

COMMUNITY HOUSING RESOURCES

ANNUAL/SPECIAL BOARD OF DIRECTORS MEETING

NOTICE AND AGENDA

February 23, 2022

THE ANNUAL/SPECIAL MEETING OF THE COMMUNITY HOUSING RESOURCES (CHR) BOARD OF DIRECTORS WILL BE HELD IMMEDIATELY FOLLOWING ADJOURNMENT OF THE MPHA BOARD OF COMMISSIONERS ANNUAL/SPECIAL MEETING AT THE MCCORVEY CENTER

Directors:	Sharmarke Issa	Chair
	Abdi Warsame	Director and President
	Mikkel Beckmen	Director
	Andrea Brennan	Director
	Abdullahi Isse	Director
	Cara Letofsky	Director
	Tamir Mohamud	Director
	Hon. James Rosenbaum	Director
	Tessa Wetjen	Director
	Faith Xiong	Director

GENERAL:

- Roll Call
- Approval of Agenda
- Minutes of a Special Meeting of December 15, 2021
- Appointment of Vice President, Secretary and Chief Financial Officer

DISCUSSION:

1. Annual/Regular Meeting Schedule for the Community Housing Resources (CHR) Board of Directors (Abdi Warsame, President)

RECEIVE & FILE:

- MPHA Family Housing Expansion: Financing Update (Brian Schaffer, Assistant Director of P & D)

Next Meeting:

Wednesday, March 23, 2022
1001 Washington Avenue North
Minneapolis, MN 55401

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

COMMUNITY HOUSING RESOURCES

MINUTES OF A SPECIAL MEETING OF THE Community Housing Resources

December 15, 2021

The Board of Directors of the Community Housing Resources met in a special meeting at 2:05 p.m. on December 15, 2021, 2021 at the Cora McCorvey Health & Wellness Center, 1015 – 4th Avenue North, Minneapolis, Minnesota, the time, date, and place duly noticed for the holding of such meeting.

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

Sharmarke Issa	Chair
Andrea Brennan	Director
Abdullahi Isse	Director
Cara Letofsky	Director
Tamir Mohamud	Director
Hon. James Rosenbaum	Director
Abdi Warsame	Director and President
Tessa Wetjen	Director

The following members of the Board were absent:

Mikkel Beckman	Director
Faith Xiong	Director

The Chair declared the presence of a quorum.

Approval of the Agenda:

Director Brennan moved approval of the proposed agenda. The motion was seconded by Director Rosenbaum. Upon a voice eight Directors voted “aye” and no director voted “nay”. The Chair declared the motion carried.

Approval of the Minutes:

The minutes of a Special Meeting of June 23, 2021 were presented for approval. Director Brennan moved the minutes be accepted as presented. The motion was seconded by Director

Mohamud. Upon a voice vote eight Directors voted “aye” and no director voted “nay”. The Chair declared the motion carried.

Item One: Write-Off of Delinquent Accounts for Former CHR Tenants

After a brief presentation by staff and discussion, Director Wetjen moved approval of the recommendation set forth in the Report. Director Warsame seconded the motion. Upon a voice vote eight Directors voted “aye” and no director voted “nay”. The Chair declared the motion carried. [See Document No. 2021-05]

There being no further business to come before the Board, and upon a motion duly made and seconded, the meeting was adjourned at 2:09 p.m.

Secretary of the Board of Directors

Date these Minutes Approved

COMMUNITY HOUSING RESOURCES

February 23, 2022

Agenda Item 1

REPORT TO THE DIRECTORS

FROM: Abdi Warsame, President

SUBJECT: Annual/Regular Meeting Schedule for Community
Housing Resources (CHR) Board of Directors for 2022

The February 23, 2022, Special Meeting of the CHR Board of Directors shall be deemed as the annual meeting of the Board of Directors in accordance with the CHR by-laws. The remainder of the regular meetings and other meetings called will be duly noticed according to the CHR By-laws to the Board of Directors of CHR no less than three days before the date of the meeting, setting forth the time and place of the meeting.

