

NOTICE AND AGENDA

August 24, 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 4TH AVENUE NORTH, MINNEAPOLIS, MINNESOTA

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

Commissioners: Tom Hoch, 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 a Special Meeting of July 27, 2022

RESIDENT ADVISORY BOARD – RAB Chairperson Comments

DISCUSSION:

1. MPHA Property Insurance Policy (Darryl Adams, Assistant Finance Director)

RECEIVE AND FILE:

- Executive Director's Update
- Monthly Performance Report for July 2022
- Newsletter and News Clippings

POWERPOINT PRESENTATION:

• MTW Plan (Jennifer Keogh, Deputy Executive Director)

CLOSED SESSION:

• Executive Director Annual Performance Evaluation.

Next Board Meeting and MTW Public Hearing: Wednesday, September 28, 2022 - 1:30p.m. Cora McCorvey Health & Wellness Center 1015 – 4th 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, subd. 3(a).

MINNEAPOLIS PUBLIC HOUSING AUTHORITY EQUAL HOUSING OPPORTUNITY – EQUAL EMPLOYMENT OPPORTUNITY



MINUTES OF A SPECIAL MEETING OF THE MINNEAPOLIS PUBLIC HOUSING AUTHORITY IN AND FOR THE CITY OF MINNEAPOLIS July 27, 2022

The Minneapolis Public Housing Authority in and for the City of Minneapolis met in a special meeting at 1:36 P.M. on July 27, 2022, at the Cora McCorvey Health & Wellness Center, 1015 4th Avenue North, Minneapolis, Minnesota, the date, time, and place established for the holding of such meeting.

Roll Call:

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

- Andrea Brennan Abdullahi Isse Tamir Mohamud Hon. James Rosenbaum Tessa Wetjen Faith Xiong
- Vice Chair Commissioner Commissioner Commissioner Commissioner

The following members of the Board were absent:

Tom Hoch Mikkel Beckmen Cara Letofsky Chair Secretary Commissioner

The following others were also present:

Abdi Warsame

Executive Director / CEO

The Chair declared the presence of a quorum.

Approval of Agenda:

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

Approval of Minutes:

The Minutes of a Special Meeting of June 22, 2022, were presented for approval. Commissioner Isse moved the minutes be accepted as presented. The motion was seconded by Commissioner Mohamud. Upon a voice vote five commissioners vote "aye" and one commissioner "abstained", the Vice Chair declared the motion carried.

Resident Advisory Board (RAB):

RAB Chair Lisa Anderson reported there was a quorum. The agenda item, Window Replacement at Third Avenue Towers, presented by Laura Dykema, was discussed and passed. The CHR agenda item, Change to Land Use Restriction Agreement for Scattered Site New Construction Units, presented by Brian Schaffer was discussed and passed. The receive and file items, the Monthly Performance Report; and Newsletter and News clippings presented by MPHA staff were discussed and filed.

RAB discussion items:

Rachel Almburg discussed meeting with RAB about developing the 2023 MTW priorities and establishing timelines for draft reviews.

The RAB discussed their election, and a roll call was held to see who would like to stay for the remainder of the year.

The letter to the Mayor and MPD concerning security issues was completed; however, it was lost. On August 17, 2022, the RAB will be meeting at 1001 Washington to discuss the 2023 plan and hope to have another draft letter ready by that time.

RAB concerns:

A resident from 600-18th (Art Manor) brought up there was a shooting in the parking lot Thursday night. Also, there are no outside lights as most of them were shot out.

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:

- A Hennepin County judge halted the implementation of Minneapolis' 2040 comprehensive plan; however, the agency's 84-unit new construction will not be impacted by the court order.
- The MPHA will be hosting an informational session for the board members to provide a comprehensive look at the new 84-unit construction project ahead of the August 24, 2022, CHR Board of Directors meeting. Commissioner Rosenbaum inquired about a mock-up/CAD of a unit, Brian Schaffer, Assistant Director of P & D confirmed there will be visuals of a unit.
- The MPHA is working on three major projects this summer, the Strategic Planning, the 2023 MTW Plan and the Faircloth to RAD.
- The Bronner Group (contracted to lead the strategic plan process) has conducted over 20 interviews with agency leaders, board members and key external stakeholders. Bronner will produce an initial vision, mission statement, and actionable strategies for MPHA's executive leaders to review. The Executive Director has a scheduled meeting with Chair Hoch to discuss the Strategic Plan. November is the anticipated completion date of the strategic plan which

means the 2024 MTW Plan will be the first year that aligns with the agency's new strategic vision.

