



NOTICE AND AGENDA

September 28, 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 NORTH 4TH AVENUE MINNEAPOLIS, MINNESOTA

The Executive Committee of the MPHA Board of Commissioners will meet at 12:30 p.m., same date and place

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 August 24, 2022

RESIDENT ADVISORY BOARD – RAB Chairperson Comments

DISCUSSION:

1. MPHA HCV Payment Standards (Brandon Crow, Director of HCV)
2. Fire Suppression System Installation at Four High-rises (Laura Dykema, Director of Planning & Development)

RESOLUTION:

3. Authorization to Execute a Deferred Loan Repayment Agreement (Laura Dykema, Director of Planning & Development)
4. Authorization to Execute Family Housing Expansion Documents (Brian Schaffer, Assistant Director - P & D)



RECEIVE AND FILE:

- Executive Director's Update/Report
- Monthly Performance Report for August 2022
- MPHA 2023/24 Budget Request Presentation to City of Minneapolis
- Newsletters and News Clippings
- HCV Update – Reporting on Project-based Voucher Awards
- PowerPoint Presented at the MTW Informational Meetings

Moving-to-Work

- Update (Jennifer Keogh, Deputy Executive Director & Rachel Almburg, Assistant Director of Policy and Strategic Initiatives)

PUBLIC HEARING - MPHA DRAFT 2023 Moving-to-Work Annual Plan (opens after board meeting adjournment)

- Public Comments

Next Regular Meeting:

**Wednesday, October 26, 2022 - 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 SPECIAL MEETING OF THE
MINNEAPOLIS PUBLIC HOUSING AUTHORITY
IN AND FOR THE CITY OF MINNEAPOLIS
August 24, 2022**

The Minneapolis Public Housing Authority in and for the City of Minneapolis met in a special meeting at 1:30 P.M. on August 24, 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:

Tom Hoch	Chair
Andrea Brennan	Vice Chair
Mikkel Beckmen	Secretary
Abdullahi Isse	Commissioner
Cara Letofsky	Commissioner
Tamir Mohamud	Commissioner
Faith Xiong	Commissioner

The following members of the Board were absent:

Hon. James Rosenbaum	Commissioner
Tessa Wetjen	Commissioner

The following others were also present:

Abdi Warsame	Executive Director / CEO
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The Chair declared the presence of a quorum.

Approval of Agenda:

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

Approval of Minutes:

The Minutes of a Special Meeting of July 27, 2022, were presented for approval. Commissioner Brennan moved the minutes be accepted as presented. The motion was seconded by Commissioner Isse. Upon a voice vote, the Chair declared the motion carried.



Resident Advisory Board (RAB)

RAB Chair Lisa Anderson reported there was a quorum. The agenda discussion item, MPHA Property Insurance Policy, presented by Darryl Adams, Assistant Director of Finance, was discussed and passed.

RAB discussion items:

- Recap of the Moving-to-Work schedule and events presented by Jennifer Keogh, Deputy Executive Director.
- Discussion on RAB elections.
- Letter to Mayor Frey and the Minneapolis Police Department was completed.
 - MPHA Board Chair Hoch requested that a copy of the letter be forwarded to the MPHA Board of Commissioners.
- The RAB Chair, as a result of the ongoing security issues throughout the year, requested that all high-rises have secured gated parking lots for its residents just like the onsite MPHA employees have for their vehicles.

Item No. 1: MPHA Property Insurance Policy

After a brief presentation by staff and discussion, Commissioner Letofsky moved approval of the recommendation set forth in the Report. Commissioner Xiong seconded the motion. Upon a voice vote, the Chair declared the motion carried. [See Document No. 2022-29]

Receive and File Items:

The following items were received and filed by the Board:

- Executive Director's Report for August [See Document No. 2022-30]
- The Monthly Performance Report for July 2022. [See Document No. 2022-31]
- Community Update Newsletter [See Document No. 2022-32]
- 2023 Moving to Work Plan PowerPoint Presentation (Jennifer Keogh, Deputy Executive Director) [See Document No. 2022-33]

Strategic Planning Update by Chair Hoch:

- The Chair is working with the Executive Director.
- The Commissioners are meeting with the Bronner Group (MPHA's consultants) receiving updates on the strategic plan.
- MPHA Staff has had some input.
- The Chair will be meeting with Bronner next week to figure out what the schedule is going forward.
 - Once the schedule is finalized, the Chair will slot in time for the commissioners to get briefings.
 - The Chair will work with Bronner to secure a date for a commissioners retreat.



Closed Session:

Upon a motion duly made and seconded, at 2:07 p.m. the Chair closed this portion of the meeting to the public, pursuant to Minnesota Statutes Section 13D.05, subd. 3(a) to discuss Executive Director Warsame's Annual Performance Evaluation

Board Meeting Resumed:

Upon a motion duly made and seconded the Board meeting reconvened in open session at 3:25 p.m.

Adjournment:

There being no further business to come before the meeting, and upon a motion duly made and seconded, the meeting was adjourned at 3:27 p.m.

Secretary of the Board of Commissioners

Date These Minutes Approved



September 28, 2022

Agenda Item 1

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, Executive Director / CEO

SUBJECT: MPHA HCV Payment Standards

Previous Directives: None.

Resident Association Notification: None

Budget Impact: None outside of our internal budgeting process.

Affirmative Action Compliance: Not applicable.

Procurement Review: Not applicable.

RECOMMENDATION: It is recommended that the Board of Commissioners approve the proposed 2023 HCV Payment Standards.

The Minneapolis Public Housing Authority determines the HCV Payment Standards on an annual basis. These Payment Standards are determined through research of the Minneapolis rental market, current contract rents associated with private market units leased by HCV participants, the percentage of monthly adjusted gross income HCV Participants pay towards their unit's contract rent, Fair Market Rents (FMRs) released by HUD on an annual basis, goals of maximizing participant choice in housing, and in consideration of utility rates as they affect utility allowance amounts utilized by MPHA's HCV department.

Formerly, Payment Standards for a given year have been approved as part of the annual budget approval process. We made the decision to separate Payment Standard approval from the budget approval process to provide a clear understanding of the importance of Payment Standards within a community and because the costs associated with increasing Payment Standards can be a significant driver in outcomes of the final proposed budget for the coming year. This also brings MPHA in line with a large percentage of PHAs. Additionally, HCV staff must begin processing Annual Recertifications for families and project-based properties in November for a January 2023 start.



The Board will receive the proposed Payment Standards during the presentation at the Board of Commissioners meeting. The Board will be provided with a presentation explaining the process for how the Payment Standards were determined and what considerations for 2024 were factored into the decision-making process.

This Report was prepared by Brandon Crow, Director of HCV. For further information, please contact Mr. Crow at (612) 342-1421 or bcrow@mplspha.org.



September 28, 2022

Agenda Item 2

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, Executive Director / CEO

SUBJECT: Fire Suppression System Installation at Four High-rises

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 September 28, 2022 meeting.

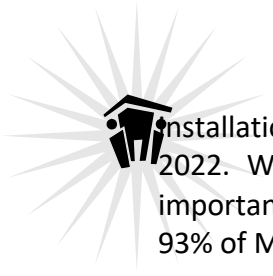
Budget Impact: The City of Minneapolis is granting \$1M in Community Block Development Grant (CDBG) funds to partially fund the work at 314 Hennepin Avenue. All other costs will be charged to the Capital Fund Program.

Affirmative Action Compliance: The contractors have signed an Equal Employment Opportunity /Affirmative Action Policy statement. JPMI is a certified MBE contractor. Additionally, both contractors intend to subcontract portions of the work to WBE and Section 3 vendors. 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 one contract and all related documents in the amount of \$3,435,000 with JPMI Construction for fire suppression system installation at the three Hiawatha Towers and execute one contract and all related documents in the amount of \$1,772,258 with Hamline Construction for fire suppression system installation at 314 Hennepin Avenue.

MPHA has made the installation of fire suppression systems in our high-rises a high priority and as a result accelerated the timeline for installations in remaining, un-sprinkled properties. Currently 26 of MPHA's 42 high-rise buildings (or 3,553 units) have sprinklers in place or active



installations underway; three additional building installations are planned to begin by end of 2022. With these contract awards, four additional high-rises will be retrofitted with this important life-safety system. Collectively, this represents 33 high-rises with 4,639 units, nearly 93% of MPHA's high-rise inventory.

On July 26, 2022, an invitation for bids for Hiawatha Towers was publicly advertised with a bid due date of August 25, 2022. MPHA received the following bids:

JPMI Construction	\$3,435,000
Hamline Construction	\$3,695,000

On July 28, 2022, an invitation for bids for 314 Hennepin Avenue was publicly advertised with a bid due date of August 24, 2022. MPHA received the following bids:

Hamline Construction	\$1,772,258
JPMI Construction	\$1,953,000

The successful bidders, JPMI Construction and Hamline Construction, have completed projects for MPHA in the past and, in particular, Hamline Construction has completed and is currently completing several fire suppression system installations in MPHA high-rises. Staff is confident both contractors will perform well on these projects.

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.



September 28, 2022

Agenda Item 3

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, Executive Director / CEO

SUBJECT: Authorization to Execute a Deferred Loan Repayment Agreement

Previous Directives: The Board has previously authorized MPHA to enter into deferred loan repayment agreements under this program for nine other projects. Additionally, the Board authorized MPHA to execute a contract for elevator modernization at 1611 South Sixth Street at its September 23, 2020 meeting.

Resident Association Notification: This matter will be discussed with the Resident Advisory Board (RAB) immediately prior to the Board's September 28, 2022 meeting.

Impact on MPHA Budget: Provides funding for budgeted activities.

Affirmative Action Compliance: Not Applicable.

Procurement Review: Not Applicable.

RECOMMENDATION: It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Executive Director or his designee to execute a deferred Loan Repayment Agreement and all related documents with Minnesota Housing for \$445,750.

MPHA applied for and was awarded through Minnesota Housing's Publicly Owned Housing Program (POHP) a \$445,750 deferred loan which will provide funding to cover some of the costs related to elevator modernization at 1611 South Sixth Street. The project included replacement of the elevator cab finishes, machine room heating and cooling equipment, and all machines and controls.

Minnesota Housing has offered a non-interest deferred repayment loan for \$445,750 to MPHA. The loan has a term of 20 years and is forgiven and extinguished with no repayment required if MPHA continues to operate and manage the development as public housing for public housing residents. MPHA opted for an end loan which is executed after construction is



complete. Minnesota Housing requires this resolution be passed within 90 days of loan closing which will be scheduled for fall 2022.

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.

RESOLUTION NO. 22- 224

WHEREAS, The Minnesota Legislature authorized Minnesota Housing to make loans for the rehabilitation of public housing; and

WHEREAS, the Minneapolis Public Housing Authority in and for the City of Minneapolis, a body corporate and politic (MPHA) has applied for such loan and has been awarded a \$445,750.00 no-interest deferred payment loan to provide building improvements at Cedar High Apartments (Building A) located at 1611 South Sixth Street, Minneapolis, Minnesota; and

WHEREAS, on this ____ day of _____, 2022, there has been presented to the MPHA Board of Commissioners, a proposal for MPHA to borrow a zero-interest, forgivable loan from Minnesota Housing Finance Agency, a public body corporate and politic of the State of Minnesota, 400 Wabasha Street North, Suite 400, St. Paul, Minnesota 55102, (the "Agency") in an amount not to exceed \$445,750.00, (the "Loan") that will be forgiven in 20 years, which Loan will be evidenced by a Deferred Loan Repayment Agreement. Further, a General Obligations Bond Declaration of Covenants, Conditions and Restrictions (the "G.O. Declaration") and a Publicly Owned Housing Program Declaration of Covenants, Conditions and Restrictions (the "POHP Declaration") shall be executed in connection with the Loan, the terms of which require that (i) the MPHA retain ownership of the Development located in the County of Hennepin, State of Minnesota and more fully described in Exhibit A attached hereto and made a part hereof, and (ii) provides public housing for a term of 35 years. The Deferred Loan Repayment Agreement; G.O. Declaration; POHP Declaration; and any other Agency-required document are referred to collectively as the "Loan Documents".

NOW THEREFORE BE IT RESOLVED, that Abdi Warsame, Executive Director / CEO of the MPHA is authorized at any time hereafter and without further action by or authority or direction from the MPHA Board of Commissioners, to execute and deliver to the Agency in such form as may be required by the Agency, any and all Loan Documents evidencing the indebtedness.

BE IT FURTHER RESOLVED, by the members of MPHA, that MPHA be and it hereby is authorized to borrow the funds referred to hereinabove from the Agency;

BE IT FURTHER RESOLVED, that the Executive Director of the MPHA is authorized at any time hereafter and without further action by or authority or direction from the Board of Commissioners, to execute and deliver or cause to be executed and delivered, all such other further agreements, assignments, statements, instruments, certificates and documents and to do or cause to be done all such other and further acts and things as they may determine to be necessary or advisable under or in connection with such borrowing, and that their execution of any such agreement, assignment, statement, instrument, certificate or document, or the doing of any such act or thing, shall be conclusive evidence of their determination in that respect;

BE IT FURTHER RESOLVED, that Minnesota Housing Finance Agency be and hereby authorized to rely on continuing force and effect of this Resolution until receipt by the Commissioner of Minnesota Housing at its principal office of notice in writing from the MPHA of any amendments or alterations thereof.

Exhibit A
LEGAL DESCRIPTION

Block 14 except Lots 7 and 8 and the Northeasterly 35 feet of Lots 5 and 6, and Block 15, Atwaters Addition to the Town of Minneapolis including that part of adjacent vacated 17th Avenue South lying Northwesterly of said Block 14 and Southeasterly of said Block 15. Part of which is registered property as evidenced by:

The Northwesterly Half of Lot 11, Block 15, except the rear or Southwesterly 35 feet thereof, Atwaters Addition to the Town of Minneapolis, according to the plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County; and

Lot 11 in Block 14 in Atwaters Addition to the Town of Minneapolis, according to the plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County; and

Lot 8 in Block 15 of Atwater's Addition to Minneapolis according to the official plat of said Addition on file or of record in the office of the Register of Deeds in and for said Hennepin County; and

The Northwesterly 26.5 feet of Lot 1, Block 15, Atwaters Addition to the Town of Minneapolis, according to the recorded plat thereof; and

Northwesterly 31 feet of Northeasterly 100 feet of Lot 12 in Block 15 in Atwaters Addition to the Town of Minneapolis, according to the plat thereof on file and of record in the office of the Register of Deeds in and for said County.

AND

Parcel 1:

All that part of Lot 10, Block 26, Atwaters Addition to the Town of Minneapolis lying Northeasterly of the right of way of the Chicago, Milwaukee & St. Paul Railroad, according to the plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Parcel 2:

That part of Lot 11, Block 26, Atwaters Addition to the Town of Minneapolis described as follows: Commencing at the Northeasterly corner of said Lot; thence Northwesterly along Northeasterly line of said Lot, 27 feet; thence Southwesterly at right angles to a point which is distant 34 feet Northeasterly measured at right angles from center line of main track of Chicago, Milwaukee & St. Paul Railway Company as originally located and established through said Block; thence Southeasterly parallel to said center line to Southeasterly side of said Lot; thence Northeasterly along line last aforesaid to place of beginning, according to the plat

thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Parcel 3:

All that part of Lots 7, 8 and 9 in Block 26 Atwater's Addition to the Town of Minneapolis described as follows to-wit: Beginning at the Northeast corner of said Lot 7 formed by the intersection of the Southwesterly line of Seventh Street South and the Northwesterly line of Seventeenth Avenue South in the City of Minneapolis; thence Southwesterly along the Southeasterly line of said Lot 7 a distance of 172.84 feet to a point; thence Northwesterly a distance of 197.54 feet to a point on the Northwesterly line of said Lot 9 distant Southwesterly 64.91 feet from the Southwesterly line of said Seventh Street; thence Northeasterly along the Northwesterly line of said Lot 9, 64.91 feet to said Southwesterly line of Seventh Street South; thence Southeasterly along the Southwesterly line of said Seventh Street a distance of 165.45 feet to the point of beginning, according to the plat thereof on file and of record in the office of the Register of Deeds in and for said Hennepin County.

Those parts of Lot 12, Block 27, and of the adjoining vacated 7th St. and Avon St. (also known as 17th Ave. So.) described as beginning at the point of intersection of the center lines of said vacated streets; thence Easterly along the center line of 7th St. to its intersection with the Northerly extension of the Easterly line of said Lot; thence Southerly to a point on the Easterly line of said Lot 75 feet Southerly from the most Easterly corner of said Lot; thence Westerly along a line passing through a point on the Westerly line of said Lot 85 feet from the most Northerly corner of said Lot to the center line of Avon St.; thence Northerly to the point of beginning; all in Atwaters Addition to the Town of Minneapolis, according to the recorded plat thereof.

