NOTICE AND AGENDA

January 22, 2020

THE ANNUAL 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 December 18, 2019
- Election of Officers

RESIDENT ADVISORY BOARD – RAB Chairperson Comments

EXECUTIVE DIRECTOR'S UPDATE

DISCUSSION:

1. Meeting Schedule for 2020 Board of Commissioners Meetings (Tracey Scott, Interim Executive Director/CEO)
2. Waiver of Board of Commissioners Approval for 630 Cedar Water Mitigation, Cleaning and Damage Repair Expenses (Tim Gaetz, Assistant Director of Operations)

RESOLUTION:

3. Joint Powers Agreement with the Metropolitan Council (Kyle Hanson, Director - HCV & Human Services)
4. Elliot Twins RAD Conversion – Ratification of Formation of MPHA Hold. Co., MPHA Dev. Co., and MPHA Property Mgmt. Co.

RECEIVE AND FILE:

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

Next Regular Meeting: **Wednesday, February 26, 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

December 18, 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 December 18, 2019, at 1001 Washington Avenue North, Minneapolis, Minnesota, the date, time, and place established for the holding of such meeting.

The Chair asked for a moment of silence for the MPHA residents who tragically lost their lives in the 630 Cedar fire and for those who were injured.

Roll Call:

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

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

The following members of the Board were absent:

Faith Xiong	Commissioner

The following others were also present:

Tracey Scott	Interim Executive Director / CEO

The Chair declared the presence of a quorum.

Approval of Agenda:

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

Approval of Minutes:

The Minutes of the Regular Meeting of November 20, 2019, were presented for approval. Commissioner Letofsky moved the minutes be accepted as presented. The motion was seconded by

Commissioner Isse. Upon a voice vote, the Chair declared the motion carried.

Executive Director's Update:

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

Federal Budget

- The federal budget was passed, and the President will hopefully sign it into law by Friday, December 20th.

HUD

- As reported in November, HUD attempted to unilaterally change the Annual Contribution Contract (ACC) from a contract to a grant. The ACC is the contract through which we obtain our funding through HUD. The industry groups (CLPHA, NAHRO and PHADA) approached Congress concerning the contract language. Congress agreed with the industry groups, and the 2020 Appropriations Bill includes language that informs HUD that they cannot unilaterally change a contract into a grant. As a result, the ACC remains a contract.

Fire at 630 Cedar

- An article published in the Star Tribune Sunday's paper, titled "After Minneapolis Public Housing fire, lack of federal funding comes to light" about MPHA's capital needs, gave a very accessible way for the public to understand the chronic underfunding we are experiencing and the constant necessity to make very difficult and tough choices. On December 18, 2019, Senators Smith and Klobuchar introduced in the Senate a bill called "Public Housing Fire Safety Act of 2019". If passed, there will be $25 million for the next five years for public housing authorities to apply for funding, specifically for installation of fire sprinklers. It was endorsed by a number of industry organizations including CLPHA and NAHRO. The Senators will continue to move that bill forward in the next session of Congress.

Letter to Minneapolis Star Tribune

- The Interim Executive Director read the following statement/letter that was sent to the Star Tribune regarding the 630 Cedar fire:

  "Three weeks have passed since a tragic, unprecedented fire at one of the housing authority's buildings. In that time, MPHA staff and residents have joined the families and community in grieving the friends we lost and absorbing the shock of this event. We wish to express our deepest thanks to a community who stepped forward with both compassion and action.

  Our gratitude begins with the Minneapolis Fire and Police Departments, who bravely confronted the fire in those early morning hours. The Red Cross, Volunteers of America, and Korean Service

Center were on the scene immediately and have continued to provide comfort and resources to residents. The People's Center and others rallied an extraordinary fundraising effort. The faith and business communities provide a bedrock of emotional, spiritual, and material support, including the Dar Al Hijrah Islamic Center, Darul Quba Cultural Center, ICNA Relief, and Somali North American Business Professionals. Finally, we thank our local U.S. Department of Housing and Urban Development office and those Minnesota leaders who offered immediate support, and who remain engaged with the essential conversation about the city's public housing: Mayor Jacob Frey, Council Member Abdi Warsame, Rep. Mohamud Noor, Sen. Kari Dziedzic, U.S. Rep. Ilhan Omar, and U.S. Senators Tina Smith and Amy Klobuchar.

The community's inspiring response has shown its strength through a time of great sadness. To these and many more than we could name here, thank you."

Comments by Chair Issa

Resident Outreach and Engagement

- The Chair commented that there have been questions concerning MPHA's resident outreach and engagement. Therefore, the board has requested that staff prepare a report on the current state of MPHA's resident outreach and engagement activities.

Search Committee

- The Chair reported the search for a new Executive Director is ongoing and that the Committee meets bi-weekly via telephone conference. The Committee plans to review the candidates' applications in early January.

Item No. 1: Write-Off of Delinquent Accounts for former Public Housing Tenants

After a brief presentation by staff and discussion, Commissioner Mohamud moved approval of the recommendation set forth in the Report. Commissioner Letofsky seconded the motion. Upon a voice vote, the Chair declared the motion carried. [See Document No. 2019-44]

Item No. 2: MPHA 2020 Budget

After a presentation by staff and discussion, Commissioner Rosenbaum moved approval of the recommendation set forth in the Report along with the corresponding Resolution attached thereto. Commissioner Mohamud seconded the motion. During discussion, Commissioner Wetjen, commented, that there's an opportunity for MPHA to participate a little more aggressively in creating new developments and new units (outside of RAD), without being the sole developer, by working with non-profits developers and develop more through project base units. Upon a roll call vote, eight Commissioners voted "aye" (Commissioners Beckmen, Brennan, Isse, Letofsky, Mohamud, Rosenbaum, Wetjen, and Chair Issa) and no Commissioner voted "nay". The Chair declared the motion carried. [See Document No. 2019-45] [See Resolution No. 19-192]

Item No. 3: Changes to the Low-Income Public Housing Statement of Policies

After a presentation by staff and discussion, Commissioner Mohamud moved approval of the recommendation set forth in the Report along with the corresponding Resolution attached thereto. Commissioner Letofsky seconded the motion. Upon a roll call vote, eight Commissioners voted "aye" (Commissioners Beckmen, Brennan, Isse, Letofsky, Mohamud, Rosenbaum, Wetjen, and Chair Issa) and no Commissioner voted "nay". The Chair declared the motion carried. [See Document No. 2019-46] [See Resolution No. 19-193]

Receive and File Items:

The following items were received and filed by the Board:

- The Monthly Performance Report for November 2019. [See Document No. 2019-47]

Adjournment:

There being no further business to come before the meeting, and upon a motion duly made and seconded, the meeting was adjourned at 2:08 p.m.

