



# **NOTICE AND AGENDA**

**April 27, 2022**

**A SPECIAL MEETING OF THE MINNEAPOLIS PUBLIC HOUSING AUTHORITY IN AND FOR THE CITY OF MINNEAPOLIS WILL BE HELD AT 1:30 P.M. AT THE CORA MCCORVEY HEALTH & WELLNESS CENTER, 1015 – 4<sup>TH</sup> AVENUE NORTH, MINNEAPOLIS, MINNESOTA**

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

**Commissioners:**      **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 a Special Meeting of March 23, 2022

## **RESIDENT ADVISORY BOARD – RAB Chairperson Comments**

## **EXECUTIVE DIRECTOR’S UPDATE**

## **DISCUSSION:**

1. Exterior Masonry Repairs and Restoration at Hamilton Manor (Laura Dykema, Director of Planning & Development)

## **RESOLUTION:**

2. Joint Powers Agreement with the Minnesota BCA (Mary Boler, Director of Operations)



**RECEIVE AND FILE:**

- Monthly Performance Report for March 2022 (Abdi Warsame, Executive Director / CEO)
- Newsletter (Jennifer Keogh, Deputy Executive Director)
- PowerPoint Presentation: Fiscal Year End 2021 Financial Results & 2022 Appropriations and Budget (Tim Durose, CFO)
- Fire Suppression Update (Laura Dykema, Director of Planning & Development)
- PowerPoint Presentation: Choice Communities Demonstration and JPAL Research Study Update (Brandon Crow – Director of HCV)

**Next Regular Meeting:**

**Wednesday, May 25, 2022 - 1:30 p.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 SPECIAL MEETING OF THE  
MINNEAPOLIS PUBLIC HOUSING AUTHORITY  
IN AND FOR THE CITY OF MINNEAPOLIS  
March 23, 2022**

The Minneapolis Public Housing Authority in and for the City of Minneapolis met in a special meeting at 1:30 p.m. on March 23, 2022, at the Cora McCorvey Health & Wellness Center, 1015 – 4<sup>th</sup> Avenue North, Minneapolis, Minnesota, the date, time, and place established for the holding of such meeting.

**Roll Call:**

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

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

The following members of the Board were absent:

The following others were also present:

Abdi Warsame	Executive Director / CEO
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The Vice 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 Vice Chair declared the motion carried.

**Approval of Minutes:**

The Minutes of a Special Meeting of February 23, 2022, were presented for approval. Commissioner Isse moved the minutes be accepted as presented. The motion was seconded by Commissioner Rosenbaum. Upon a voice vote, the Vice Chair declared the motion carried.

**Resident Advisory Board (RAB):**

The Resident Advisory Board (RAB) Chair Lisa Anderson declared there was a quorum. MPHA



staff presented the Authorization to Execute Deferred Loan Repayment Agreements and that item passed. The Monthly Performance Report and Newsletter/News Clippings presented by staff were discussed and filed.

#### **Executive Director's Update:**

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

1. With the Covid-19 cases shrinking eligible employees shifted back to the flexible staffing model adopted during the pandemic.
2. The MPHA masking requirements are relaxed (in line with the City of Minneapolis) except for working directly with the public including meetings with residents, applicants, and vendors.
3. The MPHA received HUD approval on 2022 MTW Plan – 2021 MTW Report was submitted to HUD this Month.
4. The MPHA pre-work for the 84 new scattered site units continues to move forward.
5. The MPHA leadership met with the Hennepin County Administrator David Hough as well as half of the Minneapolis City Council to update them on MPHA projects.
6. The Congress passed the omnibus government spending bill. MPHA is slated to receive a direct federal appropriation of \$2 million to assist with the installation of fire suppression systems.

(The Executive Director's written full report is attached to these minutes)

#### **Item No. 1: Authorization to Execute Deferred Loan Repayment Agreements**

After a presentation by staff and discussion, Commissioner Mohamud moved approval of the recommendation set forth in the Report along with the corresponding Resolutions attached thereto. Commissioner Beckmen seconded the motion. Upon a roll call vote eight Commissioners voted "aye" (Commissioners Beckmen, Isse, Letofsky, Mohamud, Rosenbaum, Wetjen, Xiong and Vice Chair Brennan) and no Commissioner voted "nay". The Vice Chair declared the motion carried. [See Document No. 2022-08] [See Resolution No. 22-218; Resolution No. 22-219; Resolution No. 22-220 & Resolution No. 22-221]

#### **Receive and File Items:**

The following items were received and filed by the Board:

- The Monthly Performance Report for February 2022. [See Document No. 2022-09]
  - Occupancy remains consisted at 98%
  - HCV continues to pull families off the waiting list
- Newsletter and News Clippings [See Document No. 2022-10]



- MPHA received great news coverage on the \$2 million federal appropriations

**Adjournment:**

There being no further business to come before the meeting, and upon a motion duly made and seconded, the meeting was adjourned at 1:55 p.m.

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Secretary of the Board of Commissioners

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Date These Minutes Approved



April 27, 2022

Agenda Item 1

## REPORT TO THE COMMISSIONERS

**FROM:** Abdi Warsame, Executive Director / CEO

**SUBJECT:** Exterior Masonry Repairs & Restoration at Hamilton Manor

**Previous Directives:** The Board has previously approved the Capital Fund Program (CFP) Plan for FY 2022 as part of the Agency's 2022 Moving to Work (MTW) Annual Plan.

**Resident Council Review/Recommendation:** This Report will be discussed with the Resident Advisory Board (RAB) immediately prior to the Board's April 27, 2022 meeting.

**Budget Impact:** Expenditures will be charged to the Capital Fund Program.

**Affirmative Action Compliance:** The contractor is a certified Section 3 vendor and has signed an Equal Employment Opportunity / Affirmative Action Policy statement. MPHA will monitor compliance.

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

**RECOMMENDATION:** It is recommended that the Board of Commissioners authorize the Executive Director or his designee to execute a contract and all related documents in the amount of \$648,144.95 with Huot Construction and Services, Inc. for exterior masonry repairs and restoration at 1314 44<sup>th</sup> Avenue North.

Hamilton Manor is a 220-unit, 6-story seniors mid-rise built in 1971. Its exterior façade consists primarily of brick veneer cladding and the building also features a 6-story curtain wall and several concrete balconies with metal railings. The scope of this project includes replacing failed sealant at windows, repairs at the curtain wall glazing, installation of flashing, brick and mortar repairs,

and several repairs and improvements to the balconies to address current issues with water damages and icing.

On March 4, 2022, an invitation for bids was publicly advertised with a bid due date of April 1, 2022. The following responsive bids were received:

Huot Construction and Services, Inc.	\$648,144.95
Innovative Masonry Restoration	\$744,000.00
Building Restoration Corporation	\$748,029.00
Frerichs Construction Company	\$788,401.34
RAM Construction Services	\$888,300.00
Iyawwe and Associates Corporation	\$947,720.00

The low bidder, Huot Construction and Services, has successfully completed similar projects and MPHA staff is confident they will perform well on this project.