The Northeasterly 35 feet of Lots 5 and 6 and all of Lots 7 and 8, Block 14, Atwaters Addition to the Town of Minneapolis; and that part of vacated 7th Street South lying Northwesterly of the Southwesterly extension of the Southeasterly line of said Block 14, and Southeasterly of the Northeasterly extension of the Northwesterly line of Block 26, Atwaters Addition to the Town of Minneapolis; and that part of the Northwesterly Half of vacated 17th Avenue South lying Southwesterly of the Northwesterly extension of the Southwesterly line of Block 14, Atwaters Addition to the Town of Minneapolis and Northeasterly of the Northwesterly extension of a line running from a point on the Easterly line of Lot 12, Block 27, Atwaters Addition to the Town of Minneapolis distant 75 feet Southerly from the most Easterly corner of said Lot to a point on the Westerly line of said Lot 12 distant 85 feet from the most Northerly corner of said Lot.

Being both Abstract and Torrens, with the Registered land as is evidenced by Certificate of Title Nos. 336735, 332593, 332598, 339400, 339773, 441110 and 477777.

Address: 1611 6th Street South, Minneapolis, MN



September 28, 2022

Agenda Item 4

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, Executive Director / CEO

SUBJECT: Authorization to Execute Family Housing Expansion Documents

Previous Directives: This project/its concept has been included in the Agency's 2019-2023 Moving to Work (MTW) Annual Plans. On May 26, 2021, the CHR Board authorized the President to enter into a GC/C agreement with Frerichs Construction and an architectural agreement with DJR Architecture for the design and construction of the scattered site new construction project, the MPHA Family Housing Expansion Project, whereby certain scattered sites properties were to be used to produce additional housing at those sites. On February 23, 2022 the MPHA Hold. Co. Board authorized the formation of Family Housing Resources Mgmt. LLC and Family Housing Resources LP to support the Family Housing Expansion Project. On July 27, 2022 the CHR Board authorized the President to seek HUD approvals of any necessary changes to the Scattered Sites Disposition Approval and Use agreement related to the Family Housing Expansion Project.

Resident Council Review/Recommendation: This Report will be discussed with MPHA's Resident Advisory Board (RAB) immediately prior to the Board's September 28, 2022 meeting.

Budget Impact: MPHA's share of the development budget will be charged to the Capital Fund Program. MPHA's contribution includes funds to bridge the sales tax and energy rebates at closing; MPHA will be reimbursed those funds once the rebates are received.

Affirmative Action Compliance: Not Applicable

Procurement Review: Not Applicable

RECOMMENDATION: It is recommended that the Board of Commissioners approve the attached resolution authorizing the Executive Director/CEO and/or his designee(s) to execute all financing, agreements, and other documents related to the Family Housing Expansion Project.

Family Housing Expansion Project

The MPHA Family Housing Expansion projects consist of 84 units of deeply affordable project-based voucher housing on 16 sites throughout Minneapolis. The project consists of 10 six-unit apartment buildings and 6 four-unit apartment buildings. The six-unit building contains two two-bedroom units and four three-bedroom units. The four-unit building contains one two-bedroom

unit and three three-bedroom units. In total, the project will consist of 58 three-bedroom units and 26 two-bedroom units. Two and three-bedroom units have the highest demand on MPHA's Family Housing Waitlist. 17 units are dedicated to high priority homeless families with referrals coming from Hennepin County's Coordinated Entry System. Hennepin County will fund services for these households and Avivo will be the service provider for the homeless units.

The project utilizes modular building technology. Rise Modular, a local modular fabricator, will be constructing the modules offsite in their Owatonna, Minnesota factory. Each building has three 15.5 ft wide by 72 ft long modules per floor. The two-story, four-unit buildings will consist of 6 modules and the three-story, six-unit building will have 9 modules each.

Each building will have a 22.6 kW solar array on its roof. This system in total provides 361.6 kW 6kW amount of power and will reduce MPHA's utility costs. US Bank CDC will purchase the solar tax credits and additional resources from the Minneapolis Green Cost Share and Xcel Solar Rewards will offset a significant portion of the capital costs for the solar array.

In total, 15 existing CHR properties consisting of 21 units will be demolished and replaced with 78 new PBV units. A sixteenth site, that CHR is acquiring from the City of Minneapolis, will be developed with six PBV units, resulting in a total of 84 new scattered site units.

13 of the 21 existing scattered site units planned to be demolished are occupied. MPHA began meeting with these households in early August 2021 and has followed the requirements of HUD's Uniform Relocation Assistance regulations and the Memorandum of Understanding (MOU) between MPHA and the City of Minneapolis, as applicable. Impacted households have been consulted with to understand their needs during relocation, and MPHA has worked with each household to find commensurate housing within CHR's portfolio. 12 of the 13 households will be temporarily relocated and will have the right to return to new buildings when they are completed. The thirteenth household requires a larger unit than what is being built in the project and will be permanently relocated. MPHA has worked to ensure the household has a unit that meets their desires in a location they prefer. All households will also have access to a tenant-based voucher if the household ultimately elects that relocation benefit.

The total development costs are approximately \$50,553,334, which is primarily funded through housing revenue bonds issued by the City of Minneapolis, 4% low-income housing tax credits issued by the Minneapolis/St. Paul Housing Finance Board, and deferred loans from the City of Minneapolis, Metropolitan Council, and Hennepin County. MPHA will provide a sponsor loan to the project utilizing Capital Funds in an approximate amount of \$11,934,653 million. \$1,379,653 amount of that loan will be returned when energy and sales tax rebates are received.

US Bank will provide construction financing utilizing \$25,405,000 million in housing revenue bonds and \$1,787,638 in an additional construction bridge loan. US Bank CDC will provide \$20,302,265 million in equity for the low-income housing tax credits and solar tax credit. US Bank CDC will be serving as the limited partner in Family Housing Resources, LP, which will own the

project. CITI bank will be utilizing \$8,916,735 amount of the housing revenue bonds to support a permanent loan for the project.

MPHA Affiliated Entities Role in Project

This project utilizes several of MPHA's affiliated organizations. The following outlines the relationship between the organizations.

The role of MPHA Hold Co. includes:

- General Partner in Family Housing Resources Management, LLC.
- Family Housing Resources Management LLC is the general partner, managing and controlling member of Family Housing Resources, LP.

The role of Family Housing Resources, LP (FHR), includes:

- FHR will own the Family Housing Expansion Project.
- FHR will enter into a ground lease with CHR for the land of the 16 sites.
- FHR will enter into agreements with MPHA on the sponsor loan, the City of Minneapolis on the City Loan, the City of Minneapolis on behalf of the Metropolitan Council for the LHIA Loan, and Hennepin County Housing and Redevelopment Authority on the HC HRA Loan.
- FHR will enter into any use restrictions related to the loans listed above.
- FHR will enter into agreements with US Bank, CITI Bank and the City of Minneapolis for the housing revenue bond loans.
- FHR will enter into an agreement with US Bank CDC for equity investment.
- FHR will enter into a management agreement with MPHA for the operation of the Family Housing Expansion Project.
- FHR will enter to into a Development Services Agreement and Joint Marketing Agreement with MPHA Dev. Co for the development of the Family Housing Expansion Project.

The role of MPHA includes:

- MPHA will manage and operate the Family Housing Expansion project.
- The MPHA HCV department will enter into a Housing Assistance Payment (HAP) contract for the 84 project-based vouchers for the project.
- MPHA will provide the sponsor loan for the project.
- MPHA will provide the guarantees for the project
- MPHA will approve the amended and restated Land Use Restriction Agreement (LURA) between MPHA, CHR, and HUD.

The role of Community Housing Resources (CHR) includes:

- CHR is the current owner of 15 of the 16 sites for the project.
- CHR will acquire three lots from the City of Minneapolis for assembly into the 16th site for the project.

- CHR will lease the land, through a ground lease, to Family Housing Resources, LP.
- CHR currently holds the Frerichs Construction Company and DJR Architects contracts and will assign those contracts to Family Housing Resources, LP.
- CHR will approve the amended and restated Land Use Restriction Agreement (LURA) between MPHA, CHR, and HUD.
- CHR will approve any property use restriction related to City of Minneapolis, LHIA, HC HRA loan agreements.

The role of MPHA Dev. Co. includes

- Dev. Co will enter into a Development Services Agreement and Joint Marketing Agreement with FHR for the development of the Family Housing Expansion Project.

This Report was prepared by Brian Schaffer, Assistant Director of Planning & Development. For further information, please contact Mr. Schaffer at (651) 270-8184 or bschaffer@mplspha.org.

Enclosures

1. MPHA Board of Commissioners Resolution No. 225

Resolution No. 225

RESOLUTION OF Minneapolis Public Housing Authority

WHEREAS, the Minneapolis Public Housing Authority in and for the City of Minneapolis, a public body corporate and politic organized under the laws of the State of Minnesota (the “**Authority**”) previously effectuated the U.S. Department of Housing and Urban Development (“**HUD**”) approved disposition of 717 scattered-site public housing units to Community Housing Resources, a Minnesota nonprofit corporation (“**CHR**”), a related entity, to facilitate the long-term preservation of units supported by project-based vouchers in October 2020; and

WHEREAS, Family Housing Resources LP, a Minnesota limited partnership (the “**Owner**”) has been formed to develop, own and operate eighty-four (84) newly constructed units of affordable rental housing which units shall each receive assistance pursuant to a Section 8 Project-Based Voucher Housing Assistance Payments Contract (each individually, a “**Unit**” and, collectively, the “**Units**”) and be subject to all statutory, regulatory (24 CFR Part 983) and programmatic requirements applicable to project-based voucher Section 8 rental assistance including, without limitation, the United States Housing Act of 1937, as amended, the Authority’s Section 8 Administrative Plan, the various Agreements to Enter Into a Section 8 Project-Based Housing Assistance Payments Contracts (each, an “**AHAP Contract**”), and any Project -Based Voucher (“**PBV**”) Housing Assistance Payment Contract (each, a “**HAP Contract**”) (the “**PBV Requirements**”). Seventeen (17) of the Units will be high-priority homelessness units with services funded by Hennepin County through the use of admissions preferences;

WHEREAS, the Units will be constructed across 16 sites consisting of 10 six-unit and 6 four-unit apartment buildings at sites throughout Minneapolis, including: 400 Logan Avenue North and 404 Logan Avenue North; 2744 12th Avenue South; 2740 12th Avenue South; 2425 16th Avenue South; 2015 23rd Avenue South; 2110 16th Avenue South; 339 Pierce Street NE; 5139 Penn Avenue South; 2807 Emerson Avenue North and 2811 Emerson Avenue North; 1030 Lowry Avenue NE; 1606 Penn Avenue North and 1600 Penn Avenue North; 2220 38th Street East; 5633 34th Avenue South; 500 Knox Avenue North; 2021 24th Avenue South; and 1906 25th Avenue North and 1910 25th Avenue North (the “**Project**”);

WHEREAS, for the Project (known as *Family Housing Expansion*), CHR will acquire three additional parcels from the City of Minneapolis: 2807 Emerson Avenue North, 2811 Emerson Avenue North, and 1910 25th Avenue North (the “**Acquisition**”);

WHEREAS, the Project will replace 21 scattered site housing units and add an additional 63 desperately needed PBV units;

WHEREAS, CHR and HUD previously entered into that certain Public Housing Disposition Use Agreement dated October 1, 2020 (the “**Use Agreement**”) restricting the affordability of the thirteen (13) parcels to (a) only those households at or below eighty percent (80%) of area median income (“**AMI**”), and (b) rents for such units being limited to no more than thirty percent (30%) of eighty percent (80%) of AMI, adjusted for unit size. The Use Agreement will be amended by HUD and CHR to incorporate the three (3) parcels being purchased from the City;

WHEREAS, in furtherance of the Project, CHR will lease the land to the Owner for a term of 65 years (the “**Ground Lease**”);

WHEREAS, at the closing of the construction financing the Authority and the Owner will enter into fifteen (15) AHAPs for the provision of project-based assistance to the Units;

WHEREAS, the Owner is a Minnesota limited partnership, whose General Partner is Family Housing Resources Mgmt. LLC, a Minnesota limited liability company (the “**General Partner**”); and the sole member of the General Partner is MPHA Hold. Co., a Minnesota nonprofit corporation (“**Hold. Co.**”);

WHEREAS, to support its plans for the Project, the Authority has secured funding from financing sources that require that the Project be transferred to a single purpose tax credit entity controlled by a for-profit entity, which will own and operate the project;

WHEREAS, the Owner will undertake the demolition of existing units and the construction of the 84 new units (collectively, the “**Development Work**”);

WHEREAS, the Owner intends to finance the Development Work with the following sources (collectively, the “**Financing**”):

- (i) a first priority loan from the City of Minneapolis (the “**City**”) to the Owner (the “**Construction Loan**”) using proceeds from a loan (the “**Funding Loan**”) from U.S. Bank, National Association, a national banking association (“**US Bank**”) to the City in the approximate amount of \$25,405,000.00, which Funding Loan shall, subject to satisfaction of certain conditions, be reduced to an amount not to exceed \$8,916,735 and purchased by Citibank, N.A., a national banking association (“**CITI**”) on the Conversion Date (as defined in the documents evidencing the Permanent Loan. a first priority loan from the City of Minneapolis (the “**City**”) to the Owner (the “**Construction Loan**”) using proceeds from a loan (the “**Funding Loan**”) from U.S. Bank, National Association, a national banking association (“**US Bank**”) to the City in the approximate amount of \$25,405,000.00, which Funding Loan shall, subject to satisfaction of certain conditions, be reduced to an amount not to exceed \$8,916,735.00 and purchased by Citibank, N.A., a national banking association (“**CITI**”) on the Conversion Date (as defined in the documents evidencing the Permanent Loan. Simultaneously with such purchase, the Construction Loan will convert from a construction loan to a permanent loan (the “**Permanent Loan**”) and evidenced by certain documents to be executed between CITI, as permanent lender, and Owner. The Borrower Loan will be secured by that

certain Leasehold Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement (the “**Security Instrument**”), which Security Instrument shall be amended and restated and replaced in its entirety following the Conversion Date (the “**A&R Security Instrument**”). The Project shall also be encumbered by a Regulatory Agreement entered into by Borrower, US Bank, and the City (the “**Regulatory Agreement**”) in connection with the issuance of the Multifamily Housing Revenue Note (MPHA Family Housing Expansion), Series 2022 (the “**Governmental Note**”) in the aggregate approximate amount not to exceed \$25,405,000.00 evidencing the Funding Loan;

- (ii) a subordinate loan from the Authority of in the approximate amount of \$12,842,873 (the “**Sponsor Loan**”), which loan includes approximately \$535,653.00 in anticipated energy rebates from the City’s Green Cost Share & Excel Energy Solar Reward program, \$844,000.00 in sales tax rebates and \$908,220 reflecting the amount of permanent debt supported by an assumed by 2023 payment standards rents. The Sponsor Loan is expected to be reduced by approximately \$1,379,653 when project energy and sales tax rebates are received. The Sponsor Loan will be secured by a Leasehold Mortgage, Assignment of Leases and Rents, and Security Agreement;
- (iii) a combined subordinate loan from the City of Affordable Housing Trust Fund and American Rescue Plan Act funds in the approximate amount of \$5,800,000.00 (the “**City Loan**”). The City Loan will be secured against the Project by a Combination Mortgage, Security Agreement and Fixture Financing Statement and impose affordability restrictions upon the Project pursuant to a Declaration of Affordable Housing Restrictions;
- (iv) a subordinate loan from the City sourced from the Metropolitan Council Local Housing Incentives Account Program (“**LHIA**”) in the approximate amount of \$1,400,000.00 (the “**LHIA Loan**”). The LHIA Loan will be secured against the Project by a Combination Mortgage, Security Agreement and Fixture Financing Statement and subject the Project to the terms of that certain Metropolitan Livable Communities Act Grant Agreement dated February 23, 2022 by and between the Metropolitan Council and the City ;
- (v) a subordinate loan from Hennepin County Housing & Redevelopment Authority (“**HC HRA**”) in the amount of \$500,000.00 (the “**HC HRA Loan**”). The HC HRA Loan will be secured against the Project by a Combination Mortgage, Assignment of Rents, Security Agreement, and Fixture Financing Agreement and impose affordability restrictions upon the Project pursuant to a Declaration of Covenants and Restrictions;
- (vi) equity financing in the approximate amount of \$ \$20,302,265 (the “**Equity Financing**”) from U.S. Bancorp Community Development Corporation, a Minnesota corporation, and/or its respective designees, successors and assigns(the “**Investor**”), which has been obtained through the syndication of certain low income housing tax credits (the “**Tax Credit Allocation**”) awarded by the Minneapolis/Saint Paul Housing Finance Board through the City of Minneapolis, as suballocator for Minnesota Housing Finance Agency (the “Tax

Credit Issuer”), and such financing shall subject the Project to a regulatory agreement and/or a tax credit restrictive covenant. As a condition of the Tax Credit Allocation, the Units will be operated and maintained as qualified low-income units under Section 42 of the Internal Revenue Code of 1986, as amended (“Section 42”), for a period of not less than the Tax Credit Compliance Period (as defined in Section 42) and any applicable extended use period;

- (vii) a deferred developer fee in the approximate amount of \$1,026,038.00; and
- (viii) a General Partnership Contribution (the “**GP Contribution**”) in the amount of \$100,00 from Family Housing Resources Mgmt., LLC;
- (ix) interim income from the Project’s operations;

WHEREAS, MPHA Dev. Co., a Minnesota nonprofit corporation (“**Dev. Co.**”) will serve as the developer of the Development Work, earning a total developer fee in the approximate amount of \$3,624,985.00 of which approximately \$1,026,038.00 will be deferred (the “**Developer Fee**”);

WHEREAS, CHR previously entered into a construction contract with Frerichs Construction (the “**General Contractor**”) to serve as the general contractor for the Development Work, and such contract will be assigned to the Owner at closing;

WHEREAS, CHR previously entered into a contract with DJR Architects (the “**Architect**”) for the architectural and engineering services for the Development Work, and such contract will be assigned to the Owner at closing;

WHEREAS, the Authority will serve as the management agent for the Project, responsible for ongoing operations of the Project (the “**Operations**”);

WHEREAS, the Authority will provide certain guarantees and indemnifications as required in connection with the Equity Financing, the Construction Loan and Permanent Loan, including, without limitation, completion and repayment guarantees, nonrecourse carve out guarantees and environmental indemnities;

WHEREAS, the Owner will seek property tax exemptions from the City; and

WHEREAS, the Board of Commissioners of the Authority (the “**Board**”) has determined that it is in the best interests of the Authority to pursue the redevelopment of the Project and to cause the Authority enter into certain agreements, certificates, approvals, waivers, notices, instruments and other documents as may be required by HUD, the Owner, the Investor, U.S. Bank, CITI, the City, and the Tax Credit Issuer, in connection with effectuating the Project, including but not limited to the AHAP, the HAP Contract, the Development Work, the Financing, the Operations and related work; it is the desire of the Board to authorize such further action as may be necessary to advance the purposes set forth in the foregoing recitals.