- The MPHA has begun researching if the agency can incorporate a new HUD housing production program in an upcoming MTW Plan. The program, called Faircloth-to-RAD, provides a pathway for public housing authorities to develop new units of housing with their Faircloth authority and convert them to Section 8 vouchers through RAD. The agency contracted with Greg Byrne Consulting to help identify with a path forward for MPHA could look like with this program.
- Executive Director Warsame introduced the new Director of Affordable Property Operations Rashid Issack. He has worked for MPHA since 2004 and he's looking forward to working with everyone in his new role.

(The Executive Director's full report will be filed with these minutes)

Item No. 1: Window Replacement at Third Avenue Towers

After a brief presentation by staff and discussion, Commissioner Wetjen moved approval of the recommendation set forth in the Report. Commissioner Xiong seconded the motion. Upon a voice vote, the Vice Chair declared the motion carried. [See Document No. 2022-26]

Receive and File Items:

The following items were received and filed by the Board:

- The Monthly Performance Report for June 2022. [See Document No. 2022-27] [Note: Commissioner Wetjen inquired when would a safety matrix be included in the report]
- Newsletter and News Clippings [See Document No. 2022-28]

Adjournment:

There being no further business to come before the meeting, and upon a motion duly made and seconded, the meeting was adjourned at 2:15 p.m.

Secretary of the Board of Commissioners

Date These Minutes Approved

Agenda Item 1

August 24, 2022

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, Executive Director/ CEO

SUBJECT: MPHA Property Insurance Policy

Previous Directives: None.

<u>Resident Association Notification</u>: This Report is scheduled to be discussed with the Resident Advisory Board (RAB) on the same date as and immediately prior to the Board of Commissioners August 24, 2022 meeting.

Budget Impact: The expenditures for this insurance will be covered under the Public Housing Operating and Central Office Budgets

Affirmative Action Compliance: Not applicable.

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 enter into an insurance policy in the amount of \$718,052 with Housing Authority Property Insurance for real property, personal property, terrorism, and business interruption damage or loss.

The Minneapolis Public Housing Authority sought insurance coverage for all risks of physical damage or loss of over \$703 million in real and personal property and business interruption income. The coverage includes all real property owned and operated in MPHA's public housing program and central office buildings MPHA sought coverage at the same level and deductibles (\$50,000 high-rise, \$10,000 scattered sites) as the current policy.

The Minneapolis Public Housing Authority worked through our current insurance provider Housing Authority Property Insurance (HAPI). HAPI is an entity under the HAI Group. HAI Group is a member-owned organization founded by, and dedicated to serving, the public and affordable housing communities. For 30+ years, HAI Group has delivered tailor-made solutions designed to protect assets, improve efficiency, empower employees, and move housing strategies forward. Although HUD has issued public housing authorities who are members of HAPI a waiver from competitive bidding, HAPI approached other insurance markets to ensure our quote was competitive. In seeking premium indications, HAPI learned that the rate quoted to MPHA could not be matched by other markets. The renewal rate afforded to MPHA will be \$.0932 per \$100 of total insured values. The expiring rate is \$.075 per \$100.

Other insurance carriers provided indications at \$.18 to \$.20 per \$100 of total insured values.

Despite a competitive rate, the 2022-2023 premium increased by 26.7% from the current premium amount. The main causes that impacted that increase:

- Total property replacement cost values increased by 3.09%. HAPI uses the insurance industry recognized, Marshall Swift Property Valuation, to determine replacement cost values.
- The loss ratio in 2019-2021 was 309.97%.
- The insurance markets are in what is called a "hard market." In the insurance industry a hard market is the upswing in a market cycle when premiums increase and capacity for insurance decrease.

Staff recommends that MPHA renew coverage with Housing Authority Property Insurance for the policy year beginning September 1, 2022.

This Report was prepared by Darryl Adams, Assistant Director – Finance. If you have any questions or need additional information, please contact Mr. Adams at 612 342-1494 or <u>dadams@mplspha.org</u>.