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



April 27, 2022

Agenda Item 2

## REPORT TO THE COMMISSIONERS

**FROM:** Abdi Warsame, Executive Director / CEO

**SUBJECT:** Joint Powers Agreement with Minnesota BCA

**Previous Directives:** This Board Report is to renew the Joint Powers Agreement between MPHA and the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension, which expires on May 24, 2022, and which was approved by the Board of Commissioners on April 25, 2017.

**Resident Council Review / Recommendations:** This matter will be presented to the Resident Advisory Board immediately prior to the Board's April 27, 2022, meeting.

**Budget Impact:** The proposed Joint Powers Agreement costs \$50 per month and thus does not have a significant impact on MPHA operating or other budgets. This Agreement allows MPHA to receive National Crime Information Center criminal history records from a third-party vendor.

**Affirmative Action Compliance:** Not Applicable.

**Procurement Review:** Not Applicable.

**RECOMMENDATION:** It is recommended that the Board of Commissioners approve the proposed Joint Powers Agreement with the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension and authorize the Executive Director or his designee to sign the same by adopting the attached Resolution.

## Background

In selecting applicants for admission to its public housing program, MPHA is responsible for screening applicant behavior and suitability for tenancy. A history of criminal activity involving crimes of physical violence to persons or property and other criminal acts which would adversely affect the health, safety or welfare of other tenants may disqualify an applicant for admission to MPHA's low-income public housing program.



MPHA implemented criminal history background screening procedures many years ago and is currently operating under a March 2017 “access agreement” with the Minnesota Bureau of Criminal Apprehension (BCA). This Agreement gives MPHA access to state and federal criminal justice information systems and the data it needs to properly screen applicants for public housing.

The BCA grants access to criminal justice information systems to public housing agencies only upon the execution of a Joint Powers Agreement that has been approved by the agency’s governing body.

### **The Joint Powers Agreement**

The Joint Powers Agreement recommended here renews the May 2017 Computerized Criminal History Record Information Access Agreement between MPHA and BCA and does not materially change MPHA’s criminal history background screening guidelines. These guidelines follow the City of Minneapolis requirements. MPHA uses a private company for the initial criminal history background check, and MPHA will continue to submit inquiries to the Federal Bureau of Investigation (FBI) where further information is needed. MPHA will continue to use Vetconnex as the “channeling agency” for the purpose of transmitting and receiving criminal justice information and data. Finally, MPHA will continue to pay for these services on a request-by-request basis and has budgeted for these expenses in the 2022 Operating Budget.

Please see Resolution No. 22-222 and a copy of the proposed Joint Powers Agreement, both of which are attached to this Report for your further information.

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

Resolution Number: 22-222

Resolution approving a Joint Powers Agreement between the Minnesota Department of Public Safety, Bureau of Criminal Apprehension, and the Minneapolis Public Housing Authority in and for the City of Minneapolis

WHEREAS, the Minneapolis Public Housing Authority in and for the City of Minneapolis (hereinafter referred to as the *MPHA*) desires to enter into a Joint Powers Agreement with the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension, to use systems and tools available over the State's criminal justice data communications network for which the MPHA, as a public housing authority, is eligible; and

WHEREAS, The Joint Powers Agreement will give the MPHA the ability to add, modify, and delete connectivity, systems, and tools over the five-year life of the Agreement and obligates the MPHA to pay the costs associated with the network connection;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Minneapolis Public Housing Authority in and for the City of Minneapolis as follows:

That the State of Minnesota Joint Powers Agreement by and between the State of Minnesota, acting through its Department of Public Safety, Bureau of Criminal Apprehension, and the Minneapolis Public Housing Authority in and for the City of Minneapolis is hereby approved this twenty-seventh day of April 2022. A copy of the Joint Powers Agreement is attached to this Resolution and made a part thereof.

That Abdi Warsame, MPHA Executive Director and Chief Executive Officer, or his successor, shall be the MPHA's Authorized Representative and is authorized to execute the Joint Powers Agreement with the State of Minnesota. The Authorized Representative is also authorized to sign any subsequent amendment or agreement that may be required by the State of Minnesota to maintain the MPHA's connection to the systems and tools offered by the State. To assist the Authorized Representative with the administration of the Agreement, Mary Boler, MPHA Director of Operations shall be the Authorized Representative's designee for these purposes.

MINNEAPOLIS PUBLIC HOUSING AUTHORITY

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Andrea Brennan, Vice Chair

Date

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Mikkel Beckmen, Secretary

Date



# Monthly Performance Report

Minneapolis Public Housing Authority  
Board of Commissioners  
For the month ending March 31, 2022

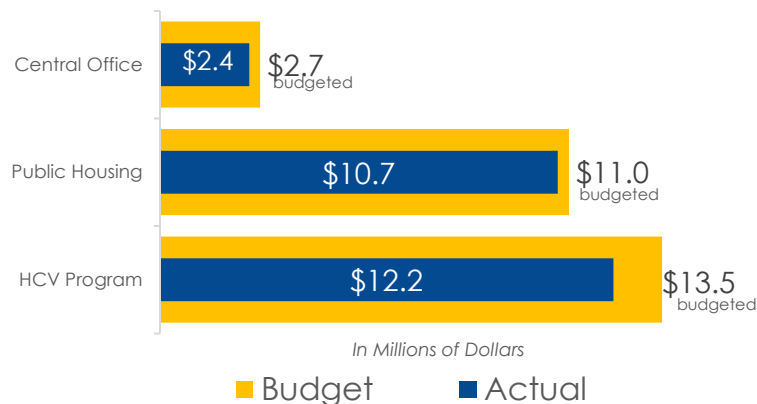
## Contents

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

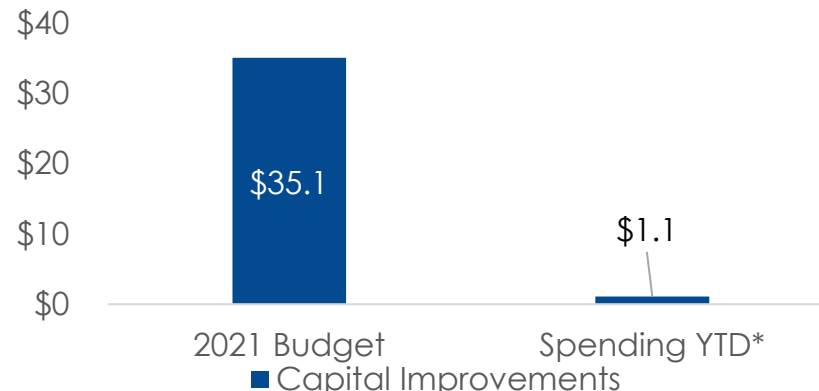
## Operating Sources and Uses MTW Public Housing and Housing Choice Voucher (HCV) Program