_____
Secretary of the Board of Commissioners

_____
Date These Minutes Approved

January 22, 2020

REPORT TO THE COMMISSIONERS Agenda Item 1

FROM: Tracey Scott, Interim Executive Director / CEO

SUBJECT: Meeting Schedule for 2020 Board Meetings

Previous Directives: The Board of Commissioners adopted bylaws which provide that the Board adopts its annual meeting schedule at the first meeting held each year.

Resident Council Review/Recommendations: Not Applicable.

Budget Impact: Not Applicable

Affirmative Action Compliance: Not Applicable

Procurement Review: Not Applicable

RECOMMENDATION: It is recommended that the Board of Commissioners approve the regular meeting schedule for 2020 as presented below

The following is the proposed schedule for regular meetings of the Minneapolis Public Housing Authority Board of Commissioners for the year 2020. Unless other duly noticed, all meetings will be held at 1001 Washington Avenue North, Minneapolis, Minnesota, at 1:30 p.m.

Wednesday, January 22, 2020 (Annual)
Wednesday, February 26, 2020
Wednesday, March 25, 2020
Wednesday, April 22, 2020
Wednesday, May 27, 2020
Wednesday, June 24, 2020
Wednesday, July 22, 2020
Wednesday, August 26, 2020
Wednesday, September 23, 2020
Wednesday, October 28, 2020
Wednesday, November 18, 2020 (third Wednesday)
Wednesday, December 16, 2020 (third Wednesday)

Please note that the meetings are held on the Fourth Wednesday of each month with the exceptions of November and December, which will be held on the third Wednesday of November and December because of the holidays.

This Report was prepared by Paula Sotelo. For further information, please call Tracey Scott at 612-342-1517 or tscott@mplspha.org.

January 22, 2020

REPORT TO THE COMMISSIONERS Agenda Item 2

FROM: Tracey Scott, Interim Executive Director

SUBJECT: Waiver of Board of Commissioners Approval for 630 Cedar Water Mitigation, Cleaning and Damage Repair Expenses

Resident Council Review/Recommendation: This matter will be discussed with the Resident Advisory Board (RAB) immediately prior to the Board's January 2020 meeting.

Budget Impact: With the exception of MPHA's $50,000 deductible, expenses will be reimbursed by our insurance carrier, Housing Authority Insurance Group (HAI).

Affirmative Action Compliance: Contractors used for mitigation, cleaning and damage repair will sign an Equal Employment Opportunity/Affirmative Action Policy Statement. MPHA will monitor compliance.

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

RECOMMENDATION: It is recommended that the Board of Commissioners waive the requirement for board approval of contracts and expenditures that exceed $500,000 for the purpose of water mitigation, cleaning, damage repair or other related and reimbursable expenses that arise from the incident at 630 Cedar Ave on November 27, 2019. These expenses, with the exception of a $50,000 deductible, will be reimbursed to MPHA by its insurance carrier, Housing Authority Insurance Group.

MPHA is seeking the Board of Commissioners' approval to waive the requirement for board approval for contracts and expenditures exceeding $500,000 that arise from the accidental fire that occurred at 630 Cedar Avenue on November 27, 2019. With the exception of MPHA's $50,000 deductible, expenses will be reimbursed by our insurance carrier, Housing Authority Insurance Group (HAI).

For example, the vendor 24 Restore was immediately hired to mitigate water and soot damages and to clean the 25-story structure. Air filtering devices, fans, and de-humidifiers were deployed throughout the building and a large maintenance force cleaned all walls, floors, doorframes, light fixtures, sills, ledges, ceilings, and hard surfaces in hallways, stairwells, apartments and public spaces. To date, 24 Restore has invoiced MPHA $1,200,000 for these services. HAI has thus far remitted $750,000, to MPHA for payment

and is reviewing outstanding invoices. MPHA believes that other vendor costs may also exceed the amount requiring board approval.

HAI – with their team of adjusters and experts in water mitigation, construction and other specialties necessary to return the building to pre-fire conditions – reviews invoices, negotiates rates with vendors and will assure fair pricing. Because of HAI's expertise in these areas and the necessity to quickly restore the building and damaged units to habitable conditions, MPHA may also request a non-competitive bid waiver through the local HUD field office. If granted, the HUD waiver would only apply to the competitive nature of selecting the vendor. Prevailing wage and Section 3 requirements would still apply to these activities.

This report was prepared by Timothy Gaetz, Assistant Director of Operations. For further information, please contact Mr. Gaetz at (612) 342-1226 or tgaetz@mplspha.org.

January 22, 2020 Agenda Item 3

REPORT TO THE COMMISSIONERS

FROM: Tracey Scott, Interim Executive Director/CEO

SUBJECT: Joint Powers Agreement between the Metropolitan Council and MPHA

Previous Directives: None

Resident Council Review/Recommendations: This matter will be discussed with the Resident Advisory Board (RAB) immediately prior to the Board's January 2020 Meeting.

Resident Notification: The Metropolitan Council HRA will notify its participants that initially nothing will change and will meet with them in a briefing meeting and one on one to explain the transition as soon as the agreement with MPHA is signed.

Budget Impact: None, but longer term, MPHA will save significant staff time.

Procurement Review: Not applicable.