- Resolved,** The Authority authorizes its Executive Director/CEO or his designee to form and file any and all requisite applications or other documentation with any appropriate governmental agency necessary for purposes of carrying out the authorizations described in this Resolution;
- Resolved,** The Executive Director/CEO or his designee is authorized to negotiate and execute any documents with HUD and the Owner to effectuate the Project, as may be necessary or desirable to codify the authorizations described in this Resolution;
- Resolved,** The Executive Director/CEO or his designee is authorized to negotiate and execute certain agreements, certificates, approvals, waivers, notices, instruments, and other documents as may be required by US Bank in connection with the Construction Loan, including but not limited to a Completion Guaranty Agreement, a Payment Guaranty Agreement and an Environmental Indemnification Agreement, as may be necessary or desirable to codify the authorizations described in this Resolution;
- Resolved,** The Executive Director/CEO or his designee is authorized to negotiate and execute certain agreements, certificates, approvals, waivers, notices, instruments and other documents as may be required by CITI for the Permanent Loan, as may be necessary or desirable to codify the authorizations described in this Resolution, including, without limitation, all documents required on or around the Conversion Date to evidence and secure the Permanent Loan;
- Resolved,** The Executive Director/CEO or his designee is authorized to negotiate and execute documents with the City relating to the issuance of the Governmental Note, the Borrower Loan and the Funding Loan, as may be necessary or desirable to codify the authorizations described in this Resolution;
- Resolved,** The Executive Director/CEO or his designee is authorized to negotiate and execute certain agreements, certificates, approvals, waivers, notices, instruments and other documents as may be required to effectuate the City Loan, as may be necessary or desirable to codify the authorizations described in this Resolution;
- Resolved,** The Executive Director/CEO or his designee is authorized to negotiate and execute any certain agreements, certificates, approvals, waivers, notices, instruments and other documents as may be required by the City to effectuate the LHIA Loan, as may be necessary or desirable to codify the authorizations described in this Resolution;
- Resolved,** The Executive Director/CEO or his designee is authorized to negotiate and execute certain agreements, certificates, approvals, waivers, notices, instruments and other documents as may be required by HC HRA to effectuate the HC HRA Loan,

as may be necessary or desirable to codify the authorizations described in this Resolution;

- Resolved,** The Executive Director/CEO or his designee is authorized to negotiate and execute certain agreements, certificates, approvals, waivers, notices, instruments and other documents as may be required by Investor to effectuate the Equity Financing, including but not limited to a guaranty of the performance of the obligations of the General Partner under the Owner's Amended and Restated Agreement of Limited Partnership and the obligations of Dev. Co. under the Development Services Agreement for the benefit of the Investor and a Purchase Option and Right of First Refusal, as may be necessary or desirable to codify the authorizations described in this Resolution;
- Resolved,** The Executive Director/CEO or his designee is authorized to negotiate and execute documents with the Owner to effectuate the Sponsor Loan, as may be necessary or desirable to codify the authorizations described in this Resolution;
- Resolved,** The Executive Director/CEO or his designee is authorized to negotiate and execute documents with the Owner to effectuate the Authority's services as management agent for the Project, including but not limited to a property management agreement to codify the authorizations described in this Resolution;
- Resolved,** The Executive Director/CEO or his designee is authorized to negotiate and execute documents with the Owner and the City related to the property tax exemption for the Project, as may be necessary or desirable to codify the authorizations described in this Resolution;
- Resolved,** The Executive Director/CEO or his designee is authorized to negotiate and, following receipt of all other required approvals, to negotiate and execute such additional agreements with the Owner and CHR as may be necessary or desirable to codify the authorizations described in this Resolution, including but not limited to the HAP Contracts and the AHAPs;
- Resolved,** The Executive Director/CEO or his designee is authorized to negotiate and execute documents with Hold. Co. and Dev. Co., including but not limited to a shared services agreement, as may be necessary or desirable to codify the authorizations described in this Resolution;
- Resolved,** The Executive Director/CEO or his designee is authorized to perform any and all activities that the Executive Director/CEO determines are necessary or desirable to codify the authorizations described in this Resolution; and

Resolved, Any and all actions previously taken by the Authority and the Executive Director/CEO or his designee in connection with the provisions and resolutions set forth herein, are hereby ratified.

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MEMORANDUM TO: MPHA Board of Commissioners

FROM: Abdi Warsame, Executive Director/CEO

SUBJECT: Executive Director's Report, September Board Meeting

It has been a busy month since MPHA's August Board of Commissioners meeting, starting with a visit from U.S. Housing and Urban Development Secretary Marcia Fudge on August 29. Our team provided Secretary Fudge, along with Senator Tina Smith and Representative Ilhan Omar, a tour of the 630 Cedars building to showcase the fire suppression systems being installed. Following the tour, MPHA hosted a forum for agency staff and leaders to meet with Secretary Fudge alongside local elected officials and celebrate the successful Elliot Twins RAD redevelopment. The discussion provided MPHA staff an opportunity to share their experiences with the agency's first RAD conversion, which the Secretary lauded as a model for the rest of the country. In addition to hearing from staff, Secretary Fudge heard from MPHA resident leaders about their experience with the redevelopment, commending agency staff for taking a hands-on, resident-centric approach to minimizing resident disruptions through the process. All told, this marked a momentous day for the agency to celebrate all that MPHA staff has accomplished.

Later that same week, agency leaders gathered alongside Chair Hoch for a two-day strategic planning visioning session led by the Bronner Group. Bronner presented its various collected data and facilitated a robust conversation around priorities for the agency's next strategic plan. I thank Chair Hoch for joining and contributing to these deep conversations, and I know he is working on creating additional opportunities for board members to engage with the ongoing strategic planning work. I look forward to working with him to bring those plans to life.

In addition to Chair Hoch's leadership on the strategic planning work, I also want to thank him for establishing monthly reoccurring meetings between him and I to ensure the board is well informed on the agency's work. Whether its strategic planning, Heritage Park, or the agency's budget presentation to the Minneapolis City Council, I appreciate these meetings because they offer another opportunity for the board to hear more about the agency's great work. Recently, that's included discussing the city council budget presentation commissioners have in their board packets, for which MPHA staff have begun presenting to councilmembers. Agency staff is highlighting the budget request presented to the mayor earlier this summer and is requesting an amendment to the mayor's proposed biennial budget to ensure MPHA residents and voucher-holders are also prioritized by the city in 2024. Our staff has also met with numerous East African elected officials from the state and city to discuss the ongoing challenges the agency and residents face—including what a public levy could do for the agency's capital backlog and new-unit production over the next 20 years, information that is also in the presentation.

As agency staff work to be included on the city's biennial budget, we have also begun our own annual budget process. The agency budget committee, made up of myself, the Deputy Executive Director, Chief Financial Officer, and the General Counsel, has been meeting with leaders from across the agency to hear their needs going into 2023. As is the case every year, the agency receives only a



fraction of the funding it needs from HUD. Unfortunately, the decades of underfunding by HUD continues to contribute to the agency's compounding capital backlog, recently estimated to be approximately \$210 million for 2023. It is the backdrop of chronic underfunding that the budget committee must make the tough choices about what is or is not funded next year.

Following months of presentations, meetings, and decisions, agency leaders will host budget review sessions for board members in the first two weeks of November to provide commissioners an opportunity to hear what is being considered and ask questions. Following these informational sessions, agency leaders will present the proposed MPHA budget for 2023 to the full board for approval at its December meeting. As with the strategic planning and scattered site new construction informational sessions, agency staff will work with Chair Hoch to schedule these board sessions.

Finally, I want to remind commissioners that MPHA Board of Commissioner meetings will revert to their normal location at 1001 North Washington Ave beginning next month. The agency used the Cora McCorvey Center as its staging location for board meetings to better allow for COVID-related distancing to conduct our work, but our team feels we can now safely move the board meetings back to 1001.



Monthly Performance Report

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

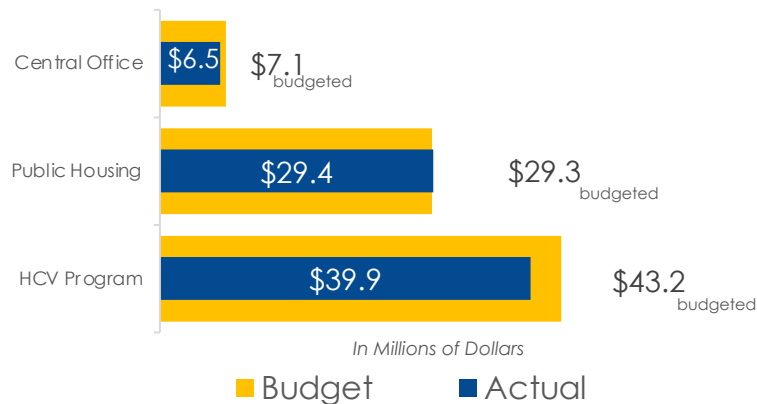
Contents

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

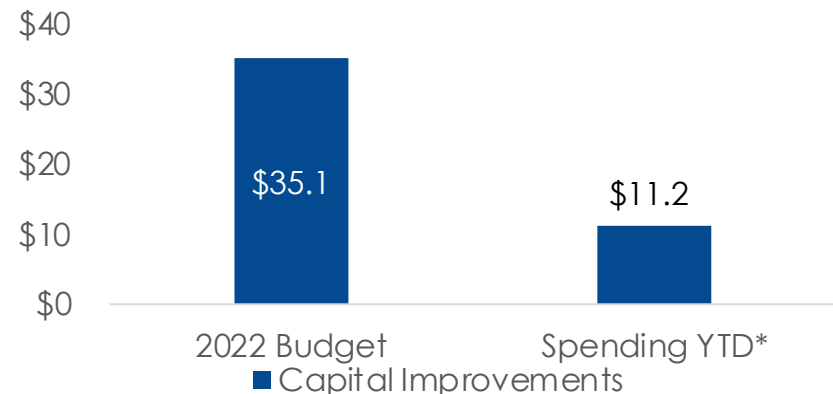
Operating Sources and Uses MTW Public Housing and Housing Choice Voucher (HCV) Program

Sources	YTD Budget	YTD Actual	Favorable (Unfavorable) Variance	Variance %
Tenant Revenue -Rents & Other	\$ 11,998,777	\$ 11,767,269	\$ (231,508)	-2%
Public Housing Operating Subsidy	\$ 15,176,128	\$ 15,698,470	\$ 522,342	3%
HCV HAP Subsidy & Admin Fees	\$ 42,228,790	\$ 38,975,109	\$ (3,253,681)	-8%
Other Revenues, Fees, & Grants	\$ 1,528,773	\$ 1,692,254	\$ 163,481	11%
Transfers-In	\$ 166,664	\$ 196,667	\$ 30,003	18%
Total Sources	\$ 71,099,132	\$ 68,329,769	\$ (2,769,363)	-4%
Uses				
Public Housing Operations	\$ 29,292,088	\$ 29,382,112	\$ (90,024)	0%
Housing Choice Vouchers	\$ 43,153,507	\$ 39,907,988	\$ 3,245,519	8%
MTW Initiatives and Other Services	\$ 191,492	\$ 30,718	\$ 160,774	84%
Total Uses	\$ 72,637,087	\$ 69,320,818	\$ 3,316,269	5%
Net Sources/(Uses)	\$ (1,537,955)	\$ (991,049)	\$ 546,906	36%

Year to Date (YTD) Expenses



MTW Capital Fund Program

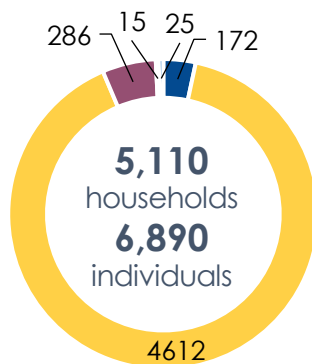


*An additional \$14.6 million is under obligation for capital projects YTD

Public Housing Programs



Occupied Units*

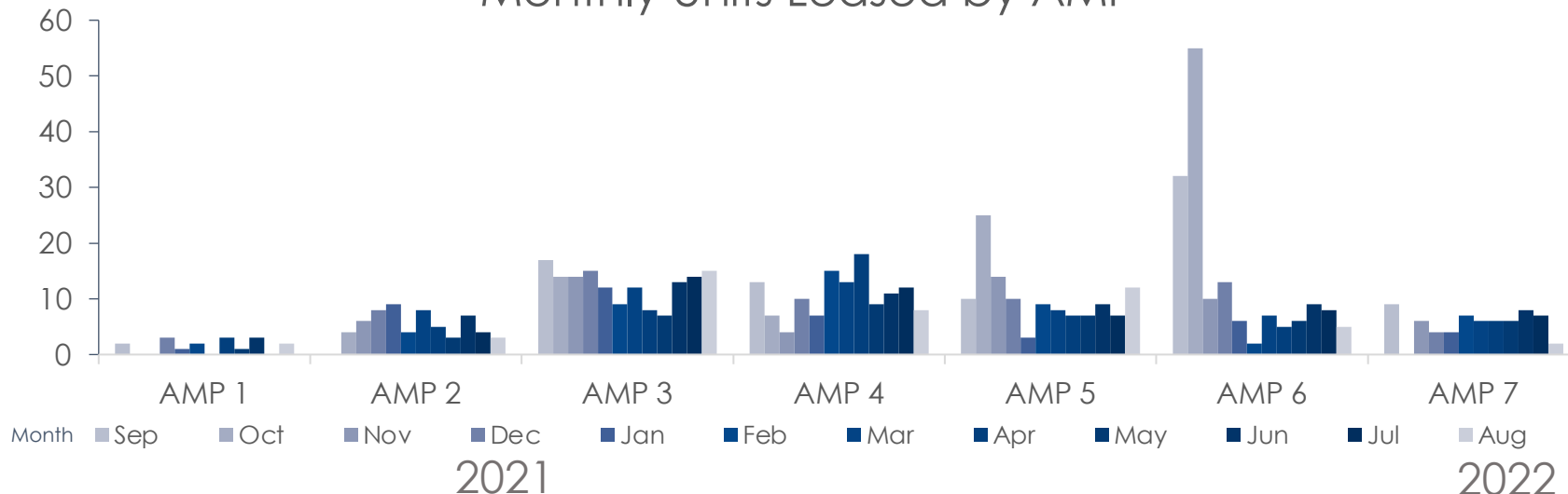


- Glendale
- MHOP
- Scattered Sites
- Highrise
- Minnehaha Townhomes

49
new units leased
during month

99%
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

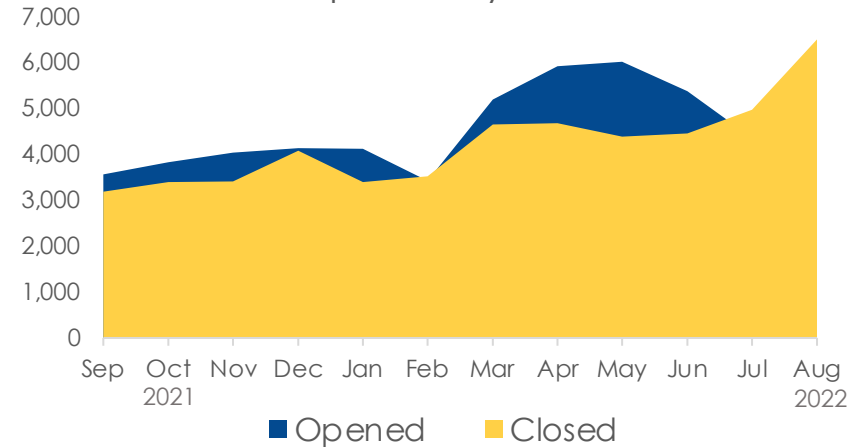


Reason for Vacating Unit	Count
Death	12
To Nursing Home	4
Left Country	3
Moving in with or closer to Family	3
Found Alternative Housing	2
Illness	1
Evicted - Other	1
Moving Out of Town	1
Purchased Home	1
Skip	1
Change in Family Composition	1