Sources	YTD Budget	YTD Actual	Favorable (Unfavorable) Variance	Variance %
Tenant Revenue -Rents & Other	\$ 4,419,516	\$ 4,362,270	\$ (57,246)	-1%
Public Housing Operating Subsidy	\$ 5,691,048	\$ 5,489,763	\$ (201,285)	-4%
HCV HAP Subsidy & Admin Fees	\$ 13,251,178	\$ 12,026,749	\$ (1,224,429)	-9%
Other Revenues, Fees, & Grants	\$ 527,466	\$ 561,917	\$ 34,451	7%
Transfers-In	\$ 62,499	\$ 73,750	\$ 11,251	18%
<b>Total Sources</b>	<b>\$ 23,951,707</b>	<b>\$ 22,514,449</b>	<b>\$ (1,437,258)</b>	<b>-6%</b>
<b>Uses</b>				
Public Housing Operations	\$ 11,045,514	\$ 10,653,100	\$ 392,414	4%
Housing Choice Vouchers	\$ 13,547,412	\$ 12,222,855	\$ 1,324,557	10%
MTW Initiatives and Other Services	\$ 65,247	\$ 23,958	\$ 41,289	63%
<b>Total Uses</b>	<b>\$ 24,658,173</b>	<b>\$ 22,899,913</b>	<b>\$ 1,758,260</b>	<b>7%</b>
<b>Net Sources/(Uses)</b>	<b>\$ (706,466)</b>	<b>\$ (385,464)</b>	<b>\$ 321,002</b>	<b>45%</b>

### Year to Date (YTD) Expenses



### MTW Capital Fund Program

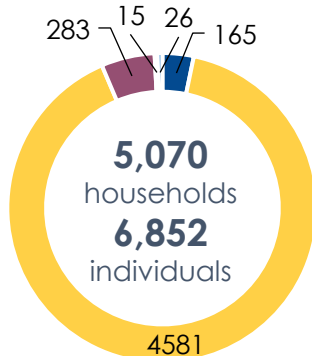


\*An additional \$20.5 million is under obligation for capital projects YTD

# Public Housing Programs



## Occupied Units\*



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

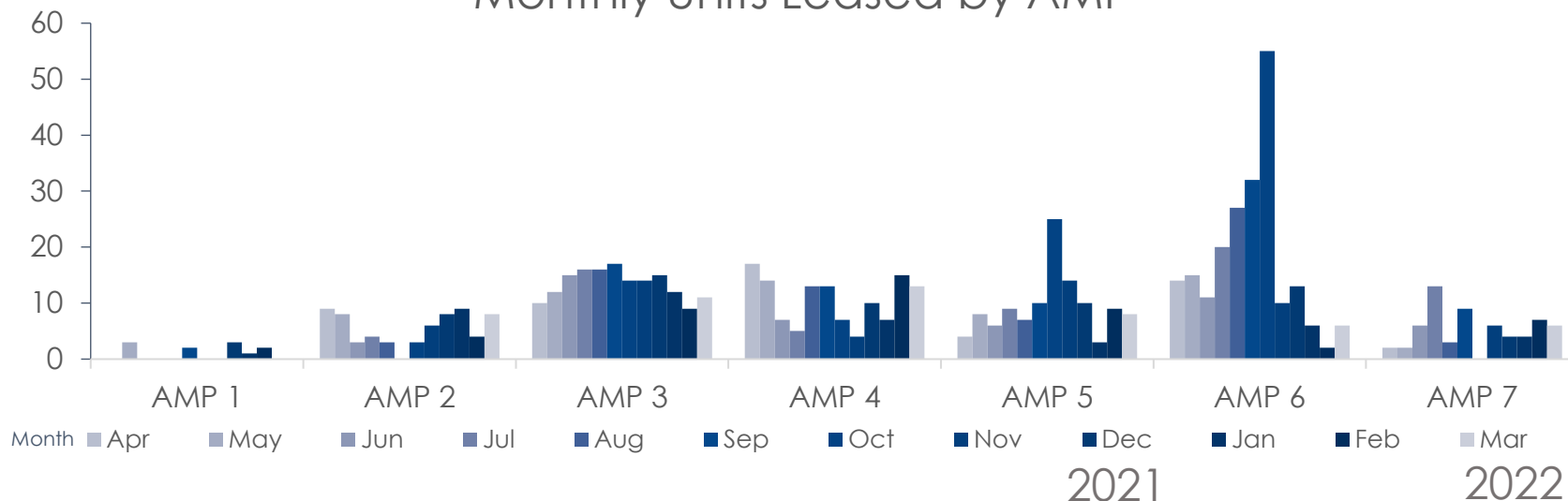
52

new units leased  
during month

97.6%

occupancy

## Monthly Units Leased by AMP



\*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)

## Public Housing Programs

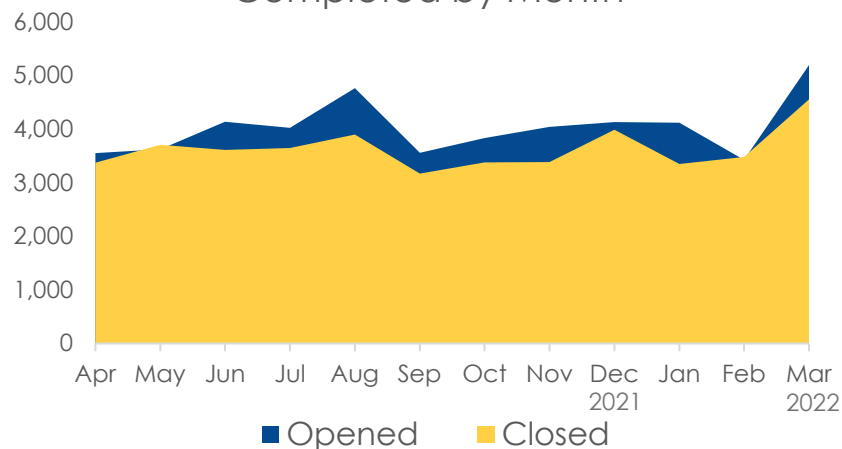


Reason for Vacating Unit	Count
Death	9
Found Alternative Housing	8
Moving Out of Town	4
Skip	3
Change in Family Composition	2
Moving in with or closer to Family	2
Mutual Agreement	2
Illness	2
Left Country	1
Dislike Unit	1
Evicted - Disturbing Neighbors	1
Other	1
Purchased Home	1
To Nursing Home	1

### Applicants on Waiting List

Family 2021	2142
Family	4836
Disabled (18 - 49)	3126
Near Elderly (50-61)	3993
Elderly (62+)	354

### Work Orders Opened and Completed by Month

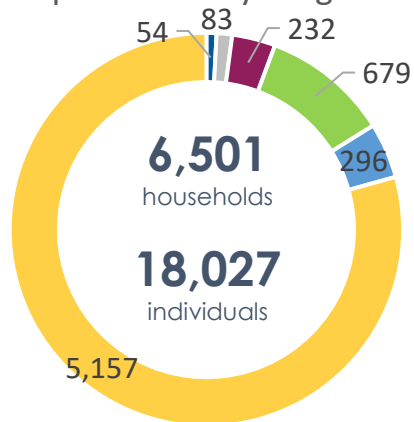


Goal	Total Completed	% Completed within Goal	Average Days Open
Emergency: 24 Hours	91	100%	0
Urgent: 1 Day	848	89%	53
After Hours Non-Emergency: 2 Days	26	100%	0
Important: 3 Days	962	78%	2
Routine: 10 Days	761	87%	3
Non-Routine: 20 Days	623	92%	4
Pest Control	583	100%	7

