health Care Center and \$45 million for building improvements, said Tim Marx, president and CEO of Catholic Charities of St. Paul and Minneapolis.

Designed as a traditional nursing home, the 169,532-square-foot care center will get building system updates and an extensive makeover to create modern dwellings suitable for single-occupancy, Marx said.

Dominium is overseeing the project on a pro bono basis, Marx said. St. Louis-based ebersoldt + associates architecture is working on the design. The renovated building is expected to open in fall 2021.

Marx said the project has been in the works since 2017. At the time, Catholic Charities extended a lease at the Exodus building to 2021, buying some time to find a suitable replacement. The Exodus Residence serves about 95 people.

Elsewhere in Minneapolis, Catholic Charities of St. Paul and Minneapolis owns and operates the Higher Ground Shelter at 165 Glenwood Ave. N. Higher Ground Minneapolis provides 171 shelter spaces, 80 “pay-for-stay” beds, meals and social services.

Completed in 2012, Higher Ground Minneapolis was the model for Catholic Charities’ Dorothy Day Complex, a two-building homeless shelter and permanent housing project at 422 Dorothy Day Place in St. Paul. That project was completed in October.

Though it may seem like a quick turnaround to jump feet first into another ambitious project, Marx said there was a sense of urgency to move quickly because the need for emergency housing is great.

Despite recent progress in reducing veteran and family homelessness, state projections show that the number of people without shelter will continue to increase dramatically in the coming year, according to Catholic Charities.

U.S. Department of Housing and Urban Development statistics show that more than 7,200 people were living without a home or shelter in Minnesota on any given night in 2018. Of that total, more than 5,000 were in the seven-county metro area.

Funding partners for the Augustana project include Hennepin County, the Minnesota Housing Finance Agency, the city of Minneapolis, the Minneapolis Public Housing Authority and the Richard M. Schulze Family Foundation.

The project ties in with a Hennepin County plan to create 1,000 new housing units during the next 10 years for priority populations, a group that includes people with disabilities and very low incomes.

The county plan, unveiled in May, is expected to cost \$373.5 million over 10 years, including operational expenses. That includes \$91.5 million in county investment and an additional \$282 million from state, federal and private-sector sources.

“The county has been refining our housing focus to prioritize serving the population of residents who are particularly at risk of housing instability,” County Commissioner Mike Opat said in a statement. “This project meets that need in a big way.”

The project comes at a time when many local nursing homes are operating below capacity. One factor: Skilled nursing communities are experiencing a decline in demand as many older adults look for more residential settings, Catholic Charities said.

“Changes in demand for services at the health care center influenced the decision to proceed with Catholic Charities’ offer,” Cassia CEO Bob Dahl said in a statement. “This decision was not reached lightly. Yet, after much reflection, we believe it will benefit more of those we serve.”

Catholic Charities looked at other locations for a new Minneapolis facility. But Marx said he was “jazzed” about the opportunity to reinvest in the Augustana building and keep a social service presence in the Elliot Park Neighborhood.

“The Exodus 2.0 project is a perfect example of public, private, new and old partnerships in pursuit of one common goal: to better the lives of the most vulnerable,” Marx said.



Published Monthly by the Minneapolis Highrise Representative Council

December, 2019

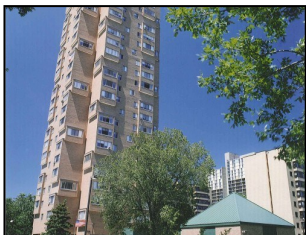
Voice of the Five Thousand

Vol. 29, No. 12

Residents succeed in efforts to restore funds for highrise social Services!

On November 26 the Hennepin County Board of Commissioners unanimously passed an amendment (sponsored by Commissioners Fernando and Conley) that restores a proposed 30% cut to VOAMN highrise social services. This is big news for the hundreds of highrise residents who benefit from these services and for the hundreds of residents who signed petitions, made phone calls and attended public hearings to oppose the cuts. Their efforts paid off! VOAMN Highrise Social Services Co-Director Rhonda Peterson writes, "Thank you for all of the support you have shown the VOAMN Highrise Social Service Program. You have proven, once again, that the residents of Minneapolis Public Housing are a formidable force. Your advocacy on behalf of our program is extremely appreciated!"