Applicants on Waiting List

Family 2021	2096
Family	872
Disabled (18 - 49)	3236
Near Elderly (50-61)	3822
Elderly (62+)	338

Work Orders Opened and Completed by Month

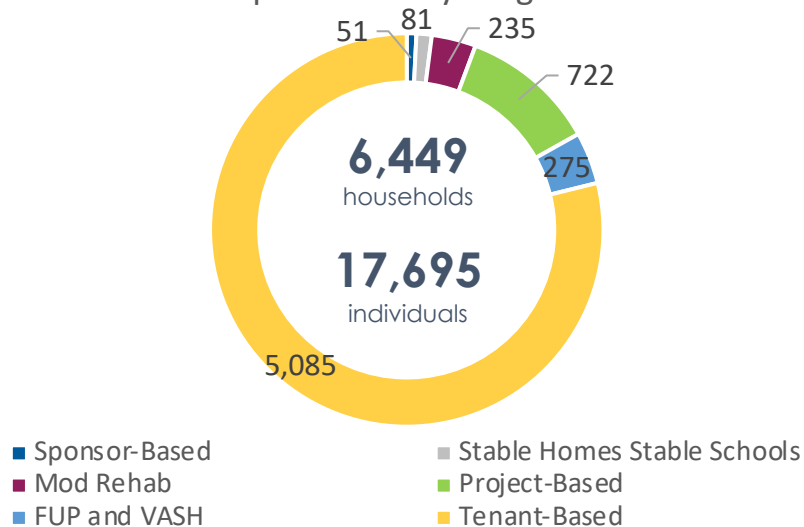


Goal	Total Completed	% Completed within Goal	Average Days Open
Emergency: 24 Hours	88	100%	0
Urgent: 1 Day	883	83%	1
After Hours Non-Emergency: 2 Days	8	100%	0
Important: 3 Days	1100	73%	36
Routine: 10 Days	1,129	73%	7
Non-Routine: 20 Days	1096	93%	7
Pest Control	508	100%	9

Housing Choice Voucher Programs



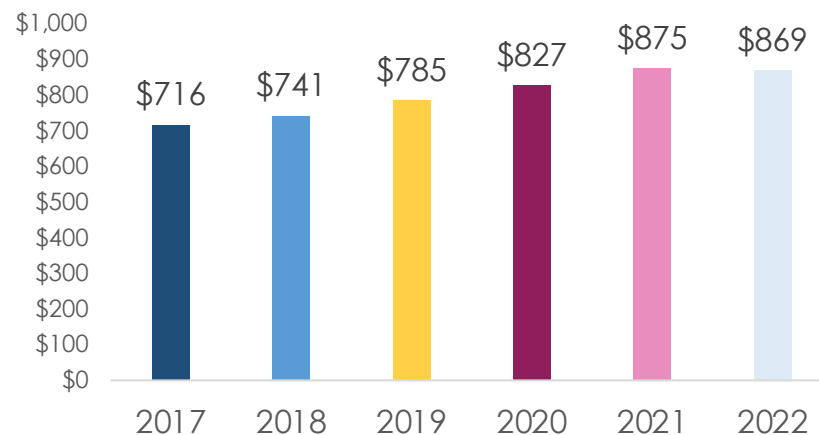
People Served by Program*



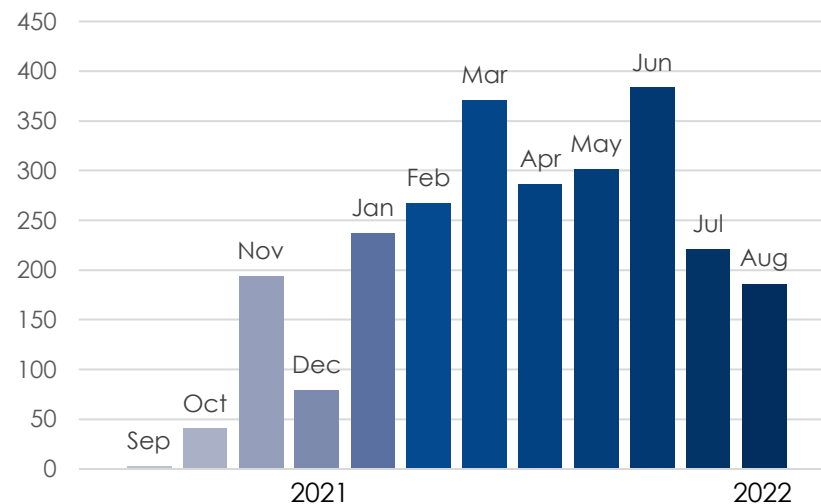
Family Unification Program and Veterans Affairs Supportive Housing

*Including port-ins and port-outs

Average Housing Assistance Payment per Unit, Year to Date

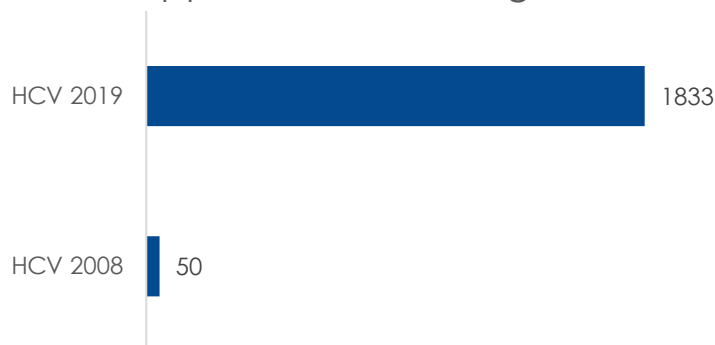


Annual Inspections Conducted*



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

Applicants on Waiting List



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	Bidding
Multiple sites	Security related improvements	Planning/Bidding

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
Glendale Townhomes	Flat roof replacement	Under construction

Development Projects - Active

ADDRESS	DESCRIPTION OF WORK	STATUS
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-Oct 2022
2728 E Franklin St	151	\$1,200,000	MPHA Capital	Under Construction	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 Construction	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	Bidding	Oct '22-Mar '24
314 Hennepin Ave	299	\$2,425,000	MPHA Capital/City	Bidding	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	<i>In Draft 2023 MTW Plan</i>	Not Started	Unknown
1900 3 rd St NE	32	\$260,000	<i>In Draft 2023 MTW Plan</i>	Not Started	Unknown
3205 E 37 th St	28	\$230,000	<i>In Draft 2023 MTW Plan</i>	Not Started	Unknown
3755 Snelling Ave S	28	\$230,000	<i>In Draft 2023 MTW Plan</i>	Not Started	Unknown

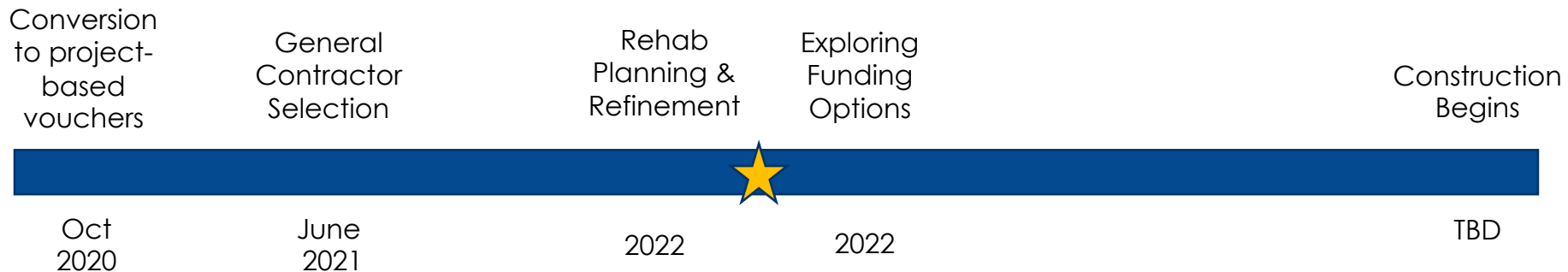
*Budget reflects costs of comprehensive building modernization project of which fire suppression is included

Scattered Site Rehab



- 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)



Family Housing Expansion Project

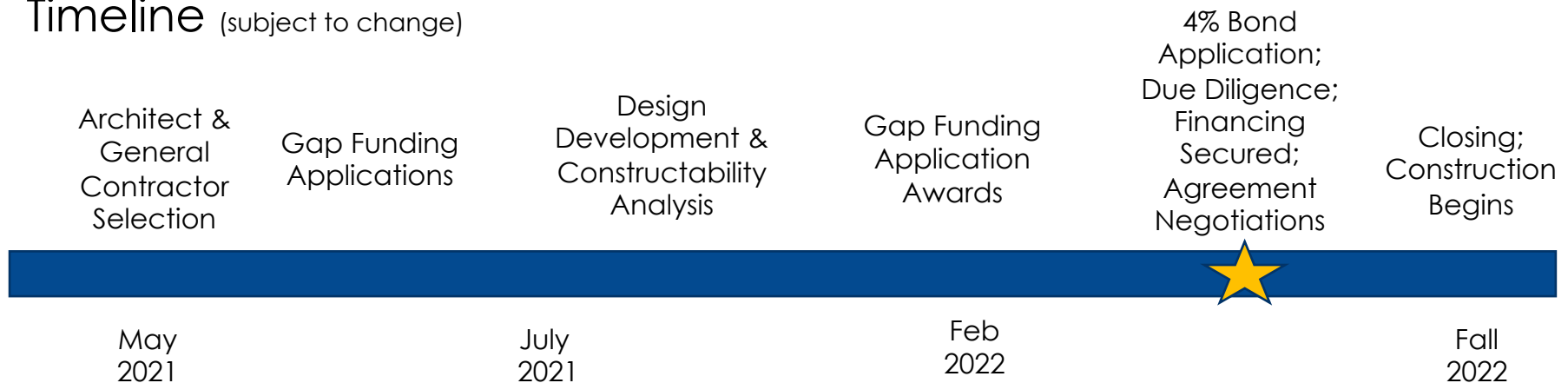


84-unit new scattered site construction



- 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
- Tentative closing: mid-October

Timeline (subject to change)



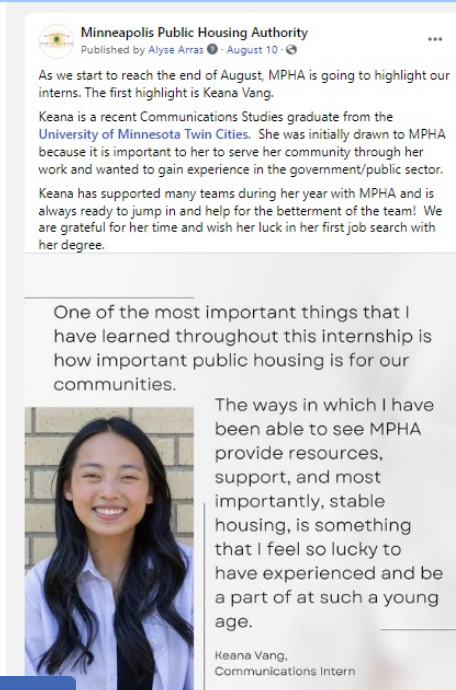
Inquiry Response and Social Media



MPHA on Facebook

Top Performing Post (950 views)

August 2022



17

Posts for the Month

23

New Followers



MPHA on Twitter

Top Tweet (690 views)



Minneapolis Public Housing Authority
@MPLSPubHousing

@MayorFrey's '23-24 budget includes a 2.7M investment in [#publichousing](#). MPHA staff and residents joined Mayor Frey, @MplsWard11, and other city officials to highlight the investment that included a tour of one of the scattered site homes that is in need of rehab.



15

Tweets for the Month

10

New Followers



MPHA + City of Minneapolis 2023/24 Budget Request

Overview

Prior Year Budget Contributions

MPHA Family Housing (CHR)

- Background
- Success
- 84 New-Unit Project

CHR Capital Needs

- Possible Strategies
- MPHA/CHR Budget Request

Capital Deployment Strategy/Goals

- Implementation Timeline

Recap/Outcome of Budget Request

- Outcome of Budget Request
- Requested Changes to Mayor's Budget

MPHA Portfolio Snapshot

- Capital Backlog
- Public Housing Levy

MPHA Mission Statement

“The mission of the Minneapolis Public Housing Authority (MPHA) is to promote and deliver quality, well-managed homes to a diverse low-income population and, with partners, contribute to the well-being of the individuals, families and community we serve.”

6,259
public
housing
units

10,500
public
housing
residents



26,000
people in
Minneapolis served
by MPHA

5,304
housing
choice
vouchers

15,500
people
with
housing
choice
vouchers

Recent City Investments

- Reoccurring \$1 Million for Capital Projects
- \$2.15 Million for Fire Suppression Retrofits
- \$5.8 Million for 84-New Unit CHR Project
- \$125,000 for Security Services
- PILOT reduction to 5% of shelter rent on all properties owned by MPHA and its affiliates.
 - Refund of \$250,000 of PILOT from the City.
- \$2.3 Million Investment for Energy-efficient Materials and Technologies (Elliot Twins)

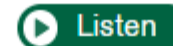


LOCAL

Mayor Frey will use \$28 million in pandemic relief money for housing in Minneapolis

Mayor hopes to help keep people in homes at end of eviction moratorium.

By **Faiza Mahamud** Star Tribune | JUNE 10, 2021 — 7:45PM



MPHA Family Housing

- MPHA owns and operates over 700 scattered site family housing units, serving more than 3,100 residents.
- These deeply affordable homes account for more than 80% of the MPHA housing available for families with children.
- These units were transferred to MPHA wholly controlled non-profit (CHR) in October 2020.
 - MPHA worked hard to make this a seamless transition. Resident's rent portion remained the same.
 - MPHA is still the long-term owner and property manager.
- Project Based Vouchers more than doubled federal subsidy for these units.



MINNEAPOLIS

Minneapolis looking to move hundreds of public-housing properties under nonprofit

The cost of maintaining single-family homes is far outpacing what the federal government is providing the Minneapolis Public Housing Authority.

By **Miguel Otárola** Star Tribune | APRIL 6, 2019 — 6:54PM

The Success of CHR

- These homes are a proven tool to provide families a solid foundation for upward mobility.
- Of the current CHR heads of household, 19% were employed when entering their new home. On average, these residents earned \$20,722 a year in income.
- Today, 67% of these residents are employed, earning an average of \$36,639 a year, with more than 60% of these residents' earned income increasing while in CHR homes.
- Better yet, since 2020, 17% of all families leaving CHR homes have gone on to purchase their own homes.
- As outlined in the agency's current strategic plan, the preservation and production of CHR homes is a top priority of the agency.