# Housing Choice Voucher Programs



People Served by Program\*



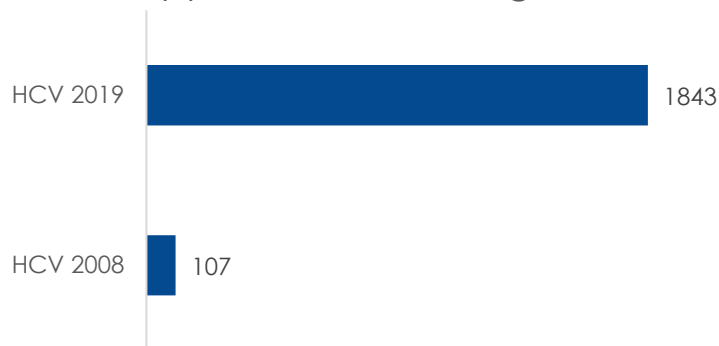
- Sponsor-Based
- Mod Rehab
- FUP and VASH

Family Unification Program and Veterans Affairs Supportive Housing

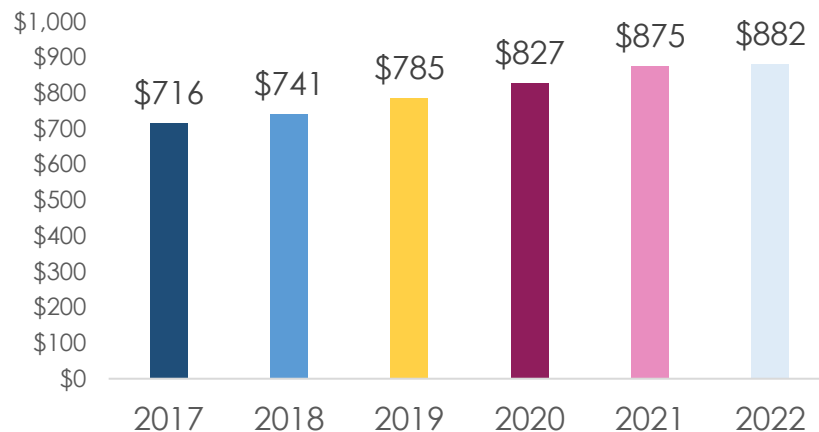
- Stable Homes Stable Schools
- Project-Based
- Tenant-Based

\*Including port-ins and port-outs

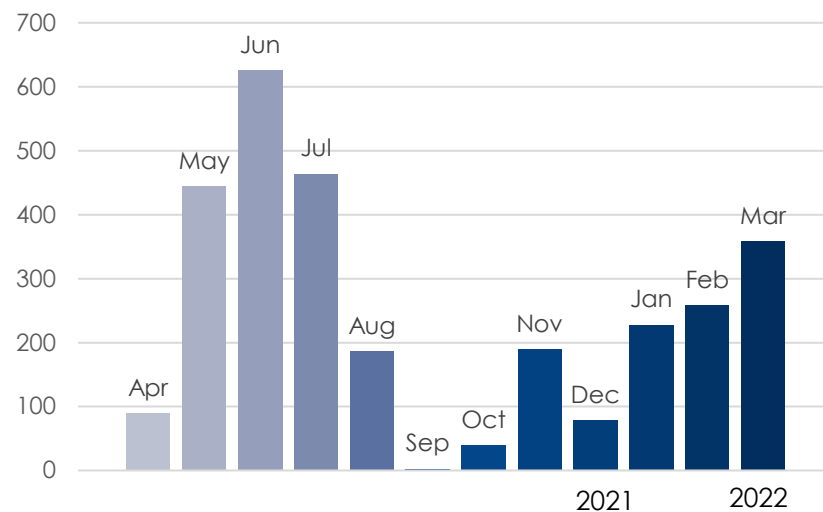
Applicants on Waiting List



Average Housing Assistance Payment per Unit, Year to Date



Annual Inspections Conducted\*



\*Inspections were subjected to interruption by COVID-19 Safety Procedures

## Building Improvement Projects - Planning

ADDRESS	DESCRIPTION OF WORK	STATUS
Hiawatha Towers	Fire sprinkler system installation	Planning
314 Hennepin Avenue	Fire sprinkler system installation	Planning
1314 44 <sup>th</sup> Avenue North	Exterior façade restoration	Bidding
1707 3 <sup>rd</sup> Avenue South	Exterior façade restoration & window replacement	Planning
2415 North 3 <sup>rd</sup> Street	Exterior façade restoration & balcony repairs	Planning
Cedars	Exterior façade/structural repairs	Planning
1515 Park/1920 4 <sup>th</sup> /1710 Plymouth/710 2 <sup>nd</sup>	Main electrical switch gear & generator replacement	Planning
Glendale Townhomes	Flat roof replacement	Planning
Multiple sites	Security related improvements	Planning
Multiple sites	HVAC/systems upgrades	Awarding contracts

## Development Projects - Planning

ADDRESS	DESCRIPTION OF WORK	STATUS
CHR scattered site units	Major modernization	Planning
Scattered sites new construction	Development of new family housing	Planning



## Building Improvement Projects - Active

ADDRESS	DESCRIPTION OF WORK	STATUS
CHR units – various scattered sites	2022 improvements: roof & siding replacement, unit modernization, site improvements	Ongoing
Cora McCorvey Center	HVAC system upgrades	Substantially complete
314 Hennepin Avenue	Roof & skylight replacement	Under construction
1707 3 <sup>rd</sup> Avenue South	Unit entry door replacement	Substantially complete
Cedars highrises	Window replacement and exterior façade repairs	Under construction; multi-year project
Multiple highrises & Glendale townhomes	Security surveillance system upgrades	Complete
Multiple highrises	Fire sprinkler system installation	Under construction; timeline/status varies by site
1314 44 <sup>th</sup> Avenue North	Plumbing replacement, fire sprinkler system installation, unit bath modernization/new finishes	Under construction
Multiple highrises	Security surveillance system upgrades funded via HUD's Safety & Security Grant	Under construction

## Development Projects - Active

ADDRESS	DESCRIPTION OF WORK	STATUS
Elliot Twins	Comprehensive building modernization	Perm loan conversion underway
Scattered Site	Energy efficient single-family construction	Under construction