Recommendation: It is recommended that the Board of Commissioners approve the Joint Exercise of Powers Agreement between the Minneapolis Public Housing Authority and the Metropolitan Council HRA for Metro HRA to administer Section 8 HCV assistance for 87 households that are located in Minneapolis and are transitioning from the Continuum of Care program to the Section 8 HCV program.

The Metropolitan Council HRA (Metro HRA) made a decision in partnership with HUD and the Continuums of Care to reallocate the Continuum of Care program back to the Continuums and transition the rental assistance component of the Continuum of Care program to the federal Section 8 Housing Choice Voucher ("HCV") program. Eighty-seven households residing in Minneapolis would be subject to this change.

To accomplish this transition in a manner that is least disruptive to the households and permits the Metro HRA and MPHA to efficiently administer their respective Section 8 HCV programs, MPHA and Metro HRA believe it is in the best interests of the participants for Metro HRA to administer Section 8 HCV assistance for these 87 households located in Minneapolis.

While Metro HRA administers federal Section 8 HCV program assistance, it does not administer Section 8 HCV assistance in Minneapolis because, under Minnesota Statutes, section 473.195, subdivision 1, the Council cannot administer Section 8 assistance in Minneapolis unless the Council enters into a joint or other cooperative agreement with the MPHA for the administration of Section 8 assistance in

Minneapolis. The Council and MPHA are "governmental units" under Minnesota Statutes, section 471.59, subdivision 1, and are authorized under section 471.59, subdivisions 1 and 10, to enter into a joint powers agreement under which they can perform on behalf of the other services or functions they are authorized to provide for themselves.

A copy of the recommended Board Resolution is attached to this report.

This report was prepared by Kyle Hanson, Director of HCV and Human Services. For further information, please contact Mr. Hanson at (612) 342-1420 or khanson@mplspha.org.

PROPOSED

MPHA Resolution No. 20-194 Council Agreement No. _____

JOINT EXERCISE OF POWERS AGREEMENT

BETWEEN THE METROPOLITAN COUNCIL AND THE MINNEAPOLIS PUBLIC HOUSING AUTHORITY FOR THE

ADMINISTRATION OF SECTION 8 HOUSING CHOICE VOUCHER PROGRAM ASSISTANCE IN THE CITY OF MINNEAPOLIS

THIS AGREEMENT ("Agreement") is between the Minneapolis Public Housing Authority (the "MPHA") and the Metropolitan Council (the "Council").

WHEREAS, the Council receives grant funding from the U.S. Department of Housing and Urban Development ("HUD") under the federal Continuum of Care program and, through its Metro HRA unit, administers the tenant-based rental assistance component of the Continuum of Care program for 87 households living in Minneapolis; and

WHEREAS, Metro HRA made a decision in partnership with HUD and the Continuums of Care to reallocate the Continuum of Care program back to the Continuums and transition the rental assistance component of the Continuum of Care program to the federal Section 8 Housing Choice Voucher ("HCV") program effective the end of the Continuum of Care grant terms expiring April 30, 2020 and May 31, 2020; and

WHEREAS, Metro HRA will transition the program participants from the Continuum of Care program to the federal Section 8 HCV program to ensure continued rent assistance to current program participants; and

WHEREAS, the MPHA administers a federal Section 8 HCV program in Minneapolis; and

WHEREAS, Metro HRA administers federal Section 8 HCV program assistance for households in Anoka, Carver, and most of suburban Hennepin and Ramsey counties, but does not administer Section 8 HCV assistance in Minneapolis because, under Minnesota Statutes, section 473.195, subdivision 1, the Council cannot administer Section 8 assistance in Minneapolis unless the Council enters into a joint or other cooperative agreement with the MPHA for the administration of Section 8 assistance in Minneapolis; and

WHEREAS, the MPHA and the Council believe it is in the best interests of the 87 households for Metro HRA to administer Section 8 HCV assistance for these 87 households so the transition from the Continuum of Care program to the Section 8 HCV program can be accomplished in a manner that is least disruptive to the households and permits the Council and the MPHA to efficiently administer their respective Section 8 HCV programs; and

WHEREAS, the Council and the MPHA are "governmental units" under Minnesota Statutes, section 471.59, subdivision 1, and are authorized under section 471.59, subdivisions 1 and 10, to enter into a joint powers agreement under which they can perform on behalf of the other services or functions they are authorized to provide for themselves; and

WHEREAS, the Board of Commissioners of the Minneapolis Public Housing Authority approved this Agreement by action at its _____, 2020 meeting (Resolution No. _____) and the governing body of the Metropolitan Council approved this Agreement by action at its _____, 2020 meeting (Business Item No. 2020-___).

NOW, THEREFORE, the MPHA and the Council agree as follows:

I. PURPOSE

1.01 Purpose. The purpose of this Agreement is to: (1) authorize the Council to administer Section 8 HCV assistance in the City of Minneapolis subject to the terms and conditions in this Agreement; and (2) establish a framework for transitioning the 87 "Participant Households" from rental assistance under the Continuum of Care program to rental assistance under the federal Section 8 HCV program in a manner that is least disruptive to the Participant Households.

II. DEFINITIONS

2.01 Definitions. For the purposes of this Agreement, the following terms have the meanings ascribed to them in this section, unless otherwise indicated by the context:

(a) "*Absorbed*" means the point at which a receiving Public Housing Agency ("PHA") starts making assistance payments on behalf of an eligible Section 8 HCV household with funding under its consolidated Annual Contributions Contract with HUD.

(b) "*Administrative Plan*" means the written administrative plan required under federal regulations (24 C.F.R. § 982.54) that establishes a PHA's policies for the administration of its Section 8 HCV program. The Administrative Plan may be amended from time to time.

(c) "*Continuum of Care program*" means the federal Continuum of Care program authorized under Subtitle C of Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. §§ 11381-11389), as amended, and its implementing regulations (24 C.F.R. Part 587).

(d) "*Effective Date*" means the date this Agreement has been fully executed by both Parties' authorized representatives.