August 24, 2022

MEMORANDUM TO: MPHA Board of Commissioners

FROM: Abdi Warsame, Executive Director/CEO

SUBJECT: Executive Director's Report, August Board Meeting

Earlier this month, Minneapolis Mayor Jacob Frey presented his 2023 budget to the Minneapolis City Council. Included in this budget is a \$3.7 million contribution to MPHA, building on the city's prior annual investment of \$1 million. This additional \$2.7 million dollars will enable the MPHA team to bring five additional CHR family homes online while also making important repairs and improvements throughout the portfolio. These five homes, which have bedroom sizes ranging from two to five, are in various neighborhoods in South Minneapolis and are currently uninhabited because of a cumulative capital backlog of nearly \$1 million. This new investment from the city will allow the agency to repair these homes and provide five new families a stable, deeply affordable unit to call home for the foreseeable future. In short, this new investment will be lifechanging for the families moving into these homes from the MPHA's public and deeply affordable family housing waitlist.

The MPHA team has spent the past few months meeting with the mayor and his staff to provide a picture of the current needs of MPHA and its residents. In particular, the MPHA team presented the successes and challenges facing the agency's CHR family housing portfolio. As a board-identified agency priority, the agency sought partnership with the city to help preserve this critical portfolio of family housing. There is a tremendous need for deeply affordable family housing in the city, as evidenced by the agency's waitlist of more than 7,500 people seeking this type of housing in the city, more than 80 percent of whom on the list are households of color.

This announcement is a major step forward for the agency, creating a new highwater mark in the partnership between MPHA and the City of Minneapolis. But more importantly, this new investment will help the agency live out its mission to support the most vulnerable members of our community and bring to life the agency's strategic and MTW plans. I am deeply thankful to the mayor and his administration for further prioritizing MPHA residents and voucher-holders in the city's budget. While our region faces a housing affordability crisis, the mayor continues to make necessary, critical investments in producing and preserving deeply affordable housing in Minneapolis.

Speaking of board-approved policies, I've had good ongoing conversations with Chair Hoch to ensure the Board is fully informed of all the ways they'll be able to engage with the current strategic planning process. Chair Hoch has been working with the board to schedule time for the Bronner Group to present a Strength, Weakness, Opportunities, and Threats (SWOT) analysis of the agency along with a review of work done year-to-date. These sessions will come in addition to Bronner hosting two upcoming vision-setting sessions, with the intent of providing the board and agency leadership deeper thoughts and insights from various collected data points to help shape the first draft of a new strategic plan. I know there are additional touchpoints planned for later this summer and fall, but I'll defer to the Chair on the precise dates and activities of those later sessions for board members to further shape and finalize the agency's new strategic plan.



In addition to the important strategic planning work, MPHA staff continues to move forward with the 2023 MTW Plan. The agency will host three MTW public informational sessions next month as it moves to finalize the plan. Public comment on the proposed 2023 MTW Plan opens September 7, with an information session planned for that day at the Cora McCorvey Health and Wellness Center. The following day, MPHA staff will host an informational session at the Horn Towers as well as a virtual session on Zoom. Finally, the September board meeting will include a public comment hearing on the MTW Plan and agency statement of policies.

Agency staff will compile all comments submitted through the October 7 closing date and plans to present them to the board during the October board meeting. Board members will have the opportunity to review and discuss submitted comments and make subsequent recommendations and changes to the agency's draft 2023 MTW Plan. Following this feedback session, agency staff is planning to present a final 2023 MTW Plan to the board during its November board meeting for final approval.