# Fire Suppression Installations



Building	Units	Budget	Funding Source(s)	Status	Construction
1206 2 <sup>nd</sup> St NE	57	\$620,000	MPHA Capital	Complete	Jan-Apr 2022
1717 Washington St NE	182	\$1,570,000	MPHA Capital	Under Construction	Apr-Sept 2022
2728 E Franklin St	151	\$1,200,000	MPHA Capital	Under Contract	Sept '22-Feb '23
Horn Towers	491	\$3,445,000	MPHA Capital	Under Construction	Jan '22-Mar '23
630 Cedar Ave S	190	\$1,592,000	MPHA Capital/City/State	Funding Due Diligence	Jun '22-Jan '23
2121 Minnehaha Ave	110	\$888,000	MPHA Capital/City/State	Funding Due Diligence	Jun-Nov 2022
1627 S 6 <sup>th</sup> St	116	\$868,000	MPHA Capital/City/State	Funding Due Diligence	Jan-Jun 2023
600 18 <sup>th</sup> Ave N	239	\$2,450,000	MPHA Capital/City/State	Funding Due Diligence	Nov '22-Aug -'23
1314 44 <sup>th</sup> Ave N	220	\$10,000,000*	MPHA Capital	Under Construction	Apr '22-Jun '23
Hiawatha Towers	281	\$2,100,000	MPHA Capital	Designing	Oct '22-Mar '24
314 Hennepin Ave	299	\$2,425,000	MPHA Capital/City	Designing	Oct '22-Sept '23
2415 N 3 <sup>rd</sup> St	62	\$500,000	Federal Appropriation	Not Started	TBD - 2023
1710 Plymouth Ave N	84	\$670,000	Federal Appropriation	Not Started	TBD - 2023
3116 Oliver Ave N	31	\$250,000	Federal Appropriation	Not Started	TBD - 2023
710 2 <sup>nd</sup> St NE	35	\$290,000	Federal Appropriation	Not Started	TBD - 2023
616 Washington St NE	35	\$290,000	Federal Appropriation	Not Started	TBD - 2023
809 Spring St NE	32	\$260,000	Not Identified	Not Started	Unknown
1900 3 <sup>rd</sup> St NE	32	\$260,000	Not Identified	Not Started	Unknown
3205 E 37 <sup>th</sup> St	28	\$230,000	Not Identified	Not Started	Unknown
3755 Snelling Ave S	28	\$230,000	Not Identified	Not Started	Unknown

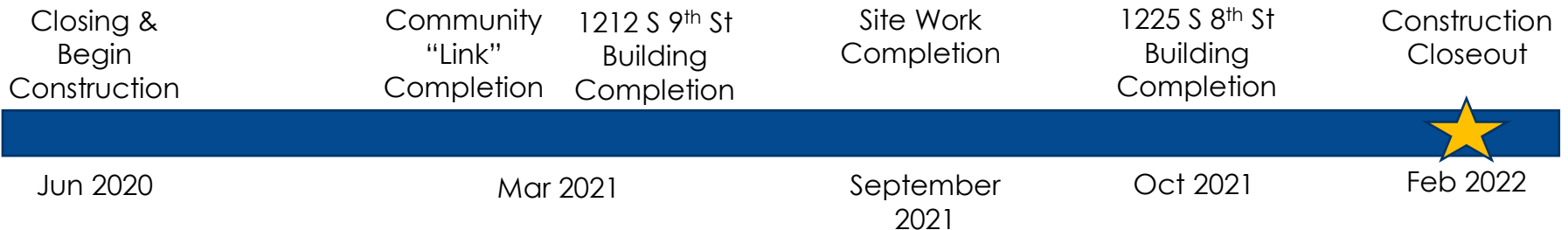
\*Budget reflects costs of comprehensive building modernization project of which fire suppression is included

# Elliot Twins RAD Conversion & Building Renovation



- **Permanent loan conversion underway**
- **Planning open house event**
- Addressed deferred maintenance, **plus** unit improvements, community link addition, envelope enhancement, new HVAC system, addition of 10 fully accessible units
- Projected 30% reduction in utilities
- Hard costs: ~\$27M

## Construction Timeline



# Scattered Site Rehab Process



## Financed through Section 18 with debt financing



- Conversion to project-based vouchers occurred on October 1st
- Exploring funding options to best preserve portfolio
- Will support investments in deferred maintenance and ongoing unit needs

## Timeline (subject to change)





# Scattered Site New Construction

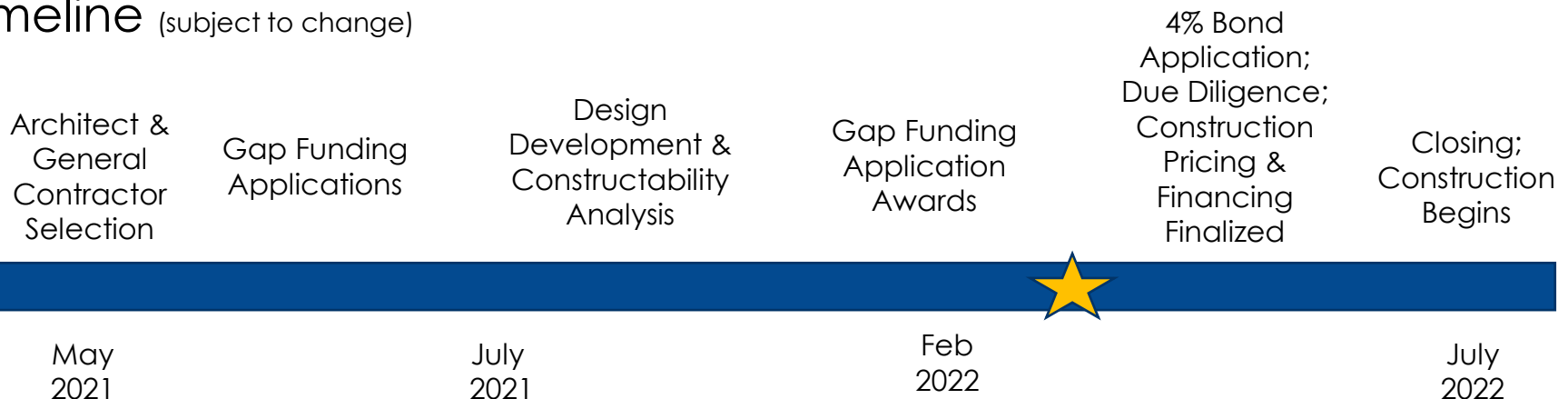


## 84-unit new scattered site construction



- 84 new deeply affordable family units in 16 small apartment buildings throughout the City
- Financing includes project-based vouchers, 4% bonds and Low- Income Housing Tax Credits, Soft Sources, and Debt
- Financial partners selected; due diligence underway
- 4% bond application submission in April
- Subcontractor bidding underway

## Timeline (subject to change)

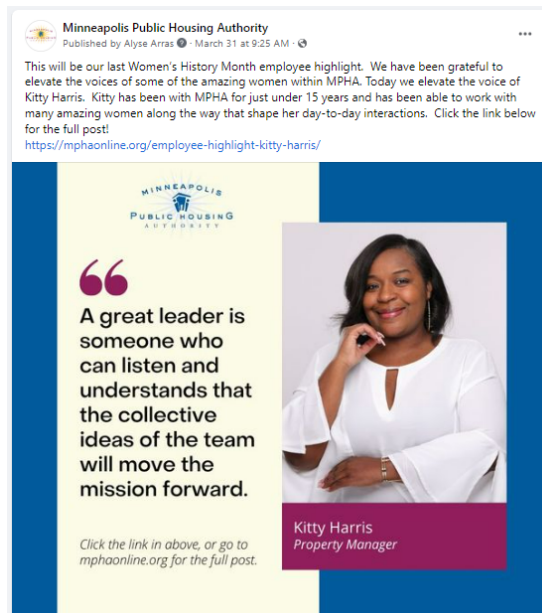


# Inquiry Response and Social Media



## MPHA on Facebook

Top Performing Post (2,289 views)



16

Posts for the Month  
6,725 Followers  
9 New Followers



## MPHA on Twitter

Top Tweet (910 views)

**Top Tweet** earned 754 impressions

Tamika Baskin and Rashid Issack, MPHA Regional Property Managers, recently completed the Leadership in Affordable Housing certificate through Affordable Housing Connections @HamlineU. We want to recognize them for their hard work and dedication! Here is what they have to say: [pic.twitter.com/6hUx5hig5X](https://pic.twitter.com/6hUx5hig5X)



11

Tweets for the Month  
898 Followers  
10 New Followers

## Women's History Month Celebration

At the end of March, we celebrated Women's History Month with an event for the women in our agency. Our legacy builder, Cora McCorvey, inspired us with her journey in public housing and it was a great joy to have her back with us. We spent the afternoon celebrating the women in our lives and enjoying seeing everyone in person again!