Fire at 630 Cedar Avenue



The MHRC Board of Directors and staff extend their deepest condolences to the families, friends, and neighbors of the individuals who died in the recent fire at 630 Cedar Ave. S. To all residents and staff who

live and work at the Cedars, we wish you strength and healing as you await more information and move forward from this terrible tragedy. (By the time this newsletter is distributed, the MPHA will have held an informational meeting with residents from 630 Cedar. For the benefit of all highrise residents, we have printed an excerpt from MPHA's Emergency Action Plan regarding fire safety, on page 3.)

MHRC Board sets its priorities for the year

Security remains #1, followed by highrise maintenance, management and modernization



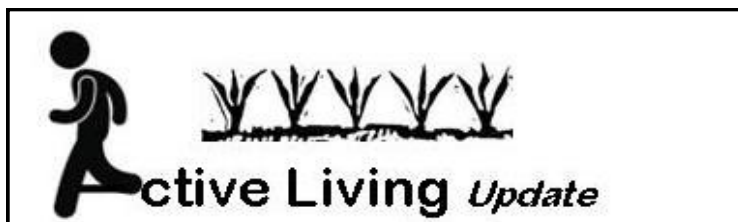
The Minneapolis Highrise Representative Council (MHRC) Board of Directors (photo, above) voted in November on the organization's priorities for the coming year. The priorities are based on the results of a survey completed by residents at the recent Highrise Celebration, at resident council meetings and from others who returned the survey included in the *Highrise Lowdown*.

Strengthening internal and external security in all highrises, relating to guard service, security hardware and support of Project Lookout, retained its number one spot. Remaining in second place
continued on page 2 **Priorities**



Mark your Calendar!

Don't miss the Area Holiday Celebrations! (see page 4)



Healthier Vending Items Coming to More Buildings!



Apple Automatic, the vending company servicing 31 of the 42 highrise buildings, is nearly done rolling out healthier vending options for the buildings it services. Working with the Active Living Committee, Apple first debuted the healthier snacks in 8 pilot buildings. Eventually, supported by discussion at MHRC Executive Committee and board meetings, the decision was made to expand the program to all of the highrise buildings serviced by Apple. Healthier items will be labeled “FitPick” and will be available for \$1.00, which is a lower price than less healthy snacks. “FitPick” snacks meet a national standard for products that contain less salt, fat, and sugar than other similar-sized snacks. Apple is actively working toward consistency in pricing in all its MPHA buildings. Look for the “FitPick” labels when choosing healthier snacks!

Residents Share Priorities for Metro Transit Expansion



MHRC board member Jaimie Gordon, 800 5th Ave N, (photo above, right) assists another resident in completing a Metro Transit survey at a recent MHRC board meeting.

Residents have been active in helping shape Metro Transit's service expansion and priorities for the next 20 years. Through discussion at MHRC Area and committee meetings, resident council meetings and completion of surveys, residents have shared thoughts and suggestions for service improvements. Metro Transit will use citizen input to develop a 20 year service improvement and expansion plan that will be available for public comment early next year.

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is residents working with MPHA to improve high-rise maintenance, management and resident involvement in modernization activities. The MHRC Maintenance, Modernization and Management Committee will have primary responsibility for addressing matters pertaining to this priority.

Moving up to 3rd place is advocacy on resident issues including legislation affecting housing and livability, social services and health needs of residents and public transportation.

Improving communication between management and tenants, among resident leadership, between resident councils and the MHRC board and with the highrise population as a whole moved into 4th place.

Other priorities included continuing Active Living & health and wellness programs, the Laundry Project and ongoing support of resident councils and support of diverse multicultural communities.

This year, residents had more opportunity to share their own priorities which included enforcement of the smoking ban, mandatory recycling, resident parking and more. MHRC committees will discuss and plan around these new ideas in the coming months. Feel free to contact the MHRC for a full list of priority results and comments.