Monthly Performance Report

Minneapolis Public Housing Authority

Board of Commissioners

For the month ending July 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

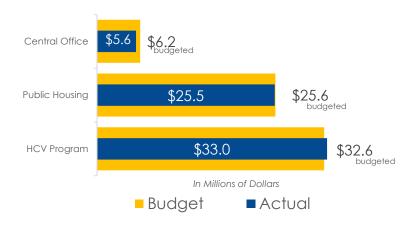
Financials

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

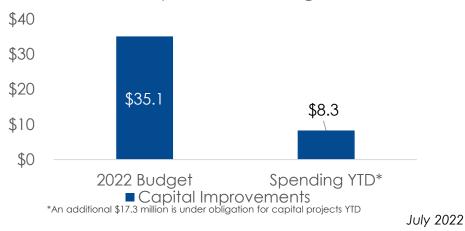


				••			
			Favorable (Unfavorable)				
Sources		YTD Budget		YTD Actual		Variance	Variance %
Tenant Revenue -Rents & Other	\$	10,454,198	\$	10,264,689	\$	(189,509)	-2%
Public Housing Operating Subsidy	\$	13,279,112	\$	13,736,161	\$	457,049	3%
HCV HAP Subsidy & Admin Fees	\$	32,080,478	\$	32,106,581	\$	26,103	0%
Other Revenues, Fees, & Grants	\$	1,083,292	\$	1,425,489	\$	342,197	32%
Transfers-In	\$	145,831	\$	172,083	\$	26,252	18%
Total Source	s \$	57,042,911	\$	57,705,003	\$	662,092	1%
Uses							
Public Housing Operations	\$	25,638,316	\$	25,538,440	\$	99,876	0%
Housing Choice Vouchers	\$	32,627,830	\$	32,958,006	\$	(330,176)	-1%
MTW Initiatives and Other Services	\$	169,743	\$	17,391	\$	152,352	90%
Total Use	s \$	58,435,889	\$	58,513,837	\$	(77,948)	0%
Net Sources/(Uses)	\$	(1,392,978)	\$	(808,834)	\$	584,144	42%

Year to Date (YTD) Expenses

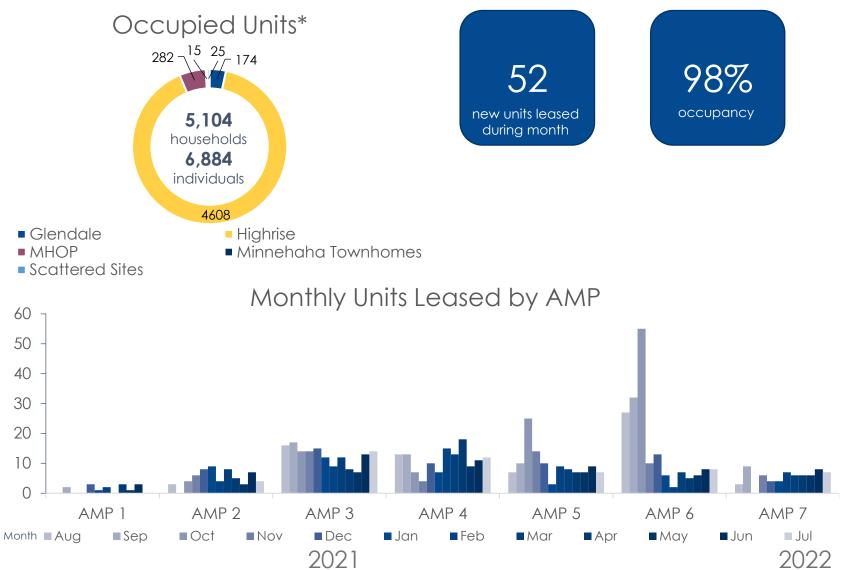


MTW Capital Fund Program



Public Housing Programs





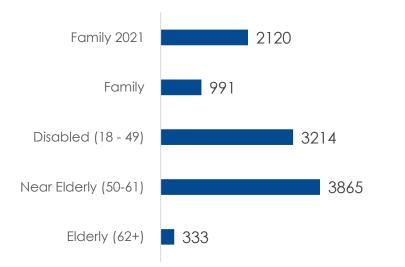
*At any given time, units may be vacant due to normal unit turnaround or because they are undergoing renovations.

