



NOTICE AND AGENDA

December 21, 2022

A REGULAR MEETING OF THE MINNEAPOLIS PUBLIC HOUSING AUTHORITY IN AND FOR THE CITY OF MINNEAPOLIS WILL BE HELD AT 1:30 P.M. AT 1001 WASHINGTON AVENUE NORTH, MINNEAPOLIS, MINNESOTA

The Executive Committee of the MPHA Board of Commissioners will meet at 12:00 Noon, same date and place

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

Commissioners: **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 Regular Meeting of November 16, 2022

CHAIR'S UPDATE

RESIDENT ADVISORY BOARD – RAB Chairperson Comments

CONSENT:

1. Professional Architectural/Engineering Services Contracts (Laura Dykema, Director of Planning & Development)

PRESENTATION / DISCUSSION / PROPOSED RESOLUTIONS

2. Consideration of 2023 MPHA and Elliots LP Budget (Tim Durose, CFO)
3. Consideration of MPHA 2023-2027 Strategic Plan (Rachel Almburg, Assistant Director, Policy & Strategic Initiatives)



- Executive Director's Report/Update
- Monthly Performance Report for November 2022
- Community Update Newsletter and News Clippings
- HCV Update – Reporting on Project-Based Voucher Awards

Next Regular Meeting:

**Wednesday, January 25, 2023 - 1:30 p.m.
1001 Washington Avenue North
Minneapolis, MN 55401**

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



**MINUTES OF A REGULAR MEETING OF THE
MINNEAPOLIS PUBLIC HOUSING AUTHORITY
IN AND FOR THE CITY OF MINNEAPOLIS
November 16, 2022**

The Minneapolis Public Housing Authority in and for the City of Minneapolis met in a regularly scheduled meeting at 1:34 P.M. on November 16, 2022, at 1001 Washington 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
Abdullahi Isse	Commissioner
Cara Letofsky	Commissioner
Tamir Mohamud	Commissioner
Hon. James Rosenbaum	Commissioner

The following members of the Board were absent:

Mikkel Beckmen	Secretary
Faith Xiong	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 Rosenbaum moved approval of the proposed agenda. The motion was seconded by Commissioner Letofsky. Upon a voice vote, the Chair declared the motion carried.

Approval of Minutes:

The Minutes of the Regular Meeting of October 26, 2022, were presented for approval. Commissioner Brennan moved the minutes be accepted as presented. The motion was seconded by Commissioner Mohamud. Upon a voice vote, the Chair declared the motion carried.



Resident Advisory Board (RAB) Update:

RAB Chair Lisa Anderson reported there was a quorum. The Electrical Systems Replacement at three High-rises was not presented. The approval of MPHA 2023 Moving to Work (MTW) Annual Plan was presented by MPHA Staff and that item passed. The approval of Changes to MPHA 2023 Statement of Policies was presented by MPHA staff and that item also passed. All Receive and File items presented and filed.

- **Resident Concerns:**

- RAB Chair Anderson reached out to Mary Boler, Director of Operations, and requested that flyers be sent to all residents warning them to not let their cars idle without being in the vehicle as it's against the law and the vehicle could also be stolen.

The Chair's Update:

The Executive Committee met before the board meeting and discussed the need to find another agency to provide auditor service. The Minnesota State Auditors who've provided this service to MPHA for years indicated that they do not have the capacity to audit MPHA in the coming years. MPHA's CFO is working on an RFP for new auditor services. The committee also received updates on HUD and Heritage Park, and Minnesota Legislative agenda concerning public housing.

Item No. 1: Electrical Systems Replacement at Two High-rises

The Chair asked for a motion to approve the Electrical Systems Replacement at Two High-rises. Commissioner Brennan moved approval of the recommendation set forth in the Report. Commissioner Mohamud seconded the motion. Upon a voice vote, the Chair declared the motion carried. [See Document No. 2022-53]

Item No. 2: Approval of MPHA 2023 Moving to Work Annual Plan

The Chair previously circulated and discussed with the board several non-controversial revisions to the plan. The Chair asked for a motion for Approval of the MPHA 2023 Moving-to-Work Annual Plan, including the non-controversial revisions to the plan. Commissioner Mohamud moved approval of the recommendation set forth in the Report along with the corresponding Resolution attached thereto. Commissioner Letofsky seconded the motion. Upon a roll call vote, six Commissioners voted "aye" (Commissioners Brennan, Isse, Letofsky, Mohamud, Rosenbaum, and Chair Hoch) and no Commissioner voted "nay". The Chair declared the motion carried. [See Document No. 2022-54] [See Resolution No. 22-226]