MHRC Board Meeting Wrap-up

The MHRC Board meeting was held November 14 at 1015 4th Ave. N. Board action included:

- ◆ Adoption of MHRC priorities for 2019—2020 (see front page article);
- ◆ Review of MHRC programs and activities which address MHRC priority #1: improving security, including on-going support of Project Lookout and the work of MHRC's Security Advisory Committee;
- ◆ A presentation by Jennifer Samaha about the importance of the 2020 Census and temporary jobs with the Census that will not affect rent.
- ◆ Presentations by MPHA Assistant Director of Finance Heather Pacheco and MPHA Operations Director Mary Boler (right) about MPHA's proposed 2020 budget and proposed changes to MPHA's Statement of Policies (more info to follow) and
- ◆ Discussion with MPHA Board of Commissioners Chair Sharmarke Issa (left).





From MPHA's Emergency Action Plan: (Ka timid Hayadda Guryaha dhaadheer xukunta ee (MPHA) WAXAYNA Idiin soo gudbinaysaa qorshaha xaaladda degdega ah.)

Fire or Fire Alarm (Dabka ama qaylodhaan dab)

1. If you see a fire, or hear a fire alarm, leave your unit or area, close all doors and go to the nearest safe stairwell. (Haddii aad aragto dab, ama qaylo dhaan dab ee gurigaaga ka bax gurigaaga iyo na-waaxigiisaba adoo soo xiranaya kuna carar jaraan-jarta aad oran karto waa amaan.)
2. Take your keys with you. (Ogoow oo ha ilabin inaad furahaa guriga aad qoorta gashato)
3. Do not return for coats, purses, or other items. (Marnaba ha ku noqon gurigaaga oo ha is oran alaabo ka soo qaado sida dhar ama boors ama jaakad iwm.)
4. Remain calm. (Waligaa deganaan muuji.)
5. If you cannot go to the nearest stairwell because of fire, smoke, debris or other reasons, use the other stairwell. (Haddii ay dhacdo inaad awoodi wayso jaranjarada kuugu dhow sababo dab xoogleh awgii ama qiiq, ama firdhad ama jjabka ka hadha waxa burburay ama sababo kale waxaad isticmaashaashaa jaranjarooyinka kale.)
6. Pull the nearest fire alarm (may not be available in all buildings). (Soo dhufo aaladha qaylo dhaanka dabka waayo waxaa laga yaabaa inayan ku oolin hoolwayada guriga aad degan tahay hadayse ku taalo isticmaal.)
7. Do not use the elevator. (Marnaba ha isticmaalin wiishashka kuriga xilliga uu dabku dhaco.)
8. When a fire alarm sounds, elevators will go to the first floor. If this happens, the doors will open on the first floor to allow you to exit. Elevators will not run again until released by the MPD. (Markuu dhawaaqo qaylo dhaanka dabka ogaada dhamaan wiishashka oo dhan waxay aadayaa hoos iyadoo ay furnaandoonaan inata uu qaylodhaanka dabku uu qaylinayowiihashkuna dib uma ay shaqaynayaan ila ay qolada gurmada fasaxaan.)
9. If you cannot walk to the ground floor, walk down at least two flights of stairs, re-enter the building and wait for help from the MPHA or other emergency responders. (Haddii aadan u socon ksrin dhulka hoose waxaad isku daydaa inaad u dhaadhacdo ugu yaraan laba jaraanjaro isla guriga aad degantahay si aad halkaa ugu sugto gurmada degdega ah ee shaqada haya ama shaqaalaha hayadda guryaha dhaadheer ee (MPHA).)