## MPHA Hosts a Career Fair

On April 21st, Minneapolis Public Housing Authority hosted a career fair in the community room at 1815 Central. Attendees were able to meet with hiring managers on the spot and learn more about the career opportunities with MPHA.

### MPHA WHERE WHAT YOU DO MAKES A DIFFERENCE

Through the Low-Income Public Housing and Housing Choice Vouchers programs we serve 26,000 individuals



#### Who We Serve

Our resident high-rise population reflects the communities we serve – 81% diverse. Our resident single-family homes – 93% diverse. Forty Percent of the people we serve are disabled.



#### Our Units

MPHA owns and maintains more than 40 high-rises and 200 single-family homes. In addition to public housing, we own and operate more than 700 deeply affordable single-family and duplex homes.



#### Our 2022 Themes

Stability  
Operational Excellence  
Transformation  
Alignment & Collaboration.

#### Want to Join Our Team?

Join us for our Career Fair  
April 21, 2022  
1815 Central Ave NE  
Minneapolis, MN

[mphaonline.org/careers](https://mphaonline.org/careers) [recruitment@mplspha.org](mailto:recruitment@mplspha.org)



April is Fair Housing Month. The Fair Housing Act was passed in April of 1968 to protect individuals from discrimination specifically within housing. At MPHA, this act is at the center of our agency, and we work hard to give as many people in our community a chance to live in a quality, well-managed home without discrimination.



# Financial Performance

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Fiscal Year End 2021 Results  
& 2022 Appropriations and Budget



# Presentation



- **2021 Sources & Uses of Funds**
  - Annual Programs
  - Grants and Set-Aside Funds
- **Budget to Actual Schedules**
  - Moving To Work (MTW) Cluster
    - Housing Choice Vouchers
    - Public Housing Operations
    - Capital Improvements
    - MTW Transfers
  - Central Office
- **Reserves**
- **2021 Affiliate Financial Results**
- **2022 Appropriations & Spending Plans**

# Presentation - Objectives



- Present financial schedules that demonstrate that the financial results are within the budget authority granted by the Board
- Present where spending flexibility was used –explain the most significant budget variances
- Explain how we used our MTW spending flexibility between program areas
- Financial Position – Where MPHA reserves stand at fiscal year end 2021
- Budget Adjustments for 2022

# Sources & Uses of Funds



FOR THE YEAR ENDING DECEMBER 31, 2021 (\$ millions)			
ANNUAL PROGRAMS	SOURCES	USES	NET SOURCES (USES) <sup>1</sup>
PUBLIC HOUSING OPERATIONS	45.6	43.9	1.7
CAPITAL FUND PROGRAM	6.7	10.7	(4.0)
MTW HOUSING CHOICE VOUCHERS	65.5	60.5	5.0
MTW LOCAL INITIATIVES	-	0.1	(0.1)
<b>TOTAL MTW PROGRAMS</b>	<b>117.8</b>	<b>115.2</b>	<b>2.6</b>
OTHER SECTION 8	8.0	7.4	0.6 <sup>2</sup>
CENTRAL OFFICE	10.0	10.5	(0.5)
<b>OTHER PROGRAM AREAS</b>	<b>18.0</b>	<b>17.9</b>	<b>0.1</b>

<sup>1</sup> Before inter-program transfers

<sup>2</sup> Balance is restricted for payment of HAP

# Grants & Set Aside Funds



## AS OF YEAR ENDING DECEMBER 31, 2021 (\$ millions)

SPECIAL FUNDS	BEG. BAL.	NET CHANGES	END. BAL.
SETTLEMENT FUNDS & OTHER NON-FEDERAL	2.1	(0.2)	1.9
PROCEEDS FROM REAL ESTATE SALES	1.6	0.2	1.8
POHLAD FOUNDATION	0.3	(0.2)	0.1
FAMILY HOUSING FUND	0.1	-	0.1
<b>TOTAL SPECIAL PROGRAMS</b>	<b>4.1</b>	<b>(0.2)</b>	<b>3.9</b>

## AS OF YEAR ENDING DECEMBER 31, 2021

INTERNAL SERVICE FUND	BEG. BAL.	NET CHANGES	END. BAL.
GENERAL LIABILITY INSURANCE	3.8	0.2	4.0

# Housing Choice Vouchers



(\$ millions)	BUDGET		ACTUAL		VARIANCE
REVENUES					
ADMIN FEES	\$	3.4	\$	4.0	\$ 0.6
CARES ACT (ADM FEES)	\$	0.7	\$	-	\$ (0.7)
CARES ACT (HAP)	\$	1.6	\$	-	\$ (1.6)
HAP SUBSIDY	\$	64.0	\$	59.8	\$ (4.2)
OTHER INCOME	\$	1.6	\$	1.7	\$ 0.1
TOTAL REVENUES	\$	71.3	\$	65.5	\$ (5.8)
EXPENSES					
PROGRAM ADMINISTRATION	\$	5.4	\$	5.5	\$ (0.1)
HAP EXPENSES	\$	59.4	\$	55.0	\$ 4.4
TOTAL EXPENSES	\$	64.8	\$	60.5	\$ 4.3
NET OPERATING INCOME (LOSS)	\$	6.5	\$	5.0	\$ (1.5)
MTW TRANSFERS TO OTHER PROGRAMS	\$	6.8	\$	4.1	\$ 2.7
TRANSFER IN	\$	0.3	\$	0.3	\$ -
NET INCOME (LOSS)	\$	-	\$	1.2	\$ 1.2

CARES Act in Operating Fund instead

Earned less HAP subsidy because we spent less than planned

Utilization at 93% of plan

No transfer was needed to cover public housing operations. Related to CARES Act funds