The following is the proposed schedule for the regular meetings of the CHR Board of Directors for the year 2022. Unless otherwise noticed, the meetings will be held at 1001 Washington Avenue North, Minneapolis, Minnesota, immediately following the adjournment of the Minneapolis Public Housing Authority Board of Commissioners meeting:

Wednesday, January 26, 2022 (cancelled)
Wednesday, February 23, 2022 (annual)
Wednesday, March 23, 2022
Wednesday, April 27, 2022
Wednesday, May 25, 2022
Wednesday, June 22, 2022
Wednesday, July 27, 2022
Wednesday, August 24, 2022
Wednesday, September 28, 2022
Wednesday, October 26, 2022
Wednesday, November 16, 2022
Wednesday, December 21, 2022

It is recommended that the Board of Directors declare the February 23, 2022, meeting the annual meeting of the CHR Board of Directors and that the regular and other meetings of the CHR Board of Directors be duly noticed no less than three days before the date of the meeting as noted above.

This report was prepared by Abdi Warsame. For further information please call 612-342-1439.

COMMUNITY HOUSING RESOURCES

February 23, 2022

MEMORANDUM TO: CHR Board of Directors

FROM: Brian Schaffer, Assistant Director of Planning & Development

SUBJECT: MPHA Family Housing Expansion: Financing Update

At the November 17, 2021 special meeting of the Board, MPHA staff had the opportunity to provide a detailed overview of its Family Housing Expansion Project to the Commissioners. As outlined at that meeting, this project includes 84 new family units that will be constructed in 16 small apartment buildings located throughout Minneapolis. This project represents MPHA's largest expansion of its family housing stock in nearly 20 years.

Similar to the financing structure of the Elliot Twins project, the Family Housing Expansion Project will utilize 4% Bonds and tax credits, debt, and MPHA capital and soft source contributions. The table below reflects current sources and uses, which are subject to change prior to closing.

Sources		Uses	
First Mortgage	\$10,511,939	Construction	\$31,040,814
LHITC Equity	\$15,612,689	Soft Costs	\$4,219,028
MPHA Funds	\$4,489,415	Reserves	\$778,327
ARPA- City of Minneapolis	\$4,600,000	Developer Fee	\$4,076,514
LHIA- Met Council	\$1,400,000	Relocation	\$97,500
AHTF-CPED	\$900,000	Acquisition	\$18,700
Energy/Sales Tax Rebates	\$1,308,876		
Deferred Developer Fee	\$840,982		
Interim Income	\$566,884		
Total	\$40,230,883	Total	\$40,230,883

As with the Elliot Twins, MPHA will partner with construction and permanent debt providers as well as an equity investor to provide the financing necessary to complete the project. The MPHA utilized a competitive solicitation process to determine partners that would provide the best value to the project. After conducting in-depth financial analysis of proposals received,

conducting interviews, and requesting best and final offers from proposers, MPHA selected the following partners based on several factors:

- Equity: US Bank Community Development Corporation (USBCDC) provided the most competitive tax credit pricing, had no net worth or liquidity requirements, and will waive any exit taxes at the end of the tax credit period.
- Construction Debt: US Bank offered a competitive interest rate, low fees and no liquidity and guarantee requirements. The higher tax credit pricing for the equity was conditional of MPHA utilizing US Bank for the construction debt.
- Permanent Debt: CITI Bank (CITI) presented a low effective interest rate as well as no liquidity and net worth requirements. They also have significant experience financing modular projects.

Next Steps

The MPHA continues to advance this project on the timeline previously provided to the Board. Following are key upcoming activities:

- Sub-Contractor Bidding: MPHA's selected General Contractor will competitively bid all subcontracted work in March. The bidding process will provide firm construction pricing.
- City of Minneapolis Action on Funding: MPHA anticipates the City Council will take action on the bonds, ARPA funds, and the Affordable Housing Trust fund in April.
- Board Approvals: based on the projected June closing, the Board will take action on closing documents for the project in May.