Item No. 3: Approval of Changes to MPHA 2023 Statement of Policies

The Chair asked for a motion for Approval of Changes to MPHA 2023 Statement of Policies. Commissioner Mohamud moved approval of the recommendation set forth in the Report along with the corresponding Resolution attached thereto. Commissioner Isse seconded the motion. Upon a roll call vote, six Commissioners voted "aye" (Commissioners Brennan, Isse, Letofsky, Mohamud, Rosenbaum, and Chair Hoch) and no Commissioner voted "nay". The Chair declared the motion carried. [See



Document No. 2022-55] [See Resolution No. 22-227]

Receive and File Items:

The following items were received and filed by the Board:

- Executive Director's Report/Update [See Document No. 2022-56]
- The Monthly Performance Report for October 2022. [See Document No. 2022-57]
- Community Update Newsletter [See Document No. 2022-58]
- HCV Update – Reporting on Project-Based Voucher Awards [See Document No. 2022-59]

Adjournment:

There being no further business to come before the Board, the Chair adjourned the meeting at 1:44 p.m.

Secretary of the Board of Commissioners

Date These Minutes Approved



December 21, 2022

Agenda Item 1

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, Executive Director / CEO

SUBJECT: Professional Architectural/Engineering (A/E) Services Contracts

Previous Directives: In December 2018, the Board approved the agency's use of Indefinite Quantity Contracts (IQCs) for a pool of A/E firms for up to five years.

Resident Council Review/Recommendation: This Report will be discussed with the Resident Advisory Board (RAB) immediately prior to the Board's December 21, 2022 meeting.

Budget Impact: Expenditures will be charged to project development budgets which may have various funding sources.

Affirmative Action Compliance: The firms have signed an Equal Employment Opportunity / Affirmative Action Policy statement. All firms have committed to subcontracting with small, disadvantaged, woman/minority-owned, and/or Section 3 firms to help MPHA achieve its contracting goals. Additionally, one of the firms is a Woman Business Enterprise (WBE).

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 contracts and all related documents in not to exceed amounts of \$2,000,000 each with DJR Architecture, Kaas Wilson Architects, and LHB and not to exceed amounts of \$1,000,000 each with Adsit Architecture and LHB for professional architectural/engineering services.

The MPHA has the need for professional design services for a wide variety of capital improvement and development projects in accordance with its previously adopted Strategic Vision and Capital Plan, annual Moving to Work (MTW) plans, and the pending 2023-27 Strategic Plan. Staff determined that the most appropriate vehicle for these services is the establishment of Indefinite Quantity Contracts (IQCs) with two pools of firms that have a wide variety of capacity and expertise. One pool intended for large-scale rehabilitation and new construction projects and one for smaller-scale projects. Each contract will be issued for an initial two-year term with options at MPHA discretion to extend annually for up to an additional three years. Each firm will be awarded a minimum of \$10,000 in work over the life of the contracts; the maximum work awarded will be for the blanket contract values of \$1,000,000 for firms in the smaller-scale pool and \$2,000,000 for firms in the larger-scale pool.

On October 12, 2022, a Request for Proposals (RFP) was publicly advertised with a proposal submission deadline of November 21, 2022. Firms were allowed to submit proposals for both pools if they had the design disciplines, experience and capacity required of both smaller and larger-scale projects. MPHA received proposals from the following firms:

Smaller-Scale Projects

Adsit Architecture
Brent Holdman Architecture
Kaas Wilson Architects
LHB
Miller Hanson

Larger-Scale Projects

DJR Architecture
Kaas Wilson Architects
LHB
Miller Hanson

The nine proposals were reviewed and considered by staff based on six measured categories including proposed fees, quality of proposal, approach to projects, qualifications and experience, knowledge of and experience with affordable housing and HUD requirements, and Section 3 Business Preference. Staff recommends contract awards to the highest-ranking firms for each pool as follows:

Smaller-Scale Projects

Adsit Architecture (WBE)
LHB

Larger-Scale Projects

DJR Architecture
Kaas Wilson Architects
LHB

Staff has experience with all five firms and believes they will bring quality and innovation to our future capital initiatives.

This Report was prepared by Laura Dykema, Director of Planning & Development. For further information, please contact Ms. Dykema at (612) 702-5669 or ldykema@mplspha.org.



December 21, 2022

REPORT TO THE COMMISSIONERS

Agenda Item 2

FROM: Abdi Warsame, Executive Director/ CEO

SUBJECT: Approval of the 2023 MPHA and 2023 Elliots LP Budget

Previous Directives: The Board approved the 2023 Moving to Work (MTW) Annual Plan on November 16, 2022.