# Public Housing Operations



(\$ millions)	BUDGET		ACTUAL		VARIANCE
REVENUES					
DWELLING RENT	\$	16.8	\$	17.1	\$ 0.3
SUBSIDY	\$	21.7	\$	23.6	\$ 1.9
CARES ACT	\$	-	\$	2.4	\$ 2.4
OTHER	\$	1.4	\$	2.5	\$ 1.1
TOTAL REVENUES	\$	39.9	\$	45.6	\$ 5.7
EXPENSES					
PROPERTY OPERATIONS & MAINTENANCE	\$	24.6	\$	23.2	\$ 1.4
UTILITIES	\$	6.5	\$	6.7	\$ (0.2)
TENANT SERVICES	\$	0.9	\$	0.9	\$ -
INSURANCE, DEBT SERVICE & OTHER	\$	5.5	\$	5.4	\$ 0.1
CAPITAL EQUIPMENT & EXTRA. MAINT.	\$	1.0	\$	2.2	\$ (1.2)
MANAGEMENT FEES	\$	5.0	\$	5.5	\$ (0.5)
TOTAL EXPENSES	\$	43.5	\$	43.9	\$ (0.4)
NET OPERATING INCOME (LOSS)	\$	(3.6)	\$	1.7	\$ 5.3
TRANSFERS FROM HCV PROGRAM	\$	3.1	\$	-	\$ (3.1)
OTHER TRANSFERS IN	\$	0.1	\$	0.2	\$ 0.1
NET INCOME (LOSS)	\$	(0.4)	\$	1.9	\$ 2.3

- Adjustments on HUD's Subsidy Calculation
- CARES Act available from 2020
- Insurance reimbursements from 630 Cedar

Less than budgeted spending created savings in protective services, maintenance, and employee benefits

630 Cedar Restorations created spending overruns

HCV Transfer not needed. Replaced by CARES Act funds and subsidy

# Capital Fund Program



(\$ millions)	BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>			
CAPITAL FUND GRANT	\$ 16.2	\$ 6.7	\$ (9.5)
MTW TRANSFER FROM HCV	\$ 3.3	\$ 4.0	\$ 0.7
SALE PROCEEDS	\$ 1.5	\$ -	\$ (1.5)
<b>TOTAL REVENUES</b>	<b>\$ 20.9</b>	<b>\$ 10.7</b>	<b>\$ (10.2)</b>
<b>EXPENSES</b>			
PROGRAM ADMINISTRATION	\$ 1.6	\$ 2.1	\$ (0.5)
TRANSFER OUT - CHR	\$ -	\$ 2.1	\$ (2.1)
CAPITAL IMPROVEMENT PROJECTS	\$ 19.3	\$ 6.5	\$ 12.8
<b>TOTAL EXPENDITURES</b>	<b>\$ 20.9</b>	<b>\$ 10.7</b>	<b>\$ 10.2</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (0.0)</b>	<b>\$ -</b>	<b>\$ 0.0</b>

Earned less Grant funds because we spent less than planned

## Top 5 MPHA Spending Projects:

1. Elevator Mod- \$2.4M
2. 314 Hennepin- \$1.3M
3. 1314 44<sup>th</sup> - \$1.0M
4. Security Systems- \$0.65M
5. 1015 4<sup>th</sup> - \$0.4 M

# Transfers



*\*MTW agreement grants MPHA the authority to move HUD funding appropriated for one program to another in order to meet the housing needs that are most appropriate for the PHA*

(\$ millions)	BUDGET		ACTUAL		VARIANCE
MTW TRANSFERS OUT					
HCV TRANSFERS TO OTHER PROGRAMS	\$	6.8	\$	4.1	\$ 2.7
TOTAL TRANSFERS OUT	\$	6.8	\$	4.1	\$ 2.7
MTW TRANSFERS IN					
PUBLIC HOUSING OPERATIONS	\$	3.1	\$	-	\$ (3.1)
PUBLIC HOUSING CAPITAL IMP.	\$	3.3	\$	3.3	\$ -
CHR CAPITAL IMPROVEMENTS	\$	-	\$	0.7	\$ 0.7
OTHER SECTION 8 PROGRAMS	\$	-	\$	0.1	\$ 0.1
MTW LOCAL INITIATIVES	\$	0.4	\$	0.1	\$ (0.3)
TOTAL TRANSFERS IN	\$	6.8	\$	4.1	\$ (2.7)

CARES Act funded in Operations reduced the need for the transfers between programs

Transfer increased amount of funds for public housing and CHR capital improvements



# Central Office



(\$ millions)	BUDGET		ACTUAL		VARIANCE
REVENUES					
MGMT & BOOKEEPING FEES	\$	10.0	\$	10.2	\$ 0.2
OTHER INCOME	\$	0.1	\$	0.2	\$ 0.1
TOTAL REVENUES	\$	10.1	\$	10.4	\$ 0.3
LOAN FROM AFFILIATES	\$	-	\$	-	\$ -
EXPENSES					
GENERAL ADMINISTRATION	\$	9.7	\$	9.6	\$ 0.1
CAPITAL EQP	\$	0.3	\$	0.1	\$ 0.2
TOTAL EXPENSES	\$	10.0	\$	9.7	\$ 0.3
TRANSFER OUT	\$	0.2	\$	0.2	\$ -
NET INCOME (LOSS)	\$	(0.0)	\$	0.5	\$ 0.6

Management Fees under-budgeted for units sold to CHR

# Central Office

(Development Administration)



(\$ millions)	BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>			
MGMT & BOOKEEPING FEES	\$ -	\$ -	\$ -
OTHER INCOME	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
LOAN FROM AFFILIATES	\$ 2.0	\$ -	\$ (2.0)
<b>EXPENSES</b>			
GENERAL ADMINISTRATION	\$ 1.7	\$ 1.2	\$ 0.5
CAPITAL EQP	\$ 0.3	\$ -	\$ 0.3
<b>TOTAL EXPENSES</b>	<b>\$ 2.0</b>	<b>\$ 1.2</b>	<b>\$ 0.8</b>
TRANSFER OUT	\$ -	\$ -	\$ -
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>	<b>\$ (1.2)</b>	<b>\$ (1.2)</b>

For administrative ease, utilized Central Office Net Income and reserves temporarily instead of making loan.

\$1 million developer fee received March 2022. Another \$1.1 million expected in July 2022.

# Reserves by Program



AS OF YEAR ENDING DECEMBER 31, 2021 (\$ millions)			
UNRESTRICTED RESERVES	BEG. BAL.	NET CHANGES	END. BAL.
MOVING TO WORK	13.8	2.8	16.6 <sup>1</sup>
CENTRAL OFFICE	4.6	(0.7)	3.9
OTHER	2.7	(0.1)	2.6
<b>TOTAL ANNUAL PROGRAMS</b>	<b>21.1</b>	<b>2.0</b>	<b>23.1</b>

<sup>1</sup>\$1 million is Note Receivable from Elliots LP (payable upon sufficient operating cash flow).  
FY20 presented in Managed Services Division

Annual Programs have \$5.5 million in Restricted Reserves

AS OF YEAR ENDING DECEMBER 31, 2021 (\$ millions)			
SPECIAL FUNDS	BEG. BAL.	NET CHANGES	END. BAL.
MANAGED SERVICES DIVISION	0.9	(0.9)	-
SETTLEMENT FUNDS	1.5	-	1.5
PROCEEDS FROM REAL ESTATE SALES (MTW)	1.6	0.2	1.8
POHLAD FOUNDATION	0.3	(0.2)	0.1
FAMILY HOUSING FUND	0.2	-	0.2
<b>TOTAL SPECIAL PROGRAMS</b>	<b>4.5</b>	<b>(0.9)</b>	<b>3.6</b>