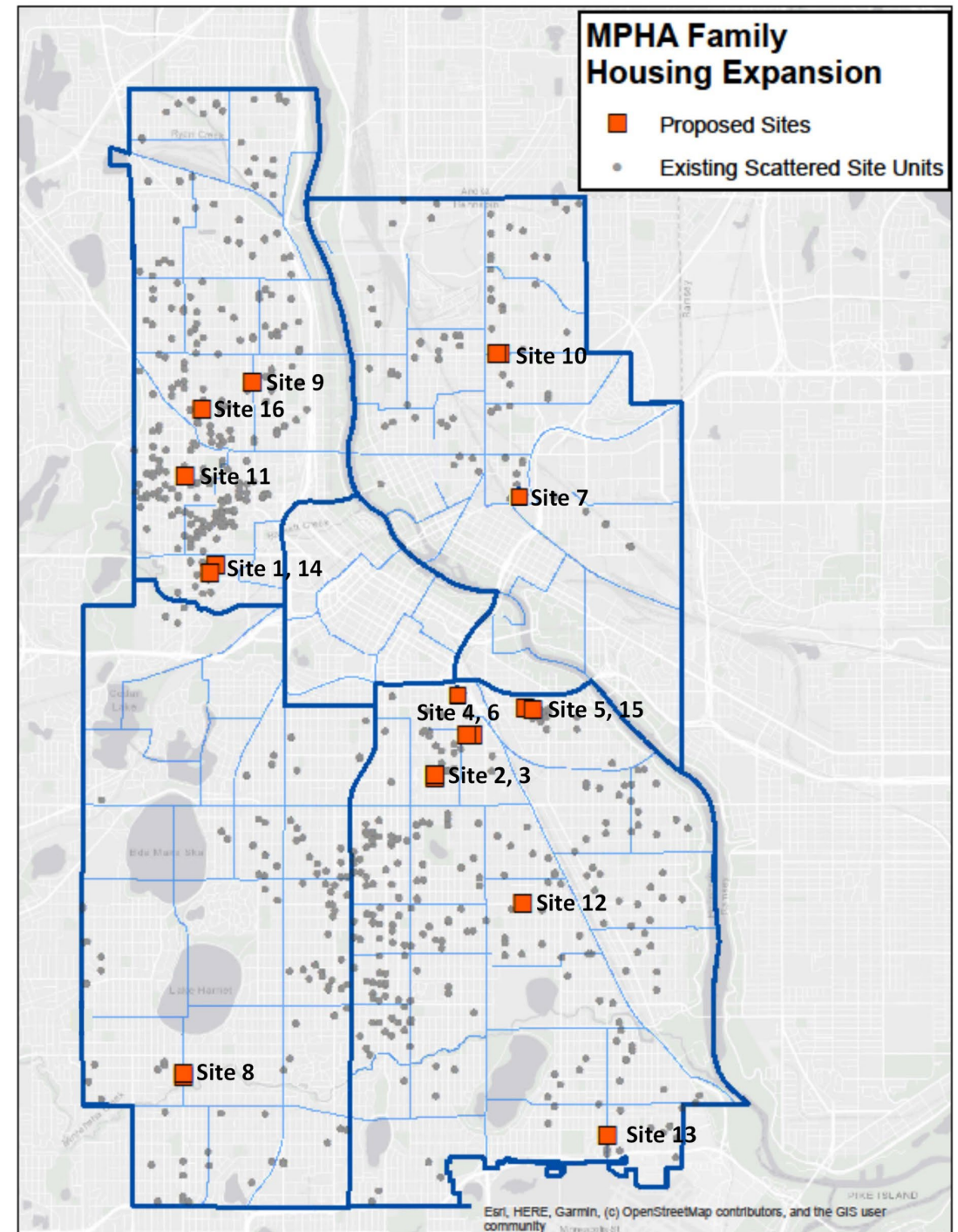
There is a substantial unmet need for this type of deeply affordable family housing in Minneapolis, as evidenced by the more than 7,500 people on MPHA's public and deeply affordable family housing waitlist. More than 80% of those on the waitlist are households of color.

CHR Resident Demographics

Race		HH Size		Age	
American Indian/Alaska Native	1.7%	1	0.2%	0-17	55.1%
Asian	6.6%	2	6.4%	18-29	17.1%
Black/African-American	87.5%	3	11.5%	30-49	18.4%
White	3.8%	4	15.4%	50-61	6.6%
Head of Household Gender		5	14.9%	62+	2.8%
Male HOH	14.9%	6	15.4%		
Female HOH	85.1%	7+	36.2%		

MPHA Family Housing Expansion Information

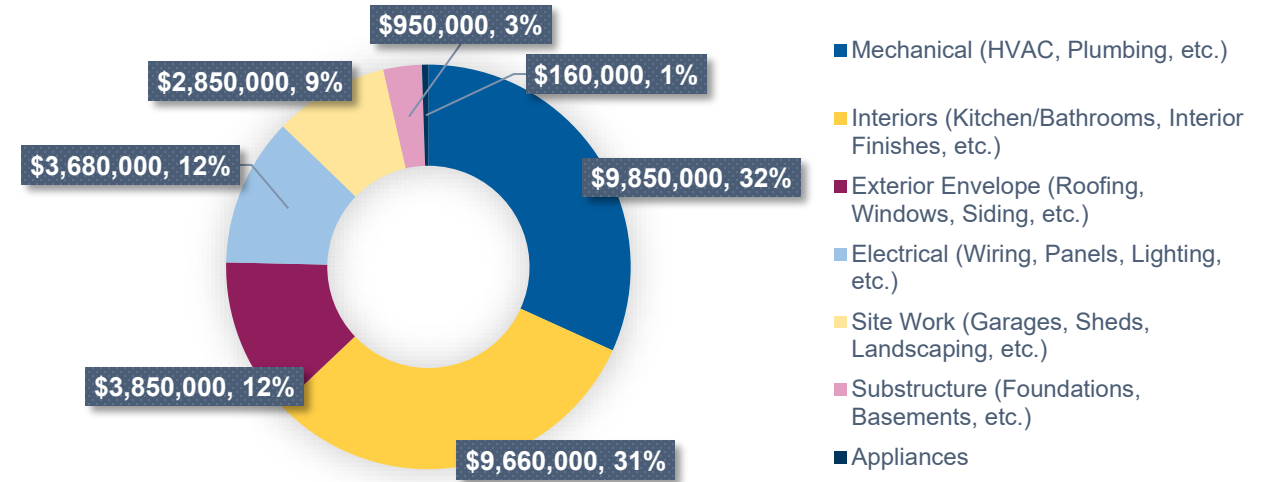
- 84 new units in 16 small apartment buildings.
 - 17 accessible units
 - 17 high priority homelessness units with services funded by Hennepin County
 - Buildings:
 - 4 unit – 2 story
 - 1- two-bedroom and 3 three-bedrooms units
 - 6 unit – 3 story
 - 2 two-bedrooms and 4 three-bedrooms
 - Total Units
 - 26 two-bedrooms
 - 58 three-bedrooms
- Construction planned to start Fall 2022.
- 84-units could serve approx. 420 families over 30 years.



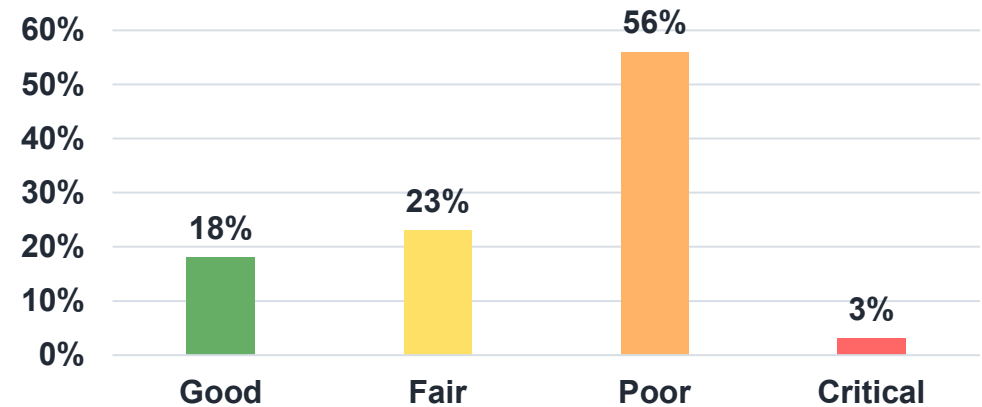
State of CHR Homes

- The long-term viability of these homes is in jeopardy.
- Due to decades of compounded underfunding from HUD prior to their conversion, the portfolio has amassed a major capital improvement backlog.
- The current backlog of capital needs for the CHR portfolio stands at \$31 million.
- More than 50% of CHR properties are in “poor” condition, with FCI scores above 10%.
- The Facility Condition Index (FCI) is an industry standard for measuring condition of units within a real estate portfolio. In the context of FCI, “poor” is defined as:
 - Frequent component/equipment failures with possible building system shut-downs.
 - High resident complaints/low customer satisfaction.
 - Maintenance and capital improvements in “reactive mode.”

2022 MPHA/CHR CAPITAL NEEDS



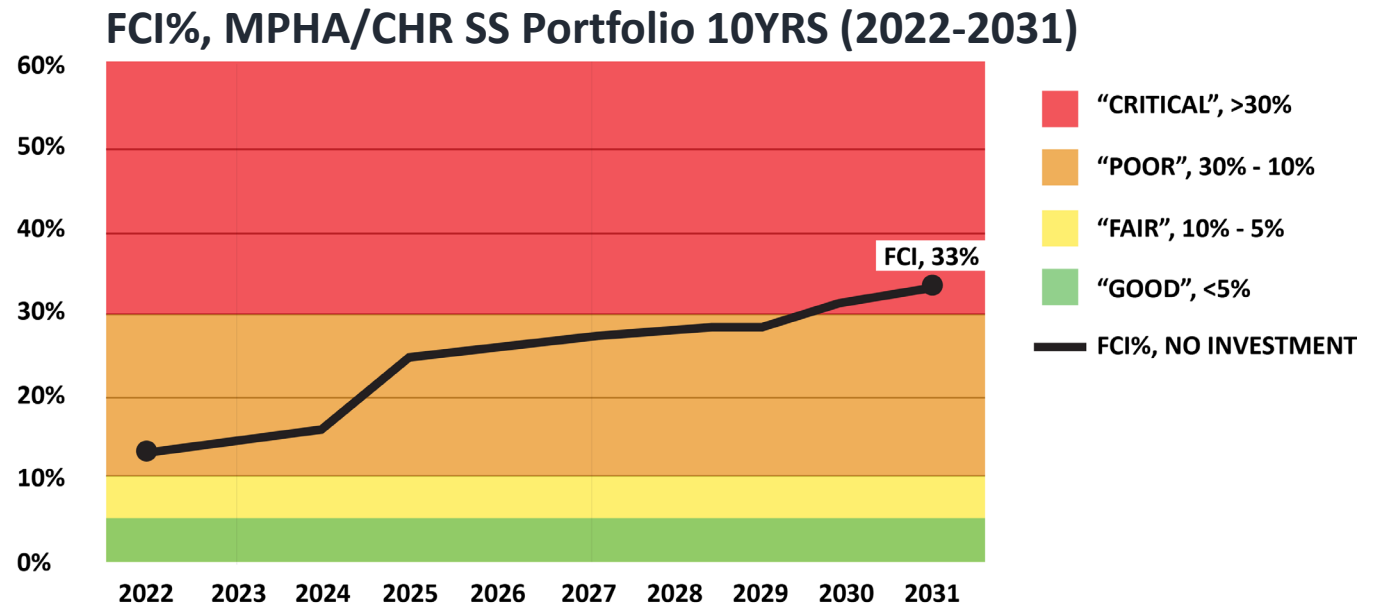
% Total Properties by FCI, 2022



*Figures represented in current dollar value

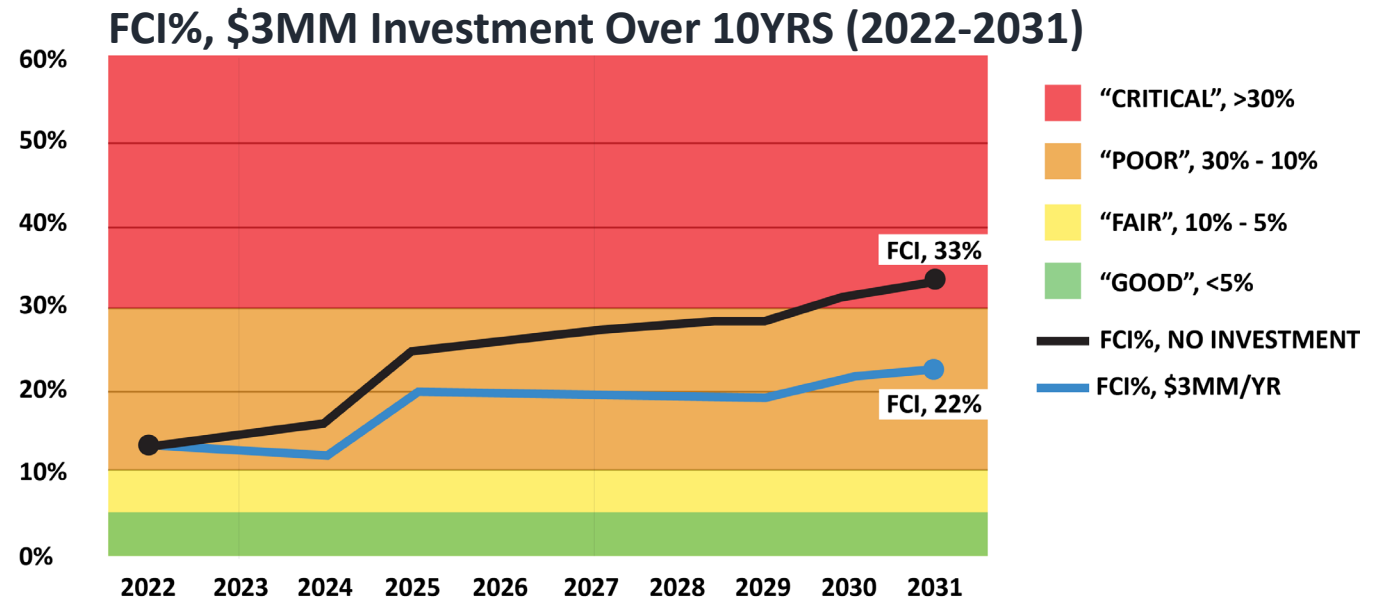
Future of CHR Homes

- The current backlog of capital needs for the CHR portfolio stands at \$31 million, with over 50% of the portfolio in “poor” condition.
- If unaddressed, the need becomes \$65 million by 2027.
- Absent a significant investment to stabilize the CHR properties, projected cost will be near \$85 million by 2032.
- If left unaddressed by 2032, the operability of these units will be at risk, jeopardizing the functionality of critical city infrastructure.
- Two potential options to address the preservation of CHR family homes:
 - MPHA-Only Preservation
 - City-Agency Partnership



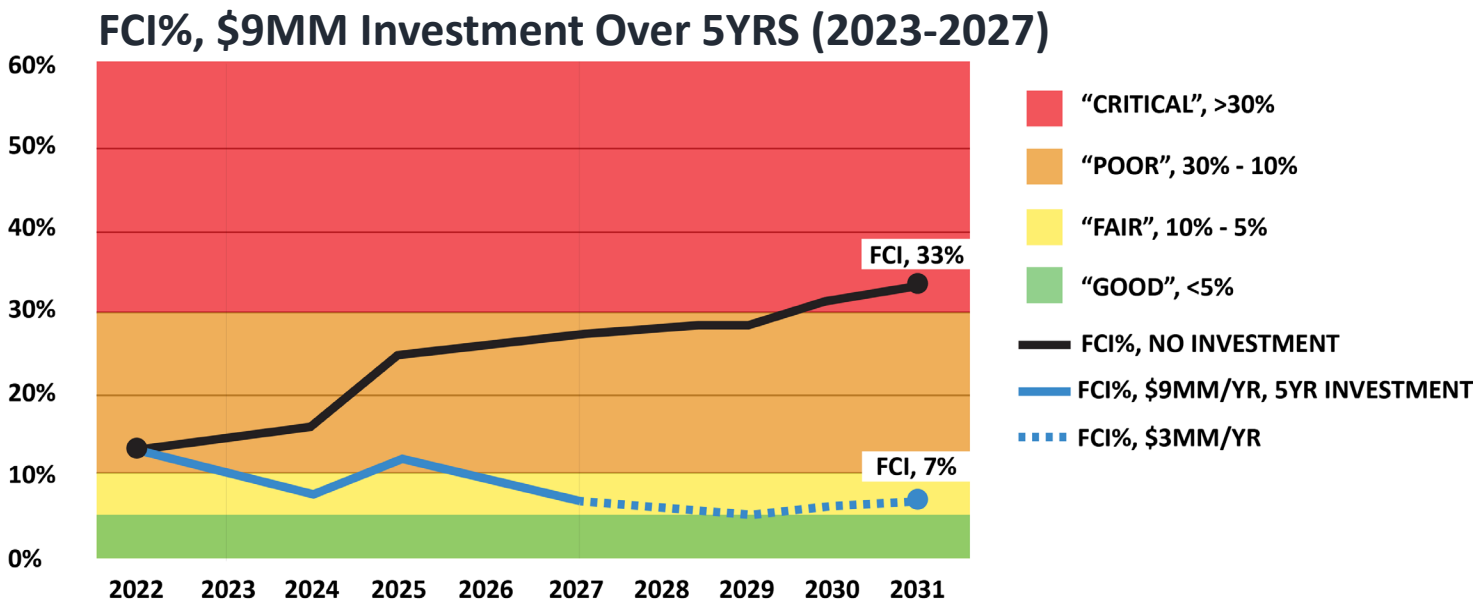
MPHA-Only Preservation

- The agency believes it may be able to commit \$3 million annually from its already limited budget.
- This investment is insufficient to address the portfolio's needs, and properties end up in worse overall condition than they are today.
 - This approach also places indefinite pressure on CHR's operating income and MPHA's already limited capital resources.
- The agency seeks to reduce the capital backlog in other ways, including reducing it by \$1.2 million through the demolition and reconstruction of higher needs properties in the 84 new-unit project.