(e) "*Participant Households*" means the 87 households in Minneapolis who are receiving rental assistance from the Council under the federal Continuum of Care program as of the Effective Date of this Agreement. Participant Households does not include any households other than these 87 Participant Households. A Participant Household no longer qualifies as a Participant Household when the Participant Household: (1) moves from the dwelling unit the household occupied as of the Effective Date; or (2) becomes ineligible for Section 8 HCV assistance. If a Participant Household vacates the dwelling unit the household occupied as of the Effective Date and moves into a different dwelling unit in the same building or a different dwelling unit in the same apartment complex, that household no longer qualifies as a "Participant Household" under the terms of this Agreement.

(f) "*Portability*" means the statutory and regulatory provisions (24 C.F.R. § 982.355) under which a person or family moves (in accordance with 24 C.F.R. § 982.353(b)) to an area

outside the "initial" PHA jurisdiction and whose Section 8 HCV assistance is administered by the "receiving" PHA if a PHA with a Section 8 HCV program has jurisdiction in the area where the unit is located. For the purposes of this Agreement and portability, a Participant Household will be considered to have moved to an area outside the "initial " PHA jurisdiction, if the Participant Household moves from the dwelling unit the Participant Household occupied as of the Effective Date of this Agreement to either another dwelling unit located in Minneapolis, or to a dwelling unit located outside of Minneapolis. If a Participant Household vacates the dwelling unit the household occupied as of the Effective Date and moves into a different dwelling unit in the same building or a different dwelling unit in the same apartment complex, that move will be covered by the portability provisions of this Agreement.

III. TERM, EXPIRATION, AND TERMINATION

3.01 Term. This Agreement is effective on the Effective Date.

3.02 Expiration. Unless this Agreement is terminated earlier under Section 3.03, this Agreement and the Council's authority to administer Section 8 HCV assistance in Minneapolis will expire on the date when no Participant Households are receiving Section 8 HCV assistance from the Council under the terms of this Agreement.

3.03 Termination. This Agreement may be terminated or rescinded by either Party for any reason upon 90 days' written notice to the other Party.

IV. EXERCISE OF POWERS

4.01 Implementation. The MPHA and the Council intend to implement this transition in a manner that is least disruptive to the Participant Households and that allows the MPHA and the Council to efficiently administer their respective Section 8 HCV programs.

(a) ***Council Responsibilities*.** To accomplish this transition the Council will:

(1) in consultation with the MPHA, develop a plan for informing the Participant Households and their landlords about the transition to Section 8 HCV assistance;

(2) process Participant Household applications for Section 8 HCV assistance and determine Participant Household eligibility for Section 8 HCV assistance for the dwelling units the Participant Households occupied as of the Effective Date;

(3) conduct inspections in accordance with HUD Housing Quality Standards;

(4) enter into Housing Assistance Payment contracts with the owners or property managers of the dwelling units occupied by the Participant Households as of the Effective Date;

(5) administer Section 8 HCV assistance for Participant Households in accordance with the Council's HCV Administrative Plan; and

(6) notify the MPHA when no Participant Households are receiving Section 8 HCV assistance through Metro HRA at the dwelling units the Participant Households occupied as of the Effective Date of this Agreement.

(b) ***MPHA Responsibilities*.** To accomplish this transition the MPHA will:

(1) timely notify Metro HRA if it intends to absorb any Participant Households (while the Participant Households are living in their current dwelling units) into the MPHA's Section 8 HCV program through potability or otherwise; and

(2) provide Section 8 HCV assistance to an eligible Participant Household on a portability basis if the Participant Household chooses to move to a different eligible dwelling unit in Minneapolis for which the MPHA can approve the household's tenancy.

4.02 No Obligation to Absorb. Unless this Agreement is terminated or rescinded under Section 3.03, the MPHA is not obligated to absorb any Participant Household into the MPHA's Section 8 HCV program while the Participant Household lives in the dwelling unit the Participant Household occupied as of the Effective Date.

4.03 Collaborative Efforts. On an as-needed basis, or as requested by a Party, the Parties will confer with each other on the status and implementation of the transition and Metro HRA's administration of Section 8 HCV assistance for the Participant Households.

4.04 No Disbursement of Funds. Neither Party will disburse any fees or other funds to the other Party under this Agreement. The MPHA and the Council will be responsible for their own costs and expenses and will not be responsible for the other Party's costs and expenses.

V. GENERAL PROVISIONS

5.01 Amendments. This Agreement may be amended by written agreement signed by the Parties' duly authorized signatories. Any substantive amendments to this Agreement must be approved by action of the Council's governing body and action of the Board of Commissioners of the Minneapolis Public Housing Authority.

5.02 Authorized Representatives. For the purposes of administering this Agreement and receiving notices relating to this Agreement, the Parties' authorized representatives (or their successors) are:

For the Metropolitan Council:	For the Minneapolis Public Housing Authority:
Terri Smith, Director Metro HRA 390 Robert Street North Saint Paul, Minnesota 55101 terri.smith@metc.state.mn.us	Tracey Scott, Interim Executive Director 1001 Washington Avenue North Minneapolis, Minnesota 55401 tscott@mplspha.org

If the Council or the MPHA designate different authorized representatives the Council and the MPHA will notify the other Party about the designation. The authorized representatives may not

execute amendments to this Agreement unless their respective governing bodies or their respective administrative policies and procedures authorize them to execute amendments.

5.03 Government Data. Data on Participant Households, including their home addresses, are classified as private data on individuals under Minnesota Statutes, section 13.462, subdivisions 1 and 3. Data on Participant Households that may be shared by the Parties under this Agreement will be administered consistent with Minnesota Statutes chapter 13, and other applicable state and federal laws and regulations.

5.04 Liability. Pursuant to Minnesota Statutes, section 471.59, subdivision 1a, the Council and the MPHA will be responsible for their own acts and omissions and the results of those acts or omissions. Neither the Council nor the MPHA waives any tort liability limitations conferred on them by Minnesota Statutes, sections 466.04, or 471.59, subdivision 1a, or any other liability limitations or immunities conferred on them by state or federal law.

IN WITNESS WHEREOF, the MPHA and the Council have caused this Agreement to be executed by their duly authorized signatories.