AS OF YEAR ENDING DECEMBER 31, 2021			
INTERNAL SERVICE FUND	BEG. BAL.	NET CHANGES	END. BAL.
GENERAL LIABILITY INSURANCE	3.8	0.2	4.0

# Reserves by Program



**AS OF YEAR ENDING DECEMBER 31, 2021 (\$ millions)**

<b>RESERVE DESIGNATIONS</b>		<b>BALANCE</b>
FEDERALIZED		26.2
GRANT RESTRICTED		0.3
INSURANCE FUND		4.0
DE-FEDERALIZED		5.8
<b>TOTAL ALL PROGRAMS</b>		<b>36.3</b>

# Community Housing Resources

(\$ millions)	ACTUAL
<b>REVENUES</b>	
DWELLING RENT	\$ 4.4
HAP	\$ 9.2
FUNDS FROM MPHA	\$ 2.1
OTHER	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 15.7</b>
<b>EXPENSES</b>	
PROPERTY OPERATIONS & MAINTENANCE	\$ 6.0
UTILITIES	\$ 2.1
INSURANCE, DEBT SERVICE & OTHER	\$ 0.7
CAPITAL IMPROVEMENTS & PRE-DEVELOPMENT	\$ 4.0
MANAGEMENT FEES	\$ 1.1
<b>TOTAL EXPENSES</b>	<b>\$ 13.9</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 1.8</b>
UNRESTRICTED NET ASSETS	\$ 3.0

# Elliot's LP

(\$ millions)	ACTUAL	
REVENUES		
DWELLING RENT	\$	0.5
HAP	\$	1.2
FUNDS FROM MPHA	\$	-
OTHER	\$	-
TOTAL REVENUES	\$	1.7
EXPENSES		
PROPERTY OPERATIONS & MAINTENANCE	\$	0.9
UTILITIES	\$	0.2
INSURANCE & OTHER	\$	0.1
CAPITAL IMPROVEMENTS	\$	-
MANAGEMENT FEES	\$	0.1
TOTAL EXPENSES	\$	1.3
NET OPERATING INCOME (LOSS)	\$	0.5
PARTNERS' CAPITAL	\$	0.8

# 2022 Appropriations & Budget Changes



- 2022 Appropriation levels are expected to provide better funding than planned in 2022 MPHA Budget.

Estimated Additional Funding for FY 2022	
Capital Fund Grant	2,500,000
Fire Suppression Appropriation	2,000,000
Prior Year HCV Subsidy	2,600,000
<b>TOTAL</b>	<b>\$ 7,100,000</b>

- HUD has not provided updated funding calculations yet for 2022 so the following spending adjustments to the 2022 Budget may be modified as needed. MPHA's Budget Policy provides the Executive Director spending flexibility as long as no further use of reserves is needed beyond what the Board has approved in the Budget.

# 2022 Appropriations & Budget Changes



- Spending increases anticipated for existing activities due to inflation.

Capital Improvement Projects				
Property	Capital Project	Approved Budget	Additional Budget	
Hiawatha Towers	Fire suppression system installation	\$1,000,000	\$365,000	
1515 Park Avenue South	Main electrical switch gear & generator replacement	\$525,000	\$250,000	
1920 4th Avenue South	Main electrical switch gear & generator replacement	\$525,000	\$250,000	
1710 Plymouth Avenue	Main electrical switch gear replacement	\$180,000	\$200,000	
710 2nd Street NE	Main electrical switch gear replacement	\$180,000	\$200,000	
Family Housing Resources Homes	Contribution toward construction of 84 PBV homes	\$5,000,000	\$2,500,000	
2415 North 3rd Street	Façade and balcony repairs	\$120,000	\$50,000	
1707 3rd Avenue South	Façade repairs & window replacement	\$1,500,000	\$600,000	
Glendale Townhomes	Replacement of flat roofs & soffits	\$200,000	\$135,000	
<b>TOTAL</b>			\$	4,550,000

Public Housing Operating Fund				
Property	Expense Line Item	Approved Budget	Additional Budget	
Various	Utility Costs	\$7,220,400	\$600,000	
<b>TOTAL</b>			\$	600,000



# 2022 Appropriations & Budget Changes



- Spending increases related to fire suppression appropriation

Fire Suppression		Capital Project	Approved Budget	Additional Budget
Property				
2415 North 3rd Street	Fire suppression system installation		\$0	\$500,000
1710 Plymouth Avenue North	Fire suppression system installation		\$0	\$670,000
3116 Oliver Avenue North	Fire suppression system installation		\$0	\$250,000
710 2nd Street NE	Fire suppression system installation		\$0	\$290,000
616 Washington Street NE	Fire suppression system installation		\$0	\$290,000
TOTAL				\$ 2,000,000

# Fire Suppression Installations



Building	Units	Budget	Funding Source(s)	Status	Construction
1206 2 <sup>nd</sup> St NE	57	\$620,000	MPHA Capital	Complete	Jan-Apr 2022
1717 Washington St NE	182	\$1,570,000	MPHA Capital	Under Construction	Apr-Sept 2022
2728 E Franklin St	151	\$1,200,000	MPHA Capital	Under Contract	Sept '22-Feb '23
Horn Towers	491	\$3,445,000	MPHA Capital	Under Construction	Jan '22-Mar '23
630 Cedar Ave S	190	\$1,592,000	MPHA Capital/City/State	Funding Due Diligence	Jun '22-Jan '23
2121 Minnehaha Ave	110	\$888,000	MPHA Capital/City/State	Funding Due Diligence	Jun-Nov 2022
1627 S 6 <sup>th</sup> St	116	\$868,000	MPHA Capital/City/State	Funding Due Diligence	Jan-Jun 2023
600 18 <sup>th</sup> Ave N	239	\$2,450,000	MPHA Capital/City/State	Funding Due Diligence	Nov '22-Aug -'23
1314 44 <sup>th</sup> Ave N	220	\$10,000,000*	MPHA Capital	Under Construction	Apr '22-Jun '23
Hiawatha Towers	281	\$2,100,000	MPHA Capital	Designing	Oct '22-Mar '24
314 Hennepin Ave	299	\$2,425,000	MPHA Capital/City	Designing	Oct '22-Sept '23
2415 N 3 <sup>rd</sup> St	62	\$500,000	Federal Appropriation	Not Started	TBD - 2023
1710 Plymouth Ave N	84	\$670,000	Federal Appropriation	Not Started	TBD - 2023
3116 Oliver Ave N	31	\$250,000	Federal Appropriation	Not Started	TBD - 2023
710 2 <sup>nd</sup> St NE	35	\$290,000	Federal Appropriation	Not Started	TBD - 2023
616 Washington St NE	35	\$290,000	Federal Appropriation	Not Started	TBD - 2023
809 Spring St NE	32	\$260,000	Not Identified	Not Started	Unknown
1900 3 <sup>rd</sup> St NE	32	\$260,000	Not Identified	Not Started	Unknown
3205 E 37 <sup>th</sup> St	28	\$230,000	Not Identified	Not Started	Unknown
3755 Snelling Ave S	28	\$230,000	Not Identified	Not Started	Unknown

\*Budget reflects costs of comprehensive building modernization project of which fire suppression is included