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

Public Housing Programs

Reason for Vacating Unit	Count
Death	6
Moving in with or closer to Family	5
Found Alternative Housing	4
Evicted - Other	3
Skip	2
Left Country	2
Dislike Unit	2
Moving Out of Town	2
Mutual Agreement	1
Received S8 Voucher	1
Evicted - Non Payment	1

Applicants on Waiting List

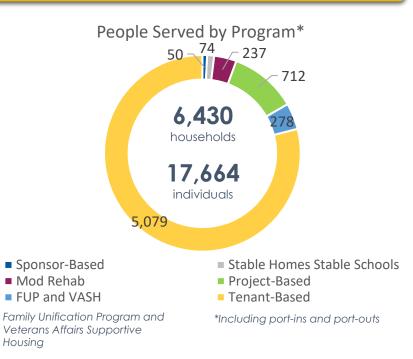


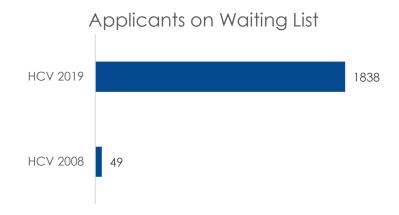


Goal	Total Completed	% Completed within Goal	Average Days Open
Emergency: 24 Hours	87	100%	0
Urgent: 1 Day	775	82%	1
After Hours Non- Emergency: 2 Days	2	100%	0
Important: 3 Days	884	73%	2
Routine: 10 Days	917	89%	3
Non-Routine: 20 Days	61	97%	4
Pest Control	612	100%	7

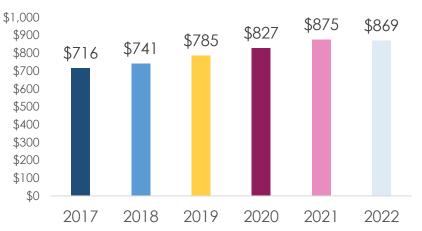


Housing Choice Voucher Programs

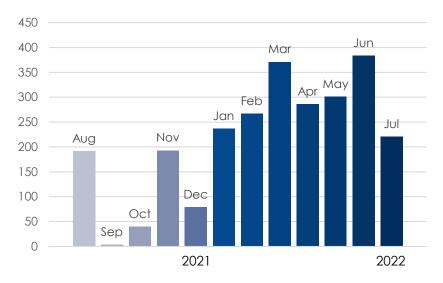




Average Housing Assistance Payment per Unit, Year to Date



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	Bidding
314 Hennepin Avenue	Fire sprinkler system installation	Bidding
1707 3 rd Avenue South	Exterior façade restoration & window replacement	Contract awarded;
		March 2023 start
2415 North 3 rd Street	Exterior façade restoration & balcony repairs	Contract awarded;
		September 2022 start
Cedars	Exterior façade/structural repairs	Contract awarded;
		September 2022 start
1515 Park/1920 4 th /1710 Plymouth/710 2 nd	Main electrical switch gear & generator replacement	Planning
Glendale Townhomes	Flat roof replacement	Contract awarded;
		September 2022 start
Multiple sites	Security related improvements	Planning

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
Cedars highrises	Window replacement and exterior façade repairs	Under construction; multi- year project
Multiple highrises	Fire sprinkler system installation	Under construction; timeline/status varies by site
1314 44 th Avenue North	Plumbing replacement, fire sprinkler system installation, unit bath modernization/new finishes	Under construction
1314 44 th Avenue North	Exterior façade restoration	Under construction
Multiple highrises	Security surveillance system upgrades funded via HUD's Safety & Security Grant	Under construction
Multiple sites	HVAC/systems upgrades	Under construction

Development Projects - Active

ADDRESS	DESCRIPTION OF WORK	STATUS
Elliot Twins	Comprehensive building modernization	Perm loan conversion
		July 1
Scattered Site	Energy efficient single-family construction	Under construction