MINNEAPOLIS PUBLIC HOUSING AUTHORITY

By: _____
Tracey Scott
Interim Executive Director

Date: _____

METROPOLITAN COUNCIL

By: _____
LisaBeth Barajas, Director
Community Development

Date: _____

January 22, 2020 Agenda Item 4

REPORT TO THE COMMISSIONERS OF MPHA

FROM: Tracey Scott, Interim Executive Director / CEO

SUBJECT: Elliot Twins RAD Conversion - Ratification of Formation of MPHA Hold. Co., MPHA Dev. Co. and MPHA Property Mgmt. Co.

Previous Directives: The Board of Commissioners approved application for RAD conversion at Elliot Twins on August 22, 2018.

Resident Council Review / Recommendations: This matter will be discussed with the Resident Advisory Board (RAB) immediately prior to the Board's January 22, 2020 meeting.

Budget Impact: None.

Affirmative Action Compliance: Not Applicable.

Procurement Review: Not Applicable.

RECOMMENDATION: It is recommended that the Board of Commissioners ratify the formations of MPHA Hold. Co., MPHA Dev. Co. and MPHA Property Mgmt. Co., each and every one a nonprofit corporation of which MPHA is its sole member.

The Elliot Twins' RAD conversion requires the formation of various corporate entities to effectuate the transfer from public housing subsidy to project based (housing choice) voucher subsidy under the RAD program, as well as to accomplish certain tax implications as contemplated by the low-income housing tax credit program. Three corporations need to be formed under Minnesota law to accomplish the conversion to RAD.

MPHA Hold. Co.

A nonprofit holding corporation, MPHA Hold. Co. was formed in accordance with Minnesota law on January 14, 2020. The formation of MPHA Hold Co., of which MPHA is its sole member, is required to effectuate tax benefits contemplated by the low-income housing tax credit program portion of this RAD transaction. All commissioners are automatically directors of this entity. There are no other directors, so governance is identical to that of MPHA. Officers of the corporation are automatic based on their roles at MPHA and include the Chair (same as MPHA), Vice-Chair (same as MPHA), Executive Director (same as MPHA) and Treasurer (Chief Financial Officer of MPHA). The Officers include MPHA personnel so that they can carry out the day to day operations of the corporation. MPHA Hold. Co. is a tax-

exempt 501 (c)(3) corporation, necessary to allow the election of accelerated tax depreciation of the development's improvements, which may be desirable to tax credit investors. MPHA Hold. Co. will be the holding company for all MPHA LIHTC projects, if any, in the future.

1. MPHA Hold. Co. in turn must form a "single purpose entity" or "SPE" that serves as a general partner in the Elliot Twins' ownership entity. This entity is called **Elliots, Mgmt. LLC**. Elliots, Mgmt. LLC will be the managing and general partner of **Elliots LP**, the acquiring entity of the Elliot Twins project.

2. MPHA Hold. Co. must also form **Elliots LP**, the limited partnership that will acquire the interest in the Elliot Twins Project. Elliots LP will consist of a General Partner (Elliots Mgmt. LLC) and a Limited Partner. MPHA will transfer a real estate interest in the form of a capitalized ground lease to Elliots LP as part of this RAD transaction.

See the attached diagram that evidences the corporate structure formation necessary to complete the Elliot Twins Project, specifically; and any future MPHA development project involving LIHTC, generally.

In addition, the conversion of the Elliot Twins to a RAD project and similar development projects require that MPHA account for services it performs on behalf of the development, specifically those related to development and property management, from the services it provides to other MPHA properties. The delineation is desirable to limit liability, if any, associated with the conversion of the property. In addition, the services performed by MPHA as developer and property manager will generate fees that may be accumulated and managed separately from subsidy payments and related restrictions. MPHA formed MPHA Dev. Co. and MPHA Property Mgmt. Co. to serve as developer and property manager respectively, at the Elliot Twins. These entities will serve MPHA as the developer and property manager in future developments as well, where it is desirable for MPHA to self-develop and manage.

MPHA Dev. Co.

MPHA Dev. Co. was formed as a Minnesota nonprofit corporation of which MPHA is its sole voting member. All commissioners of MPHA are automatically directors of this entity. There are no other directors, so governance is identical to that of MPHA. Officers of this corporation are automatic based on their roles at MPHA and include the Chair (same as MPHA), Vice-Chair (same as MPHA), Executive Director (same as MPHA) and Treasurer (Chief Financial Officer of MPHA).

MPHA Property Mgmt. Co.

MPHA Property Mgmt. Co. was formed as a Minnesota nonprofit corporation of which MPHA is its sole voting member. All commissioners of MPHA are automatically directors of this entity. There are no other directors, so governance is identical to that of MPHA. Officers of this corporation are automatic based on their roles at MPHA and include the Chair (same as MPHA), Vice-Chair (same as MPHA), Executive Director (same as MPHA) and Treasurer (Chief Financial Officer of MPHA).

Recommendation: MPHA recommends that the Board of Commissioners ratify the formation of MPHA Hold Co., MPHA Dev. Co. and MPHA Property Mgmt. Co. as necessary to accomplish the RAD conversion of the Elliot Twins as previously authorized.

RESOLUTION No. 20-195

WHEREAS, on August 22, 2018, the MPHA Board of Commissioners authorized MPHA's submission of an application to HUD for the RAD conversion of the Elliot Twins Project;

WHEREAS, that in order to effectuate the conversion, which includes a low-income housing tax credit component, various corporate entities need be formed;

WHEREAS, as part of the RAD transaction at the Elliot Twins Project, a nonprofit holding corporation, MPHA Hold. Co. was formed in accordance with Minnesota law on January 14, 2020. The formation of MPHA Hold Co., of which MPHA is its sole member, was required to effectuate tax benefits contemplated by the low-income housing tax credit program component of this RAD transaction.