Resident Association Notification: MPHA provided the Public Housing Operating Budget summaries to Resident Councils for comment on November 10, 2022. Staff presented this Public Housing Operating Budget to the residents at the Minneapolis High-rise Representative Council (MHRC) Executive Board Meeting on December 1, 2022.

The Budget is scheduled to be discussed with the Resident Advisory Board (RAB) immediately prior to the Board of Commissioners December 21, 2022 meeting.

Budget Impact: This 2023 Budget authorizes and allocates resources for 2023 expenditures.

Affirmative Action Compliance: Not applicable.

Procurement Review: Not applicable.

RECOMMENDATION: It is recommended that the Board of Commissioners:

- 1. Approve the 2023 MPHA Budget and adopt the attached resolution specifically approving the 2023 Public Housing Operating Budget.**
- 2. Approve the 2023 Elliots, LP Budget.**

Staff requests the Board of Commissioners to approve the Minneapolis Public Housing Authority (MPHA) Fiscal Year 2023 (FY23) Budget. The Budget allocates resources to carry out the management, maintenance, and security functions in operating MPHA's public housing program, the administration and housing assistance for the Housing Choice Voucher and other Section 8 Programs, the operation of the central office, and other programs as identified in the attached 2023 Budget.

The Board of Commissioners, through the approval of the 2023 Moving to Work Annual Plan (MTW Plan), approved the 2023 Moving to Work (MTW) Budget and other program-specific budgets. Because the U.S. Department of Housing and Urban Development (HUD) requires MPHA to present an MTW Budget as part of the draft MTW Plan and make the draft MTW Plan available much earlier in the year, the budgets included in the MTW Plan are considered estimates based on the best available information at the time. This Budget provides updated and more precise funding forecasts and updated program-specific sub-budgets; identifies budgetary controls and spending policy; and details budgets for each asset management project (AMP), as required by HUD.

MPHA staff provided the Board an in-depth review of the 2023 Budget on November 8th, November 9th, and November 10th at the 2023 Budget Workshop sessions.

MPHA provided the budget summaries for the AMPs to the Resident Councils on November 10, 2022 and presented those Budgets to the Minneapolis Highrise Resident Council's Executive Board on December 1st. Residents were informed to submit any written comments by December 14, 2022. Any comments received will be provided to the Board.

This Report was prepared by Tim Durose, Deputy Executive Director / CFO. If you have any questions or require further information regarding this Report, please contact Mr. Durose at tdurose@mplspha.org.

PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 06/30/2022)

Public reporting burden for this collection of information is estimated to average **10 minutes per response**, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: *****PHA Code:

PHA Fiscal Year Beginning: *****Board Resolution Number:

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☐ Operating Budget approved by Board resolution on:
- ☐ Operating Budget submitted to HUD, if applicable, on:
- ☐ Operating Budget revision approved by Board resolution on:
- ☐ Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name:	Signature:	Date:
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2023 Minneapolis Public Housing Authority Budget

The Board of Commissioners, through the approval of the 2023 Moving to Work Annual Plan (MTW Plan), approved the 2023 Moving to Work (MTW) Budget and other program-specific budgets. Because the U.S. Department of Housing and Urban Development (HUD) requires MPHA to present an MTW Budget as part of the draft MTW Annual Plan and make the draft available in June, the budgets included in the MTW Annual Plan are developed with less precision than desirable. This document provides updated funding estimates and program budgets, restates current budgetary controls and spending policy, and details budgets for each asset management project (AMP) as required by HUD.

Funding Assumptions

Congress is funding Minneapolis Public Housing Authority (MPHA) programs through a short-term funding bill (a Continuing Resolution) that expires on December 16, 2023. This short-term appropriation provides funding at 2022 levels and the funding amounts for the rest of the 2023 federal fiscal year (October 2022-September 2023) are unknown in the development of this budget. The MPHA's 2023 Budget assumes program funding at approximately the same levels currently being provided by HUD in 2022.

MPHA's 2023 Budget assumes HUD will provide 100% of the public housing operating subsidy formula. The Housing Choice Voucher Program housing assistance payment (HAP) subsidy is anticipated to be funded at 100% of the formula amount and the program administrative fees funded at only 80% of the formula amount; almost a \$700,000 loss. These funding levels create greater stress on the resources MPHA has available to meet program needs. The Budget also assumes that the public housing Capital Fund award will be near the amount awarded in 2022 or approximately \$20 million. Funding from the City of Minneapolis is based upon the 2023 City Council Approved Budget.