City-Agency Partnership

- MPHA needs a large outside capital infusion to begin turning the tide on the capital repair needs and to stabilize and preserve this critical portfolio of family homes.
- The agency is requesting a \$30 million investment from the City of Minneapolis, in the form of \$6 million over five years.
 - MPHA would commit \$3 million over five years as well, providing an annual investment of \$9 million or \$45 million over five years to complete major rehabilitation at these properties.
- Alternatively, Mayor Frey could champion re-instating the special benefit tax levy for MPHA, resulting in an estimated \$11 million in annual revenue increase for the agency.



Capital Investment Strategy*

- The agency would maximize the amount of capital funding that goes directly towards property improvements with a focus on high cost/longer lasting exterior buildings systems.
- Exterior renovations would be made to occupied units, with interior renovations focused on vacancy turns to reduce impact for existing residents.
- Vacancy turns will be evaluated for ADA suitability to increase the portfolio's availability of accessible units to 5%.
- MPHA would leverage funding available from Sustainable Resource Center's Energy Conservation Program to complete energy efficiency measures and incorporate this work into the vacant unit turn/renovation.
- This effort provides contracting opportunities to small WMBE/S3 businesses. Over the past 18 months, of total contracts awarded for CHR work, approximately 24% were MBE, 17% were WBE, and 29% were Section 3 vendors.

** Assuming a \$9M annual investment over five years*

Capital Investment Impacts

Five-Year Capital Deployment

Category	Construction Value
Exterior (Siding, Roofing, Windows, etc.)	\$13,750,000
Interior Renovation – Vacant Units	\$7,500,000
Mechanical (HVAC)	\$2,750,000
Electrical	\$800,000
Site Work (Garage, Shed, Decks, etc.)	\$5,875,500
Substructure (Foundation, Basement)	\$1,325,000
ADA Conversion	\$2,550,000
Reserves – Unforeseen Conditions	\$3,500,000
MPHA Force Crew – Overhead Costs	\$6,640,000

Impact

Category	% of Portfolio Addressed
Interior Renovation	26%
Siding	35%
Stucco Repair	31%
Roofing	24%
Windows	8%
Site Work	40%
Electrical	11%
Foundations/Basements	4%
ADA Conversion	5%

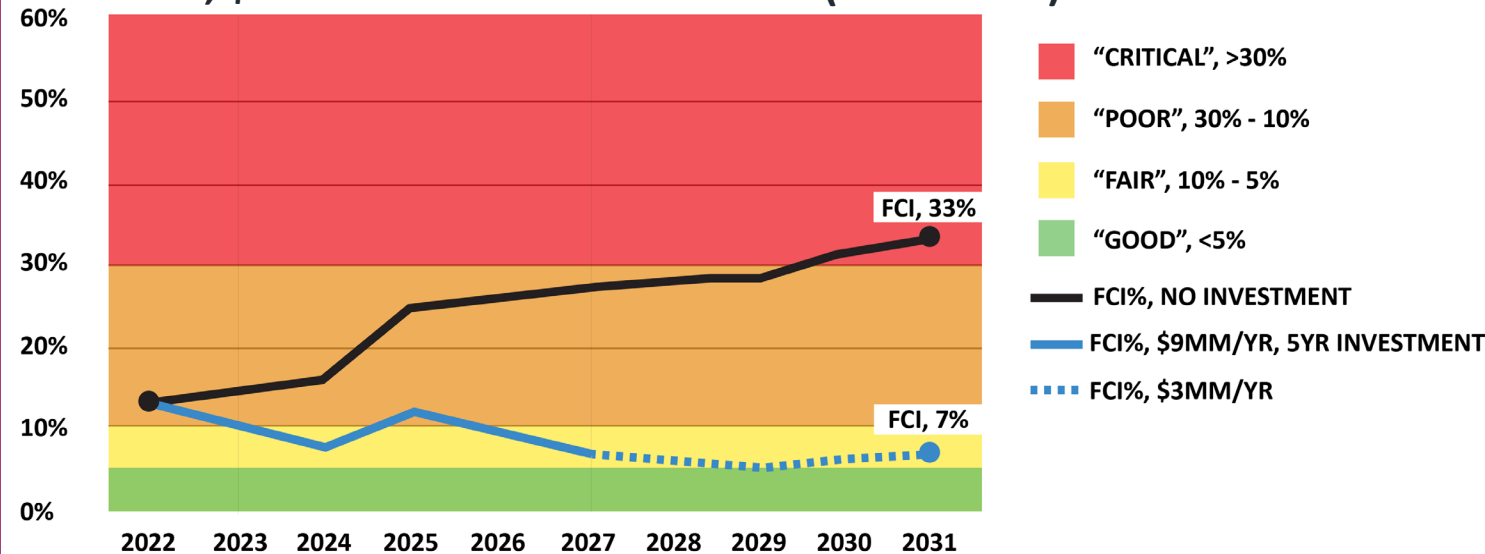
Annual Timeline & Activities

Q3 (Prior Year)	Q4 (Prior Year)	Q1	Q2	Q3	Q4
<p>Begin following year planning:</p> <ul style="list-style-type: none"> • Conduct exterior evaluations & develop scope of work • Develop targeted interior scope of work based on projected vacancy & work orders • Prepare annual budget & staffing plan • Develop WMBE/S3 subcontracting strategy • Prepare bid documents 	<ul style="list-style-type: none"> • Begin resident engagement with impacted families • Host subcontractor fair targeted at WMBE/S3 businesses • Bid subcontracted work & material needs • Finalize budget and scope of work • Planning with SRC for weatherization work 	<ul style="list-style-type: none"> • Award contracts for subcontracted work & materials • Ongoing coordination with property management to identify upcoming vacancies • Ongoing interior evaluations; developing & deploying scope of work utilizing MPHA trades & subcontractors 	<ul style="list-style-type: none"> • Begin exterior work • Ongoing coordination with property management to identify upcoming vacancies • Ongoing interior evaluations; developing & deploying scope of work 	<ul style="list-style-type: none"> • Ongoing exterior work • Ongoing coordination with property management to identify upcoming vacancies • Ongoing interior evaluations; developing & deploying scope of work • Budget evaluation for excess/shortfalls • Repeat Q3 planning activities 	<ul style="list-style-type: none"> • Ongoing exterior work • Ongoing coordination with property management to identify upcoming vacancies • Ongoing interior evaluations; developing & deploying scope of work • Budget evaluation for excess/shortfalls • Repeat Q4 planning activities

Desired Outcomes

- The five-year capital improvement plan is critical for MPHA's ability to create a long-term solution that does not rely solely on insufficient property cashflow and/or MPHA capital funds.
- These significant capital improvements will help move MPHA beyond its current reactionary capital improvement program.
- Stabilizing this portfolio would allow the agency to refocus on preventative maintenance and resident services.
 - MPHA believes its scattered site portfolio can become largely financially self-sufficient for the foreseeable future at the conclusion of the five-year funding partnership.
- MPHA could also leverage the portfolio to build long-term replacement reserves and invest in other agency preservation and production initiatives.

FCI%, \$9MM Investment Over 5YRS (2023-2027)



Recap/Outcome of Request

Continue Existing Contributions:

- \$125,000 for Security Services
- PILOT reduction to 5% of shelter rent on all properties owned by MPHA and its affiliates.

Request for Additional Contribution:

- Increase reoccurring \$1 million contribution for capital projects to \$6 million for the next five years to help stabilize and preserve 700+ units of deeply affordable family housing.

Mayor's Proposed Budget:

- One-time contribution of \$2.7 million in 2023 on top of reoccurring \$1 million contribution for CHR portfolio.
 - With ~\$1 million dedicated to bringing five homes in high-opportunity areas of the city online.
- Commitment, to be placed in writing, to discuss long-term funding from city to address MPHA capital needs.



MINNEAPOLIS

Minneapolis public housing officials seek additional funding as repair needs increase

Mayor Jacob Frey's budget proposal would give the agency \$3.7 million over the next two years, but housing officials say they need much more.

By Liz Navratil Star Tribune | SEPTEMBER 3, 2022 — 3:30PM



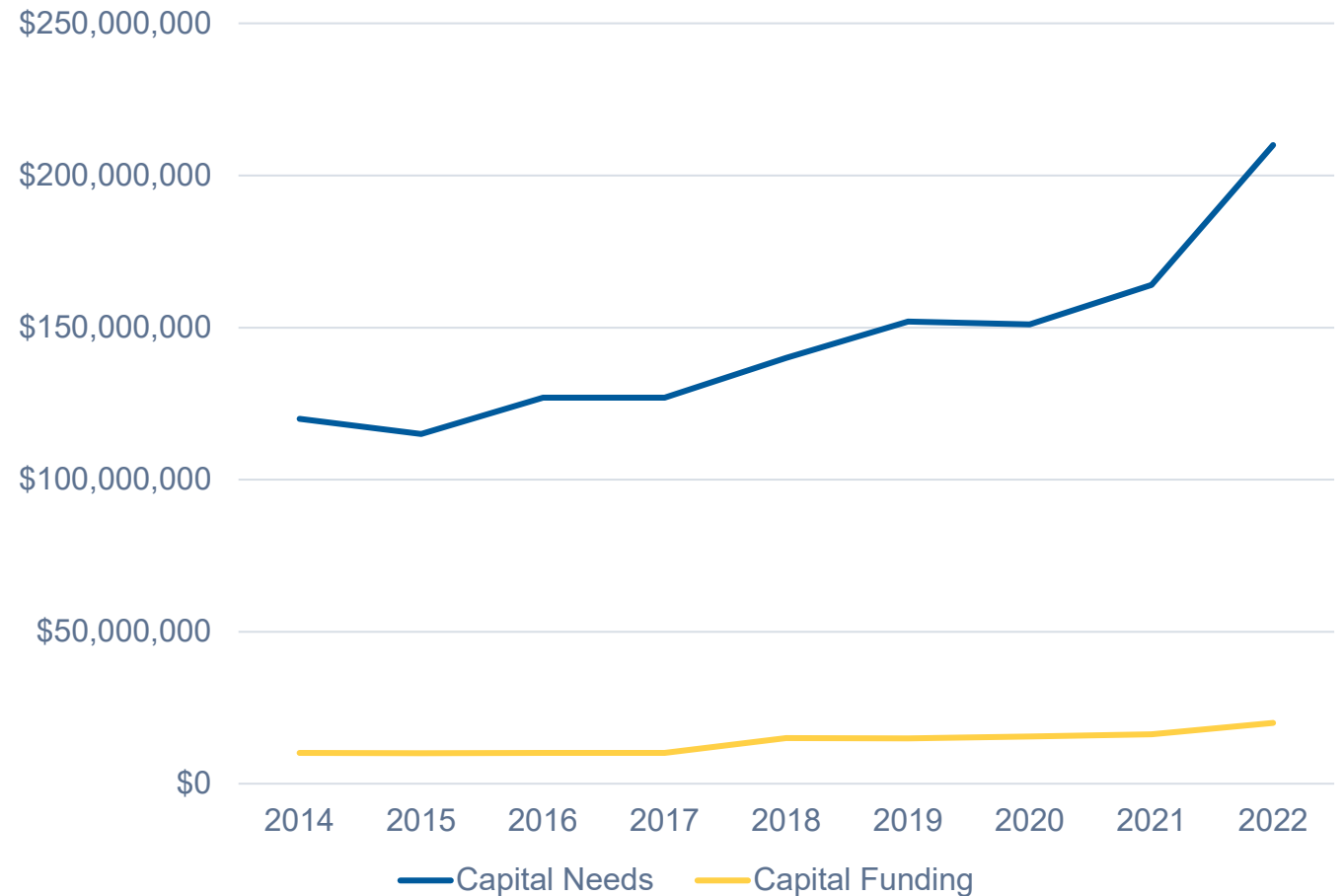
Requested Changes to Mayor's Budget

- Fund MPHA at \$4 million for 2024
 - Create continuity in funding to address capital needs.
 - Continue \$1 million annual contribution, with a \$3 million one-time contribution in 2024 in CPED's housing change items with the same language in change note, as amended below.
 - This represents an estimated 0.18% increase in the city's total proposed 2024 budget.
- Update language in change note to accurately reflect the purpose of this money.
 - "Description of the Change" Section:
 - In the final sentence of the section, change "the City's investment will be leveraged by MPHA to raise other private and public funds to further support this critical preservation work." to "the City's investment will be leveraged by MPHA and its affiliates to raise other public funds to further support this critical preservation work."
 - "Equity Impacts and Results" Section:
 - In the final sentence of the section, change "and dollars leveraged from other public and private sources because of City funding" to "and dollars leveraged from other public sources because of City funding."
 - "Metric" Section:
 - In the first bullet, changing "public housing." to "MPHA and its affiliates' deeply affordable family housing portfolio."
 - In the third and final bullet, changing "Total funds leveraged from private sources." to "Total funds leverages from other sources."

MPHA Capital Backlog

- MPHA's housing stock is comprised of nearly 6,000 units located in 42 high-rise buildings, 736 scattered site homes, 184 rowhouse units, and a 16-unit townhome development.
- Forty of the 42 high-rise buildings in MPHA's inventory were built in the 1960s and early 1970s.
- The age range of MPHA's single-family homes is 10 – 100+ years old, and our 184-townhouse development (Glendale) is nearly 70 years old.
- Historically, HUD has only provided funding for 10% or less of the actual need.
- MPHA projects its current unmet needs for these properties at approximately \$210M. Left unaddressed, this number is likely to surpass \$380M over the next 20 years.
 - This includes CHR's current and future backlog.

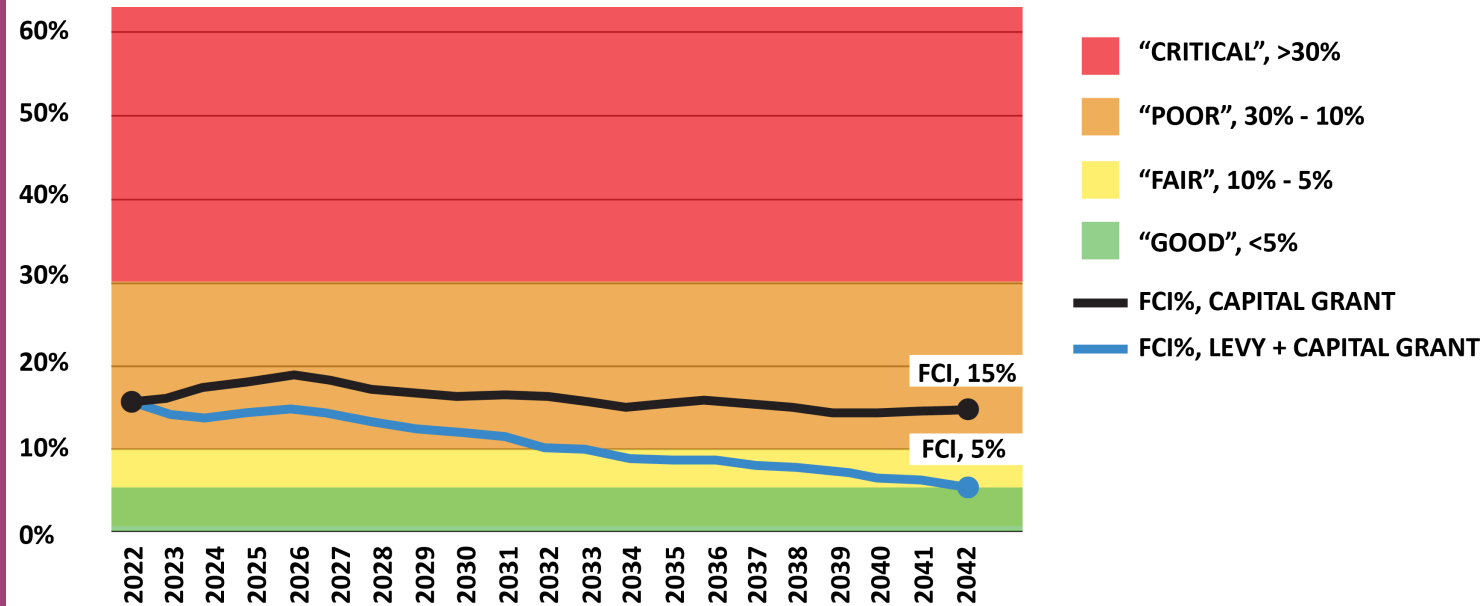
Recent Capital Needs vs Capital Funding



Public Housing Levy

- The Minneapolis City Council has the authority, via consent by resolution, to allow MPHA to use its levy authority as afforded by state statute.
 - The City Council establishes the maximum annual dollar amount (up to 0.0185% of the City's estimated market value) and length of time MPHA can levy for.
 - The estimated maximum levy for 2022 would be ~\$11.9M.
 - The MPHA Board of Commissioners would also need to approve the agency's levy before it were to take effect.
 - This levy is separate from the city's property tax levy, and therefore does not impact the city's annual tax levy and shows up in a separate category on property tax notices.
- A 20-year commitment of a maximum public housing levy would allow the agency to effectively address its capital backlog while also creating an estimated \$145M-\$190M in leveraged capital to deploy.
 - This assumes HUD's annual capital grant continues to inch up as it has in recent years. But that's far from a sure thing.
 - Funding was flat FY15-FY17, and then made minimal changes between FY18-20. So, there's recent past precedent for funding increases to move more slowly or not at all compared to what's in this FCI% projection.
- This would allow MPHA to and preserve and produce more public and deeply affordable housing for generations to come.