WHEREAS, as MPHA is self-developing the Elliot Twins Project and may develop projects in the future, the creation of a separate developer entity was desirable so as to clearly delineate developer activities from those otherwise being conducted by MPHA; and therefore, MPHA Dev. Co., of which MPHA is its sole member, was formed in accordance with Minnesota law on January 14, 2020 to serve this purpose;

WHEREAS, as MPHA will be the managing entity at the Elliot Twins Project and other future development projects, it was desirable to form a management entity so as to clearly delineate property management activities from those otherwise being conducted by MPHA; and therefore, MPHA Property Mgmt. Co., of which MPHA is its sole member, was formed in accordance with Minnesota law on January 14, 2020 for this purpose.

NOW THEREFORE, BE IT RESOLVED, that the MPHA Board of Commissioners hereby ratifies the incorporation and formation of MPHA Hold. Co., MPHA Dev. Co., and MPHA Property Mgmt. Co. as nonprofit corporations formed in accordance with the laws of Minnesota, and approves all actions taken by MPHA personnel to incorporate and form these entities.

Monthly Performance Report

Minneapolis Public Housing Authority

Board of Commissioners

For the month ending December 31, 2019

Contents

1. Highlights and Updates
2. Financials – coming next month
   - The fiscal year 2019 financial close is in process. After the closing is completed, final results will be reported.
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 has been allocated $26.5 million in State of Minnesota housing preservation bonds for the Elliot Twins modernization.

This represents a major milestone, and a "first" for MPHA and the state: by undergoing a RAD conversion, MPHA could make a successful application for the state's largest pool of affordable housing bonds ("Housing Infrastructure Bonds"), which are otherwise unattainable for housing authorities. These bonds are essential to fund the most extensive modernization in MPHA's history, scheduled to break ground in June.

HUD has awarded MPHA $40,000 to offer additional Veterans Affairs Supportive Housing (VASH) vouchers in our community. MPHA currently serves nearly 300 veteran households through this program, in partnership with the Minneapolis VA. VASH vouchers can be tenant-based or project-based with other affordable housing partners.

MPHA said farewell and thank you to our long-time Manager of Leasing and Occupancy, Betty Battle. Betty has retired after serving MPHA and our community for 34 years, touching the lives of thousands of low-income families. We express our gratitude and wish her wish her well.

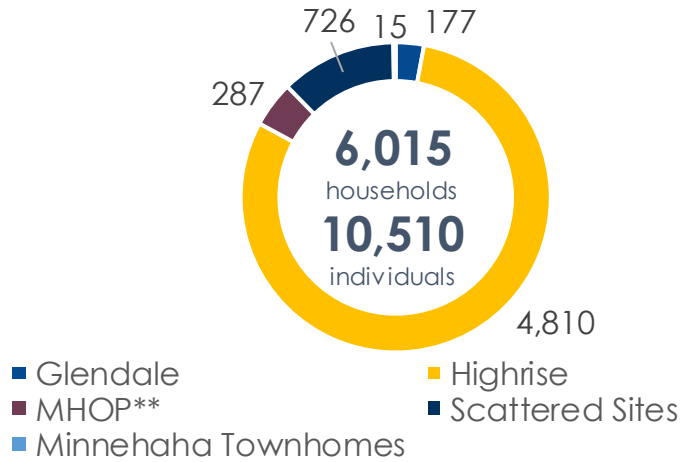
MPHA vehicles—and some of our residents—have been among those **targeted in recent months by thieves removing catalytic converters**. MPHA has had to remove 11 trucks from service, during difficult winter months, to make these considerable repairs. We credit our property staff for persevering through a difficult situation.

MPHA employees from across the city gathered for an all-agency potluck to celebrate another year of camaraderie and service to our mission.

We look forward to an exciting and transformative 2020 together.