10. Walk in an orderly manner, and do not run by people in front of you. (Waxaad u socotaa hadba sida uu qodfka kale ee guriga kula degan uu kaaga horeeyay oo ha isku dayin inaad ka hor cararto.)
11. Use handrails. (Markaad jaranjarada isticmaalayso isticmaal gacanka birta ah ee jaranjarada ku taala ogowna inaad had iyo goor jaranjarada ka isticmaasho hal dhinac.)
12. Keep to the side of the stairwell. (Ogow waligaa inaad jaranjarada hal dhinac ka isticmaasho.)
13. Keep talking to a minimum. (Mar walba hadalkaada ha yaraado.)
14. If someone has not already called, use the guard entry phone in the foyer to call 911 to report the fire. (Haduusan qofna ku soo wicin waxaad isticmaashaa waardiyaha meesha uu fariisto taleeohoonka ku yaala ama waxaad wacan kartaa tale degdega ee 911)
15. After you call 911, call Work Orders at 612-342-1585 to report the fire. (Ka dib markaad wacdo waxaad waliba wacdaa xafiiska hayadda guryaha (MPHA) degdega (work order).)
16. Exit the building. (Ka bax guriga sida ugu dhaqsiiyaha badan.)
17. Inform emergency responders of persons with walkers, wheelchairs, or canes or who may need assistance. (Gaarsii dadka u soo gurmaday inay caawiyaan dadka waayeel ah ee aan awoodin inay cararaan kuwaasoo inta badan isticmaala qalabka curyaanka ama qalabka indho laanta.)
18. Stay out of the way of emergency responders on the stairs, hallways and elevators. (Ka fogoww jidarka loogu talo galay gargaarka degdega ah.)
19. Do not try to fight the fire if it risks your safety. (Waligaa ha isku dayin inaad la dagaalanto dabka haddii uu dabku nafsadaada wax u dhimayo.)
20. If you are in heavy smoke, cover your face and crawl to escape. There is more oxygen near the floor. (Haddii aad tahay ruux aad u caba sigaarka waa inaad afka daboolataa afka adoo isticmaalaya maro waayo qiiqo aad buu kuugu daran yahay.)
21. Listen and follow instructions. (Dhagaysiga badi adoo raacaya wixii markaa lagu faro.)
22. Do not return to your unit or building until emergency responders say it is safe to return. (Marbnaba ha isku dayin inaad ku noqoto gurigaagii ilaa amar danbe ay amraan ciidanka dabadamiska ee u soo gurmaday inay dabka xakameeyaan.)



Residents! Sign up now to share your heritage & pride at MHRC cultural celebrations in February!

MHRC's Diversity Committee is planning its annual cultural celebrations which will be held as part of the Area meetings in February. If you or a resident you know is willing to share your/their cultural heritage through music, singing, dance, storytelling, poetry or art, or maybe a cultural display, we want to hear from you!

The celebrations are tentatively planned for February 12 at 1815 Central Ave NE (for North & Northeast residents) and February 13 at 115 W. 31st St. (for Southeast & Southwest residents), both starting at 1:30 p.m.

February is fast approaching so please contact John Stumme at the MHRC right away at (612) 342-1331 or send him an email: jstumme@mplshighrise.org. Thank you!

Karaoke Christmas PARTY

Join Us!

Friday, December 13, 2019
Cora McCorvey Health and Wellness Center
1015 4th Ave. N

Doors open at 12:30 p.m.

Show starts at 1:30 p.m.

**LIVE PERFORMANCE BY
ALIVE & KICKIN!**

This event is FREE and open to the public!



The Highrise Lowdown is a publication of the Minneapolis Highrise Representative Council, 1015 4th Ave. N., Mpls., MN 55405 (612) 342-1330. The Lowdown will print reader responses as space permits; we reserve the right to edit all submissions.



Catch the holiday spirit at the December Area Meetings!

Join others in your area for this special Area Meeting featuring:

- ♦ Sharing of highlights of resident council meetings or events from the past year;
- ♦ Holiday fun and games;
- ♦ Great holiday refreshments and even better company!

North/Northeast residents meet

Wednesday, December 11, 1:30 p.m.
1015 4th Ave. N.

South/Southeast residents meet

Thursday, December 12, 1:30 p.m.
Cedars Pavilion (630 Cedar Ave. S.)



(last year's holiday event)



Support the victims of the 630 Cedar fire. Free-will cash or check donations will be collected and given to the fire victims' fund sponsored by the People's Center.



This Month's Events

Thursday, December 5, 9:30 a.m.: MHRC Executive Committee meets at 1015 4th Ave. N.

Wednesday, December 11, 1:30 p.m.: N/NE Area meeting/holiday celebration at 1015 4th Ave. N.

Thursday, December 12, 1:30 p.m.: SE/SW Area meeting/holiday celebration at Cedars Pavilion (630 Cedar Ave. S.)

Friday, December 13, 12:30 p.m.: Karaoke Christmas Party at 1015 4th Ave. N.

Wednesday, December 18, 12:00 p.m.: Resident Advisory Board meets at 1001 Washington Ave. N.; **1:30 p.m.:** MPHA Board of Commissioners meet.