Fire Suppression Installations

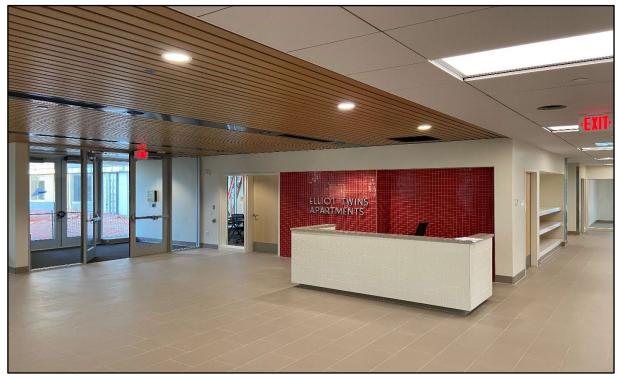


Building	Units	Budget	Funding Source(s)	Status	Construction
1206 2 nd St NE	57	\$620,000	MPHA Capital	Complete	Jan-Apr 2022
1717 Washington St NE	182	\$1,570,000	MPHA Capital	Under Construction	Apr-Sept 2022
2728 E Franklin St	151	\$1,200,000	MPHA Capital	Under Contract	Sept '22-Jan '23
Horn Towers	491	\$3,445,000	MPHA Capital	Under Construction	Jan '22-Dec '22
630 Cedar Ave S	190	\$1,592,000	MPHA Capital/City/State	Under Construction	May '22-Jan '23
2121 Minnehaha Ave	110	\$888,000	MPHA Capital/City/State	Under Contract	July-Dec 2022
1627 S 6 th St	116	\$868,000	MPHA Capital/City/State	Under Contract	Jan-Jun 2023
600 18 th Ave N	239	\$2,450,000	MPHA Capital/City/State	Under Contract	Nov '22-Aug –'23
1314 44 th Ave N	220	\$10,000,000*	MPHA Capital	Under Construction	Apr '22-Jun '23
Hiawatha Towers	281	\$2,100,000	MPHA Capital	Planning	Oct '22-Mar '24
314 Hennepin Ave	299	\$2,425,000	MPHA Capital/City	Planning	Oct '22-Sept '23
2415 N 3 rd 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 nd 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 rd St NE	32	\$260,000	Not Identified	Not Started	Unknown
3205 E 37th 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





Construction Timeline

Permanent loan conversion closing July 1

- Addressed deferred maintenance, <u>plus</u> unit improvements, community link addition, envelope enhancement, new HVAC system, addition of 10 fully accessible units
- Projected 30% reduction in utilities
- Hard costs: ~\$27M



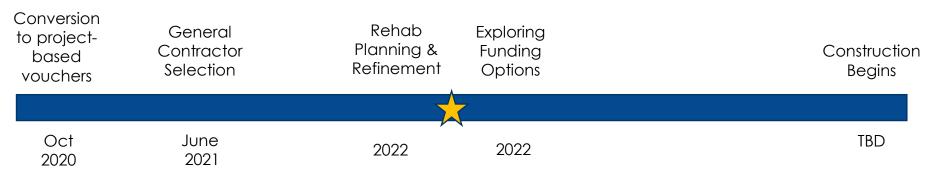
Scattered Site Rehab Process





- 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 due diligence & agreement negotiations underway
- Finalizing financing sources; bonds and soft source approvals in July-August



July 2022



MPHA on Facebook

Top Performing Post (2,115 views)

...

Minneapolis Public Housing Authority Published by Alyse Arras @ - July 6 - @

Last week we celebrated Kyle Hanson's service to MPHA. Over his 16 years with MPHA, Kyle served in various departments, ending his time with us as the Director of Strategic Initiatives. His contributions were many and is an affordable housing industry expert. We wish him the best as he transitions as the new Executive Director of Agate Housing and Services!



22 New Followers



Top Tweet (242 views)

Minneapolis Public Housing Authority @MPLSPubHousing · Jul 20 ···· Starting this past weekend, individuals can call or text 988 to be connected to a trained mental health professional in a time of crisis. There will never be a busy signal or a voicemail box. Share this, Save this, Use this! Take care of yourselves and each other.

The new Suicide and Crisis Hotline is

988

Designed to be memorable if you or someone you know is struggling.



July 2022



Community Update August 2022

NAHRO's August Advocacy

The National Association of Housing and Redevelopment Officials is hosting their annual campaign for housing advocacy. Every week they will be urging individuals to be advocates for housing by sending letter to Congress. Each letter will focus on a different matter. Make your voice heard and join us in sending letters to Congress!





Mayor Frey Proposes a \$3.7 Million contribution to MPHA in 2023 Budget

Minneapolis Mayor Jacob Frey presented his 2023 budget to the Minneapolis City Council. Included in this budget is a \$3.7 million contribution to MPHA, building on the city's prior annual investment of \$1 million. This additional \$2.7 million dollars will enable the MPHA team to bring additional CHR family homes online while also making important repairs and improvements throughout the portfolio. Because of this new money, MPHA will be able to place more families from its waiting list into stable, deeply affordable homes.

National Night Out

Our residents enjoyed this years National Night Out! Together they celebrated community, safety, and the ability to meet in person!