Public Housing Programs

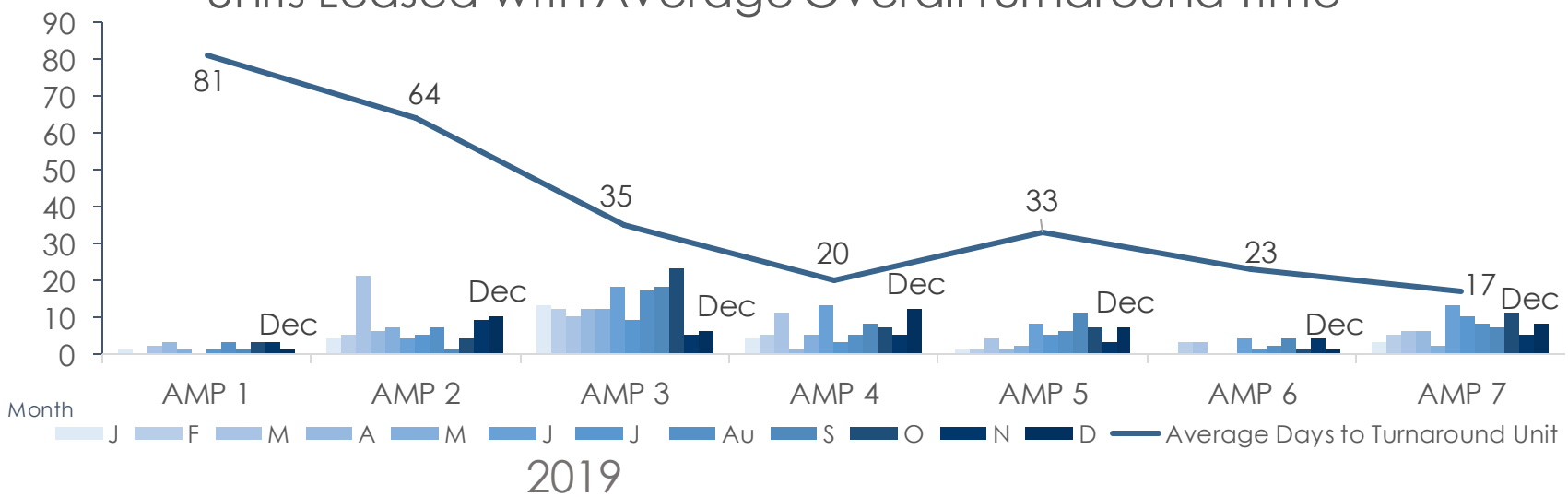
Occupied Units*



45
new units leased during month

98.1%
occupancy

Units Leased with Average Overall Turnaround Time***



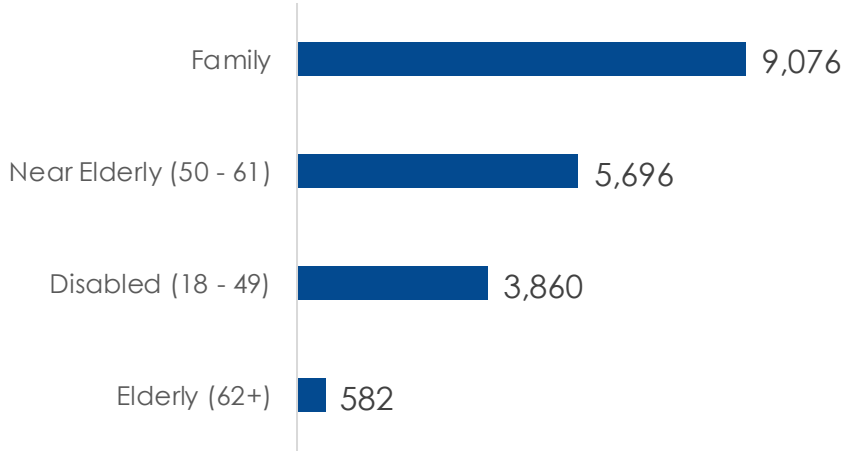
*At any given time, units may be vacant due to normal unit turnaround or because they are undergoing renovations.
**Metropolitan Housing Opportunities Program (Hollman consent decree units owned and operated by third-parties)
***Excluding unit transfers

December 2019

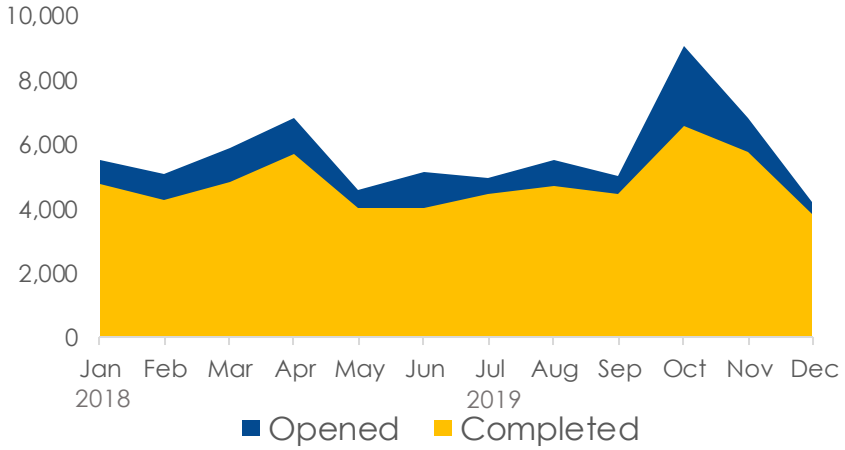
Public Housing Programs

Reason for Vacating Unit	Count
Death	10
Evicted - Non Payment	7
Moving Out of Town	4
Moving in with or closer to Family	2
Eviction - Other	1
Eviction - Refused Transfer	1
Received HCV voucher	1
Change in Family Composition	1
Illness	1
Dislikes Neighborhood	1
To Nursing Home	1
Dislike Unit	1
Skip	1
Mutual Agreement	1

Applicants on Waiting List



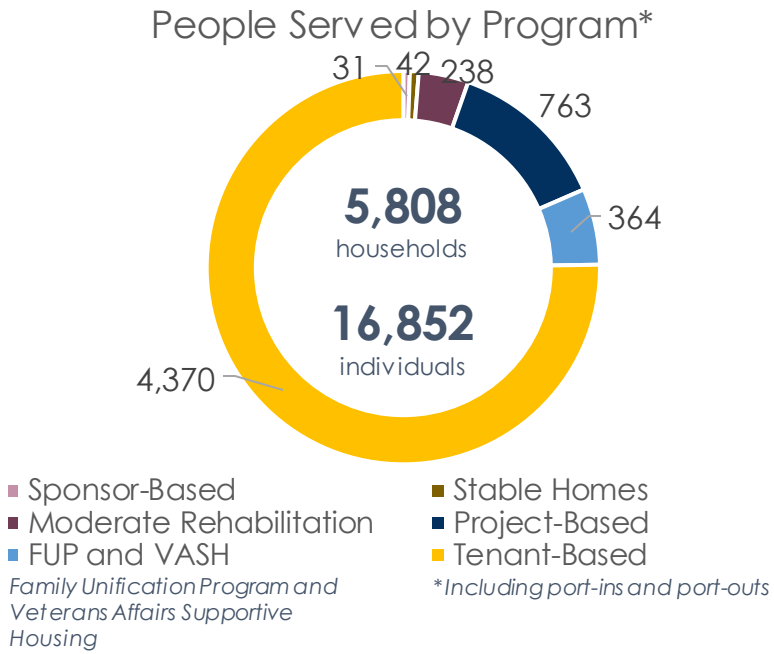
Work Orders Opened and Completed by Month