MPHA Portfolio FCI%, Levy + Capital Grant 20YRS (2023-2042)



Additional Levy Leveraging Opportunities:

MPHA could raise between \$145M - \$190M in capital to deploy immediately towards a variety of initiatives beyond the deferred capital backlog, examples could include:

- Creation of new deeply affordable units
- Funding for MPHA development initiatives
- Loan guarantees, gap financing, or voucher funding gap payments for MPHA and partners
- Fund supportive services for residents
- Homebuyer programs for MPHA residents
- Funding to support large-scale developments (ex. Heritage Park, Glendale, etc.)



Questions



HUD Secretary Visits MPHA

MPHA was honored to host U.S. Department of Housing and Urban Development Secretary Marcia L. Fudge and many other government officials including U.S. Senator Tina Smith & Representative Ilhan Omar at the Cedars high-rise which is in the process of being retrofitted with fire suppression sprinklers and our newly transformed Elliot Twins high-rises. Our staff and residents had the opportunity to discuss the tools that were utilized to make the transformation of the Elliots a success.



HCV Mobility Launch

The Community Choice Demonstration (or Mobility) launched this month and is a program that provides selected families with mobility-related services in order to assist them in their desires to move to a high-opportunity area. These services include moving assistance and financial support, and HUD has funded a study to track outcomes of families who receive these services.

For MPHA, the project is a culmination of years of mobility work, starting with the launch of mobility counseling in 2012. Now part of the HUD demonstration, this version of the program will last for the next six years.

We hope to continue to provide our participants with the best supports possible in order to provide meaningful choice as a participant in our program.

MTW 2023 Informational Meetings

The agency hosted three meetings to discuss the Public Housing Statement of Policies and 2023 Moving to Work Annual Plan Draft. Residents had the opportunity to learn and provide feedback on MPHA priorities and capital work that lies ahead for 2023. The agency's Work Order Center was also available for residents to get assistance with maintenance issues.

MINNEAPOLIS

In Minneapolis visit, U.S. housing officials announce \$15 million to help senior citizens stay in homes

HUD Secretary Marcia L. Fudge said billions more are needed to address housing problems throughout the country.

By Liz Navratil (<https://www.startribune.com/liz-navratil/6370437/>) Star Tribune |

AUGUST 29, 2022 — 1:18PM

► Listen with Speechify

The federal government will provide an additional \$15 million to help senior citizens across the country upgrade their homes so they can continue to live in them safely, officials announced during a Monday visit to Minneapolis.

U.S. Department of Housing and Urban Development Secretary Marcia L. Fudge said the new funding represents a sliver of the roughly \$100 billion needed to address housing problems across the nation. But, she said, "It's an awful lot for the people who need it."

Fudge announced the new funding at the Willard-Hay home of Bettie and John Smith, a couple who benefited from the roughly \$30 million federal authorities previously had budgeted for the Older Adult Home Modification grant program. Families can use the money to cover a wide variety of expenses.

The Smiths got new smoke detectors. An electrician upgraded wiring so that the light in their dining room no longer flickers. New knobs make it easier to open drawers. A new refrigerator makes it easier for John Smith to reach food. A new grab bar makes it easier for Bettie Smith to enjoy her baths.

Bettie Smith, 73, said she and her husband now no longer worry that their 14-year-old grandson, whom they are raising, will come home to find one of them has fallen.

"With all those modifications, I'm able to stay here," said Bettie Smith, who has lived in the home with her husband for roughly 37 years. She added, "I feel safer now in my home."

U.S. Sen. Tina Smith, a DFLer who joined Fudge for the announcement, said she hopes the funding will allow more families to stay in their homes and to use them for multiple generations.



RENÉE JONES SCHNEIDER, STAR TRIBUNE

U.S. Department of Housing & Urban Development Secretary Marcia Fudge, right, speaks at a separate event at the Elliot Twins

"Of course, a house that works when you're 30 doesn't work the same way when you're 70 or 80," the senator said. She added, "What this does is it creates a way for us to fulfill the dream that everybody should have a safe and affordable and comfortable and nurturing place to live."

Federal housing officials said they estimate the new funding will help cover upgrades to roughly 1,800 homes across the nation. To qualify, people need to be at least 62 years old and make 80% or less of the area median-income, a number that officials said translates to about \$85,000 for a family of four.

The local program is being administered through Twin Cities Habitat for Humanity. The organization has launched a website, agewellathome.org (<http://agewellathome.org>), for people who are interested in obtaining more information about the application process.

Liz Navratil covers Minneapolis City Hall for the Star Tribune. She previously worked in Pennsylvania, where she covered state government and crime — and sometimes both at once. She was part of the team that won a 2019 Pulitzer Prize for Breaking News Reporting.

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MINNEAPOLIS

Minneapolis public housing officials seek additional funding as repair needs increase

Mayor Jacob Frey's budget proposal would give the agency \$3.7 million over the next two years, but housing officials say they need much more.

By Liz Navratil (<https://www.startribune.com/liz-navratil/6370437/>) Star Tribune |

SEPTEMBER 3, 2022 — 3:30PM | [▶ Listen with Speechify](#)

A century-old home in Minneapolis' Windom neighborhood sits empty. Its five bedrooms go unused.

Patches on the roof are aging. Water leaks damaged the plaster ceilings inside. The structure needs to be stabilized. The Minneapolis Public Housing Authority estimates it would take roughly \$200,000 to bring the home back into livable condition.

Local housing officials hope new proposed funding from the city of Minneapolis could help them bring the home on Blaisdell Avenue back online. While they welcome the prospect of new funding, they say far more is needed to help address a multi-million dollar repair backlog that is expected to compound in the coming years.

"These homes are at risk because of the chronic underfunding from the federal government that we have received," Tom Hoch, board chair for the Minneapolis Public Housing Authority, said in a news conference held outside the home late last month. "Just as you know with your house, it's hard to maintain your home if you don't have money."

The house on Blaisdell is part of the housing authority's scattered site program, which runs about 700 single family homes, duplexes and fourplexes throughout the city. The program provides the bulk of the authority's housing for families with children and currently serves about 3,100 people. More than 7,500 additional people remain on the agency's waitlist for housing.

Inside, the floors are scuffed and stained. The bathroom needs an upgrade. A hole is exposed in one of the ceilings. The home is one of five that have gone unused for years because they require some of the most extensive repair work.

Costs add up

In total, the housing authority estimates it needs \$31 million to fix the repair backlog in its scattered site housing program. It estimates that figure would grow to nearly \$85 million by 2032, absent "a significant investment."



RENÉE JONES SCHNEIDER, STAR TRIBUNE

U.S. Department of Housing and Urban Development Secretary Marcia Fudge, right, appeared at an event last week with Abdi

Local housing officials say those backlogs have ballooned in part because federal funding has lagged behind their needs for decades. This year, MPHA received about \$20 million from the U.S. Department of Housing and Urban Development to use for capital projects. It estimated it had \$164 million in capital needs across all of its programs.

"We've only been able to, with our past dollars, just do band-aid repairs, small fixes along the way, and had to make these hard decisions about taking units offline that we couldn't get repaired in time to make them habitable for our residents," said Brian Schaffer, assistant director of planning and development for MPHA.

Minneapolis Mayor Jacob Frey unveiled a budget proposal last month that includes \$3.7 million for MPHA over the next two years, about \$2.7 million of which is new funding aimed in part at helping MPHA bring those five unused homes back into livable condition. It's a small part of a roughly \$3.3 billion spending plan that he'll negotiate with the City Council in the coming months.

'Come to the table'

For a small number of families on MPHA's waitlist, that funding "will be lifechanging," said Abdi Warsame, the agency's executive director and CEO, who previously sat with Frey on the City Council. Warsame said 88% of the people who receive help through the scattered site program are Black and 85% of the families are led by women.

Still, he and Frey acknowledged the money will not be enough to cover all of the agency's needed repairs. "This is an invitation to our state, county, and importantly — most importantly — federal partners to say we want to come to the table with you to solve this backlog," the mayor said at the news conference.

In a visit to Minneapolis last week, U.S. Housing and Urban Development Secretary Marcia Fudge said federal authorities are working on a proposal to increase funding for housing programs across the nation.

President Joe Biden's budget proposal includes nearly \$72 billion in discretionary funding for HUD, which works on a variety of programs aimed at reducing homelessness, increasing homeownership and increasing energy efficiency, among other efforts.

It is too early to tell how much of that money might go toward helping public housing authorities reduce their repair backlogs. Biden first needs to negotiate the spending plan with the U.S. House and Senate.

Liz Navratil covers Minneapolis City Hall for the Star Tribune. She previously worked in Pennsylvania, where she covered state government and crime — and sometimes both at once. She was part of the team that won a 2019 Pulitzer Prize for Breaking News Reporting.

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September 22, 2022

MEMORANDUM TO: MPHA BOARD OF COMMISSIONERS

FROM: Brandon Crow, Director of HCV

SUBJECT: Reporting on Project-based Voucher Awards

One of the best tools MPHA has at its disposal in directly addressing the lack of affordable quality units in the city of Minneapolis is the Project-based Voucher program. Through our MTW activity Local Project-based Voucher Program (2018-6), MPHA can strategically award vouchers, including those for veterans and the non-elderly disabled, in ways that align with the values and needs of the community, while achieving maximum return in creating and protecting additional affordable housing. The MTW activity includes waiving the caps on the allocation of MPHA's voucher program budget authority to PBVs.

To meet regulatory standards for public notification of PBV awards and to provide the MPHA Board of Commissioners with updates on our PBV RFP Award activity, memos will be submitted for each Board meeting and related staff will be present to answer any questions that may arise from these updates.

Going forward, each memo will provide information on any PBV awards since the last Board meeting, any awarded projects that have progressed to execution of an Agreement to enter into a Housing Assistance Payment contract (AHAP), and any projects that have completed construction, passed their Housing Quality Standards (HQS) inspections, executed a Housing Assistance Payment contract (HAP), and begun lease-up.

PBVs Awarded

Project Name	Project Address	Award	Bedroom Sizes	Populations Served
Upper Harbor Parcel 6A	3700 Washington Ave N	45	1, 2, 3, and 4	High Priority Homeless, Low Income

PBV Projects Completing AHAP

Project Name	Project Address	Award	Bedroom Sizes	Populations Served
Calvary Apartments	3901 Chicago Ave S	26	Studio, 1, 2, 3, and 4	High Priority Homeless, Low Income

PBV Projects Completing HAP

Project Name	Project Address	Award	Bedroom Sizes	Populations Served
Endeavors – Catholic Charities	1414 11 th Ave S	56	Studio	High Priority Homeless, Veterans, Youth, Medically Fragile

2023 Moving to Work Annual Plan



Welcome & Introduction of MPHA Leadership

- Abdi Warsame, Executive Director/CEO
- Jennifer Keogh, Deputy Executive Director
- Tim Durose, Chief Financial Officer
- Lisa Griebel, General Counsel
- Mary Boler, Director of Operations
- Brandon Crow, Director of Housing Choice Voucher
- Laura Dykema, Director of Planning and Development
- Eric Staupe, Information Technology
- Rashid Issack, Director of Affordable Housing

MPHA's Mission

To promote and deliver quality, well-managed homes to a diverse, low-income population and, with partners, contribute to the wellbeing of the individuals, families, and community we serve.

Our Mission shapes everything we do

Minneapolis Public Housing Authority | 2023 MTW Plan

Overview: 2022 Vision & Priorities

Short-term Priorities:

- Safety and Health
- Adapting to New Ways of Doing Business
- Housing Stability
- Confronting the Legacy of Structural Racism
- Better Engagement



Housing
Preservation &
Creation

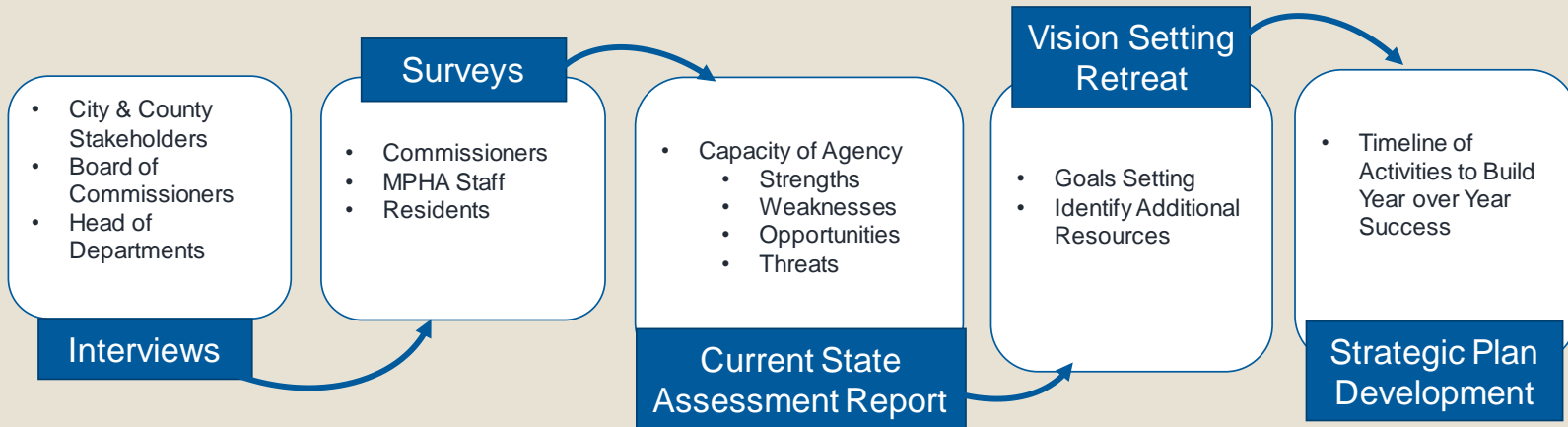


Education,
Employment, &
Health



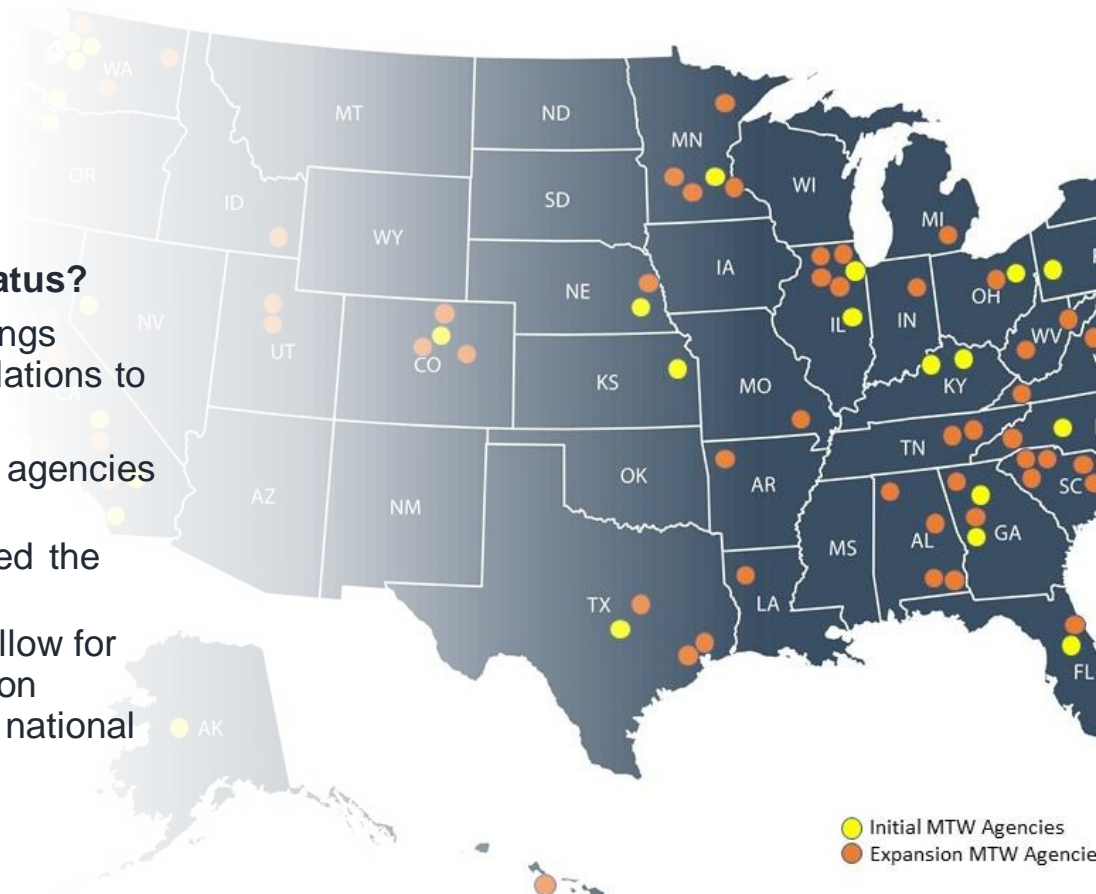
Operational
Excellence

Strategic Planning Process 2023-2027



MTW

- **What is Moving to Work status?**
- A chance for MPHA to try things outside of regular HUD regulations to better serve our community
- MPHA is one of the initial 39 agencies in program
 - In 2018 Congress expanded the program
 - Cohorts were created to allow for better evaluation to build on successful programs on a national level