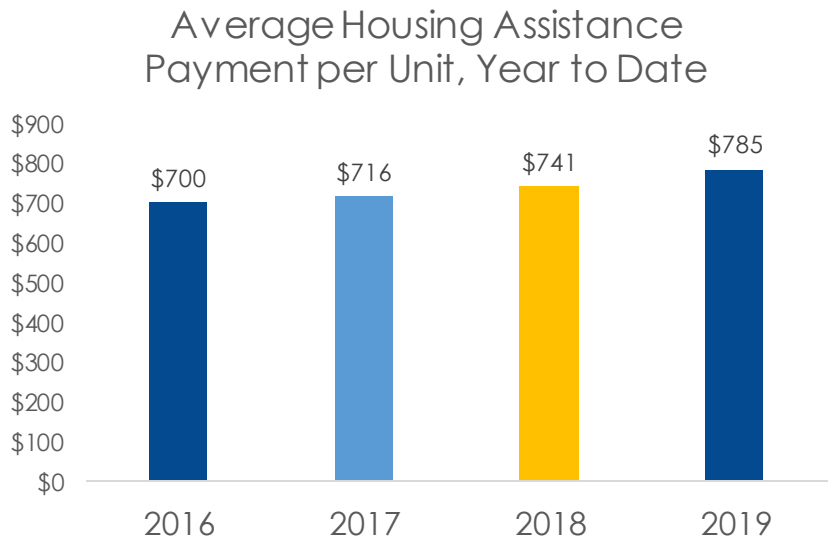


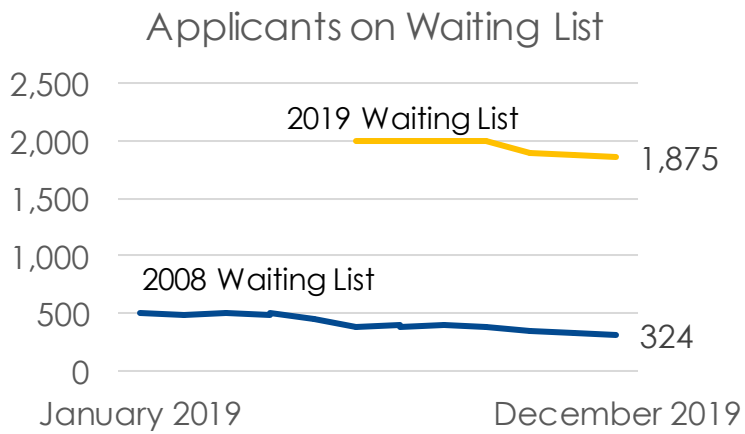
Goal	Total Completed	% Completed within Goal	Average Days Open
Emergency: 24 Hours	70	100%	0
Urgent: 1 Day	651	86%	3
After Hours Non-Emergency: 2 Days	7	71%	10
Important: 3 Days	729	74%	6
Routine: 10 Days	1,440	57%	24
Non-Routine: 20 Days	9	56%	120
Pest Control	929	100%	21

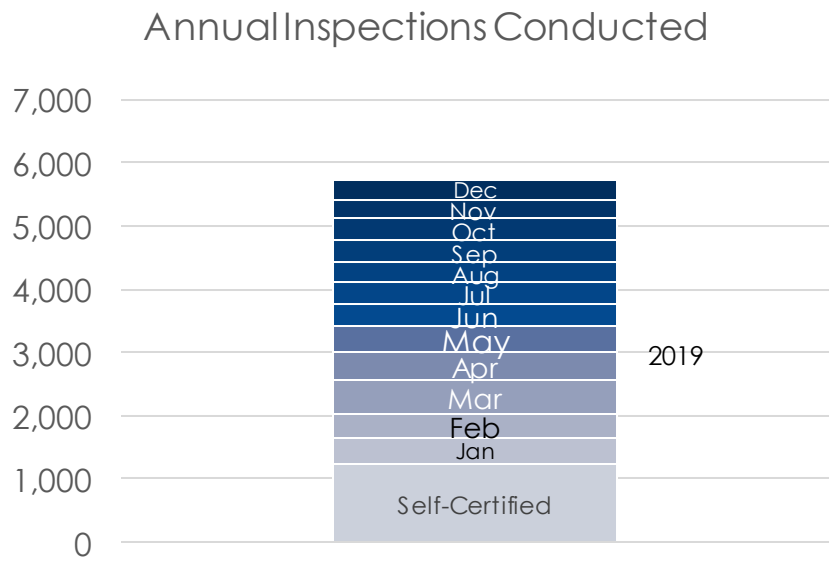
December 2019

Housing Choice Voucher Programs









December 2019

Building Improvement Projects - Planning

ADDRESS	DESCRIPTION OF WORK	STATUS
Glendale	Site lighting upgrades	Planning
Minnehaha Townhomes	Surveillance system installation	Planning
315 Lowry Avenue North	Site security upgrades	Planning
1314 44th Avenue North	Roof replacement	Planning
350 Van White Memorial Blvd	Corridor flooring replacement	Planning
Hiawatha Towers	HCPD accessible unit upgrades, common area improvements	Planning
High-rises – Various sites	HVAC systems replacement	Planning
1707 3rd Ave S	Generator & main electrical switch gear replacement	Planning
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 18th Avenue North	Window replacement, masonry repairs & HVAC systems replacement	Planning
1707 3rd Ave S/1611 S 6th St/2728 Franklin/Snellings	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

Building Improvement & Development Projects - Complete

ADDRESS	DESCRIPTION OF WORK	STATUS
901 4th Ave N	Generator replacement	Complete
Cedars Lowrises	Roof replacement	Complete

Elliot Twins RAD Conversion & Building Renovation

- **Tax exempt bond application was submitted to State of MN in early January**
- **Initial lender/investor negotiations concluding in January**
- 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: ~$25M
- 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

December 2019

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
- **Resident update meetings scheduled for:**
  - **January 25th and 28th**

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

Resident Notification & Meetings	MPHA Board Authorization to Apply	Submittal of Application to HUD	HUD Approval of Application	Resident Update	Debt Solicitation; Resident Engagement Regarding Unit Improvements	Closing on HUD approvals, PBV contracts; Tenants sign new lease	Initial Phase of Improvements
Jan-Feb 2019	Feb 2019	Mar 2019	Aug 2019	Sept 2019	Aug- Feb 2019	Mar 2020	Apr-Dec 2020

December 2019

Inquiry Response and Social Media

Dec. 2019

42

Formal inquiries received and addressed

(Channels include media, social media, and website contact forms)

MPHA on Facebook

Top Performing Post *(5,264 views)*

6

Posts for the Month

4,600 Followers

MPHA on Twitter

Top Performing Post *(893 views)*

7

Tweets for the Month

551 Followers