Moving to Work

Initiatives Must Meet One of these objectives:

- Cost effectiveness
- Self-sufficiency
- Housing choices

*No New Activities this year

Affordable Housing Creation & Preservation Toolkit

Asset Verification
Biennial Income Recertification (Public Housing)
Conversion of Subsidy a Capital for MHOP Unites
Flexible Subsidy for Community Priorities
Goal-Oriented (GO) Housing Initiative
Independent Entity for Inspect./Rent Reasonableness
Lease-to-Own Initiative
Local Project-Based Voucher Program
Low-Rent Annual to Three-Year Certifications
Minimum Rent Initiative for Public Housing Residents
Mobility Voucher Program
Property Owners Incentive Program
Public Housing Working Family Incentive
Rent Reform Initiative for Families in Tenant-Based and Project-Based Voucher Program
Replace the Form of the DOT with a LURA
Shelter to Home - Public Housing
Supportive Housing for Youth

Minneapolis Public Housing Authority | 2023 MTW Plan

The MTW Plan

Purpose

To provide local stakeholders and HUD with a clear understanding of the agency's activities and performance.

Plan Contents



Introduction



Budget
Capital Needs



Data



MTW Activities

Minneapolis Public Housing Authority | 2023 MTW Plan

APPENDIX B: Resident Advisory Board 2023 MTW Annual Plan Priorities

1. Define and maintain high standards of accountability for MPHA staff. Create a protocol for residents to comment and address their concerns. Ensure quality standards are implemented for maintenance and property management to have consistency across MPHA properties.
2. Create and define a comprehensive security program, to include:
 - Cameras and security measures where it makes the most difference
 - Assess the security guard contract(s) to ensure MPHA safety and security needs are met
 - Maintain MPHA's guest/visitor policy to ensure unauthorized people are not entering the buildings
 - Enforcement of prohibitions on firearms and illegal drugs
 - Confidentiality for residents and Project Lookout volunteers who report other residents
2. Use MTW budget flexibility to provide adequate funding for maintenance of properties and speedy attention to all work orders.
4. Advocate for additional dollars from federal, state and city sources, including the restoration of the full tax levy to address deferred capital needs, while also reinstating \$1.2 million of the levy used for resident security.
5. Continue to collaborate with MPHA and community residents on development plans to preserve or add public housing units. Uphold protections to keep every resident housed and well informed at each stage of the process.
6. Maintain a policy of one-for-one hard unit replacement of public housing.
7. Do not increase rent over 30% of income for residents in Public Housing and Project Based Vouchers.
8. Explore minimum rent policy and align with HCV and Project Based vouchers.
9. Do not implement housing time limits.
10. Focus on the most needy: homeless, children, elderly, disabled, the mentally ill, veterans and ex-offenders.
11. Create supportive housing opportunities for people exiting homelessness, corrections, rehab, etc.
12. Continue the use of Volunteers of America and continue support for resident programs with future redevelopment structures.
13. Create collaborations that increase affordable housing and/or services for residents.
14. Focus new efforts toward victims of domestic violence, intimate partner or dating violence, sexual assault, and stalking in MPHA buildings, including training for staff and residents.
15. Focus on resident employment opportunities, including Section 3, as part of all MPHA activities, including
 - Create a Section 3 'job bank' that's easily accessible in all buildings
 - Post MPHA job openings and give to resident applications
16. Explore the implementation of homeownership programs that will contribute to closing the racial gaps in homeownership in the city and help residents of Minneapolis build wealth.
17. Come together to build trust and safety in our communities. Do this by increasing communication that promotes dialogue and respect of all opinions to advocate toward safer more inclusive environments.

RAB Priorities: Guide our Work

The MPHA Resident Advisory Board (RAB) is a policy board created to give residents and participants the opportunity to advise, work with and make recommendations to MPHA Commissioners and staff regarding matters that affect their communities.

The RAB meets at least once per month, even more often during planning times!

Updates to Statement of Policies

Change in Resources

Part II, Requirements for Admissions, Section 4.E.5:

MPHA no longer receives NCIC information from the MPD: *MPHA will screen for criminal history, potentially requiring fingerprinting.*

Appendix E:

- Updates to reflect the entities actively providing services.
- Adds Hennepin County Coordinated Entry for units designated to be filled through that program

Align with MTW

Part VII: Rent Computations and Security Deposits

Part X, Reexamination of Tenant Eligibility and Rent Adjustments Section 3

Language Updated to Reflect Tri-annual Recertification

HUD Updates

Part XI, Lease Terminations Section 4:

Amends the notice requirements that are extended by HUD under a national emergency.

Appendix F: Updates the annual rent tables for residents who pay flat rent to reflect the latest year's Fair Market Rent.

Provide Clarity on Procedures

Part XII, Tenant Grievance

Section 1.C.8: Adds that the grievance does not apply to *issues that have been previously decided in another grievance hearing, judicial proceeding, quasi-judicial proceeding, or administrative proceeding involving the tenant and MPHA.*

Section 2.E: Clarifies that MPHA will appoint one-person hearing panels for denial of reasonable accommodation or VAWA protections

Section 2.G.7: Adds that failing to appear at a scheduled hearing by either party without advanced notice or other good cause, will result in a waiver of the hearing. If good cause is shown, hearing will be rescheduled in a timely manner.

Appendix I-K: Adds the requirement that exhibits at hearings be exchanged with the other party five business days prior to the hearing date.

Ongoing MTW Activity: Launch of Mobility Demonstration



HUD awarded 9 PHAS additional dollars to provide additional services to **families with children to help them access low-poverty neighborhoods with high-performing schools and strong community resources.**

MPHA and Metro HRA launched the pilot in September 2022 to recruit and enroll eligible families for mobility-related services. As the program administrator, Metro HRA will help families with children with:

- Landlord Recruitment
- Pre-Move Counseling
- Housing Search Assistance
- Post-Move Counseling

Ongoing MTW Activity: Stable Homes Stable Schools



Housing Stability: short-term assistance to families facing potential eviction

- **Funding**
- **Case Management Services**

Rental Assistance for up to 36-month for families as identified as homeless by School Counselor

In 2023 HCV will build on the lessons learned from the 3-year pilot



MTW Budget

Combines program resources to provide flexibility in spending:

- Public Housing Operating & Capital Programs
- Housing Choice Voucher Program

Funding Assumptions for 2023

- 100% Operating Subsidy Formula Amount
- 100% Housing Choice Voucher HAP Subsidy Formula Amount
- 91% Housing Choice Voucher Administration Formula Amount
- Capital Fund Grant at 2022 levels

MTW Spending Plan

- Public Housing Operations and Housing Choice Voucher spending at similar levels as 2022
- Capital Fund Program spending at \$27.7 million
- MTW Flexibility - Redirects \$8 million of HAP subsidy to public housing (both capital improvements and operations) and voucher administration needs

2023 Capital Investments & Development Initiatives

- Property capital needs continue to grow: \$210M
- Historically, MPHA has only received 10% of the funding it needs to complete major building improvements
- In 2023, our estimated capital funding (from Federal gov't): \$22M, which includes a \$2M one-time direct appropriation
- And... our housing waitlist is long!

MPHA must continue to find ways to preserve homes & develop new for the population we serve!



2023 Capital Activities & Investments

MPHA's anticipates spending \$27.7M on high-priority investments:

- Fire suppression system installations at the remaining sites
- Building modernization at 1314 44th
- Exterior façade restoration at 12 high-rises; window replacement at 5 high-rises
- Major electrical systems upgrades at 6 high-rises
- Elevator modernization at 4 high-rises
- Security upgrades, HVAC system replacements and other building improvements at multiple sites
- Select roofing, siding, and plumbing replacement at Glendale Townhomes

Minneapolis Public Housing Authority | 2023 MTW Plan



Scattered Sites New Construction

- MPHA plans to redevelop and expand family housing with the construction of 84 new homes on 16 sites. Anticipated start: Fall 2022.
- Discussion with families impacted began in Summer 2021, on relocation during construction & the households right to return once complete.

Scattered Site Rehab

- MPHA continues its comprehensive modernization in its CHR family housing portfolio of over 700 homes.
- In 2022, MPHA committed ~\$3M to interior & exterior renovation work and will consider doing the same in 2023.
- City of Minneapolis Mayor Jacob Frey recently announced his 2023 budget will included a \$2.7M investment to complete important repairs and improvements in this portfolio.



315 Lowry Conversion & Major Renovation

- MPHA is considering a conversion to deliver a major property transformation at 315 Lowry Ave N
- MPHA held an initial meeting with residents to introduce the work and begin forming a shared vision for the project
- Residents will be a key partner in creating goals and objectives as we move forward with this work in 2023



Resident Testimony: Elliot Twins Experience



I believe the biggest outcome from the renovation of our buildings, is that no resident is going to lose their housing. That is the biggest thing and that they feel safe and secure in their buildings knowing that the roof is not going to fall in over their head; that they can go outdoors and enjoy themselves and that their neighborhoods are going to be safe and secure which, sadly, is not always the case right now. Residents have the right to be involved in shaping what their remodeled homes and community spaces will look like. We are very pleased with our new big and beautiful community space at Elliot Twins. It's important to stay involved every step of the way.

- Mary McGovern

Heritage Park Recapitalization

- Heritage Park is a mixed-income community in the Minneapolis near north neighborhood that includes 200 public housing units
- In 2023, MPHA will work with its partners to identify tools and resources needed to address capital needs at the properties



Next Steps

- **Find a copy of the MTW Plan:**

MPHAOnline.org/MTW

At Central Office @ 1001 Washington Ave North

- Public Hearing: **September 28 at 1:30 PM** at Cora McCorvey Center
Hearing details are available at MPHAOnline.org/MTW

- Send your public comments in before **October 7th!**

Email: MTW@MplsPHA.org

Mail: ATTN: MTW Comment, Room 204, MPHA
1001 Washington Ave. North, Minneapolis, MN 55401

- Final consideration/approval by MPHA Board: **November 16, 2022**

Resident Voices- Questions and Comments!

1. We will take the comments in numerical order.
2. You will have the opportunity to ask your question or make comment. Please try to keep your comment brief. If it goes over 5 minutes, we may ask you to finish to ensure everyone has a chance to speak.



2023 MOVING TO WORK (MTW) ANNUAL PLAN

MPHA MISSION

To promote and deliver quality, well-managed homes to a diverse, low-income population and, with partners, contribute to the wellbeing of the individuals, families and community we serve.



WHAT IS MTW?

MTW is special designation from the federal government that allows MPHA to try things that regular HUD regulations do not allow and gives us more flexibility to serve residents better.

2023 Capital Needs

- Estimated Capital Funding: \$20 Million
- Planning Capital Spending: \$27.7 Million
- \$210 Million Backlog

High-Priority Work for 2023

- 84 new units construction
- Scatter Site Rehab
- Continuing
 - Fire-suppression
 - Elevators
 - Windows, roofs, facades
 - Plumbing, electrical systems, and exterior masonry repairs

MPHA wants your input!

Have you completed your resident survey?



Scan above & click the link to complete the survey!

Having trouble? See MPHA management for support!

PEOPLE - PRESERVATION - PRODUCTION

Find more at: <https://mphaonline.org/MTW>





Public Housing Statement of Policies

Change in Resources:

- **Appendix E:** Updates the list of Special Housing Programs to remove entities that are no longer providing services in MPHA buildings and adds Hennepin County Coordinated Entry.
- **Part II, Requirements for Admissions, Section 4.E.5:** MPHA is no longer receiving NCIC information from MPD: *MPHA will screen for criminal history, and an applicant may be fingerprinted.*

Moving to Work (MTW) Activity Alignment

- **Part VII: Rent Computations and Security Deposits:** 2021 MTW Activity
- **Part X, Reexamination of Tenant Eligibility and Rent Adjustments Section 3:** Changes scheduled reexaminations to every three (3) years for all tenants
- **Part VII: Tenant Transfer:**
 - *Clarifies second unit transfer offers for a Violence Against Woman Act (VAWA) transfer.*
 - *Indicates that there are no priority rankings among types of emergency transfers*

HUD Changes

- **Part XI, Lease Terminations Section 4:** Amends the notice requirements that residents receive to be longer than 14 days when there is a national emergency.
- **Appendix F:** Updates the annual rent tables for residents flat rent with new Fair Market Rent values

Procedural Effectiveness

- **Part XII, Tenant Grievance**
 - **Section 1.C.8:** Adds that the grievance does not apply to *issues that have been previously decided in another grievance hearing, judicial proceeding, quasi-judicial proceeding, or administrative proceeding involving the tenant and MPHA.*
 - **Section 2.E:** Clarifies that MPHA will appoint one-person hearing panels for denial of reasonable accommodation or VAWA protections since only a limited number of hearing panelists are trained for reasonable accommodations and VAWA requests.
 - **Section 2.G.7:** Adds that failing to appear at a scheduled hearing by either party without advanced notice or other good cause, will result in a waiver of the hearing. If good cause is shown, hearing will be rescheduled in a timely manner.
- **Appendix I-K:** Adds the requirement that exhibits at hearings be exchanged with the other party five business days prior to the hearing date.
- **Part XXII, Violence Against Women Act:** Changes were made as suggested by Legal Aid.
- **Part I, Definitions**
 - **# 37:** Updates the definition of Family Housing Unit to include Glendale townhomes, public housing scattered site units and Community Housing Resource (CHR) units.
 - **#83:** Changes the definition of Over Income to the HUD suggested 120% of Area Median Income from 80%.

English: This information is important. If you do not understand it, please call your MPHA representative for free language assistance.

Somali: Halkan waxaa ku qoran war ama akhbaar aad u muhim ah, haddii aad fahmi kari weydo, fadlan ula tag wakiilka hay'adda MPHA si aad tarjumaad bilaash ah uga hesho.

Hmong: Yog koj tsi to taub txog cov nqi lust seem ceeb no, thov hu mus rau ntawm tsev luam qhov chaw ua hauj lwj MPHA peb yuav pab ntshais rau nej

Oromo: Beeksifni kun hedduu barbaachisaa dha. Yaadni isaa hoo isiniif hin galle ta'e, bakka bu'aa MPHA akka afaan isiniif hiikamu gargaarsa tolaa gaafacilaa.

Spanish: Esta informacion es importante, si usted no lo entiende, por favor póngase en contacto con MPHA para asistencia lingüística gratuita.

Amharic: ይህ መረጃ በጣም አስፈላጊ ነው። ምን እንደሚል የማይገባዎ ከሆነ፣ ከ MPHA (የሚገኝ ሲሆን የመንግስት የመኖሪያ ቤቶች ባለስልጣን) ወኪል ጋር ተገናኝተው በጽኑ የሚሰጥ የቋንቋ ማስተርጓሚ እርዳታ እንዲሰጥዎ ይጠይቁ።

Laotian: ຖ້າຫາກວ່າທ່ານບໍ່ເຂົ້າໃຈໃນຂໍ້ຄວາມຂ້າງນີ້, ທ່ານຕ້ອງໄຫຼ່ໄປຫາທີງ ຫ້ອງການເຮືອນສາວຈງ MPHA ຫາກເຮົາຈະຊ່ວຍອະທິບາຍໃຫ້ທ່ານ.