Considering these assumptions MPHA estimates nearly \$698,700 less of available federal subsidy due to insufficient Congressional appropriations for 2023. The breakdown by appropriation account is presented in the following schedule.

Program	Subsidy Formula Eligibility	2023 Budget	
		(Prorated Subsidy)	Subsidy Loss
Public Housing Operating Subsidy	23,294,300	23,294,300	-
MTW HCV HAP Subsidy	63,048,100	63,048,100	-
MTW HCV Admin Subsidy	3,493,500	2,794,800	698,700
Total Subsidy Loss due to Proration			698,700

Federal appropriations are distributed to housing authorities based on prescribed funding formulas. The funding formulas include adjustments for inflation. It is not known whether the final appropriations bill will sufficiently account for historically high inflation. If the final

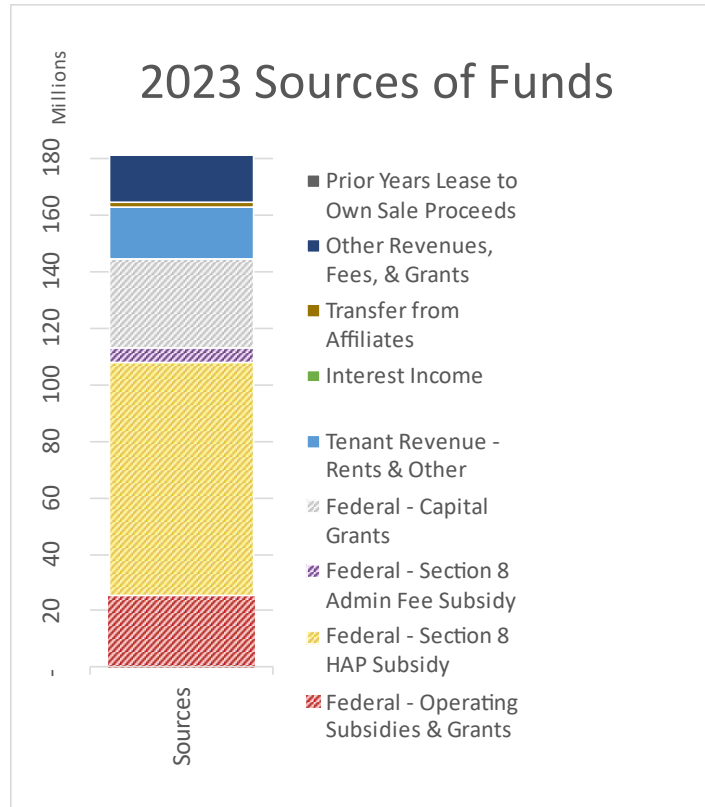
appropriations bill fails to cover the increased funding needed due to inflation, MPHA's subsidies will be reduced from the estimates assumed in the budget.

Agency-wide Budget

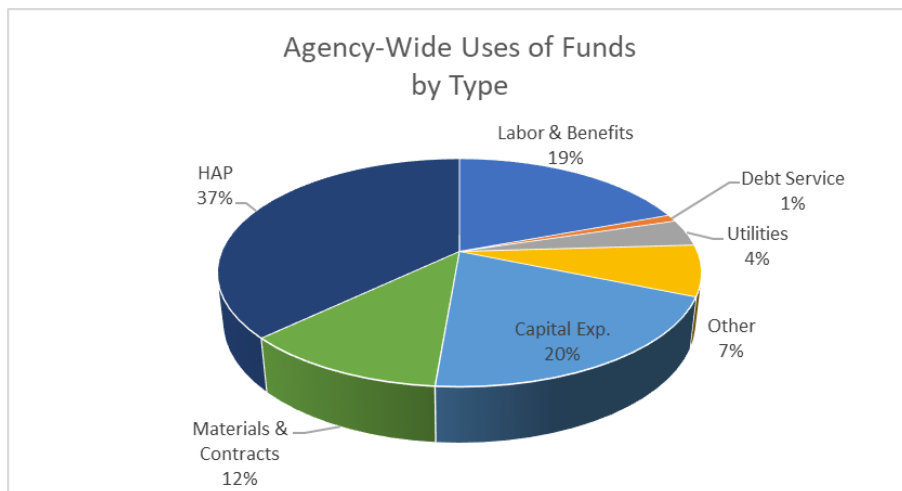
The schedule below presents the total 2023 Minneapolis Public Housing Authority (MPHA) budget with comparison to the 2022 budget.

	MPHA 2022 Budget	MPHA 2023 Budget	Change	% Change
Sources				
Tenant Revenue -Rents & Other	17,887,600	18,277,100	389,500	2%
Federal - Operating Subsidies & Grants	21,348,800	23,971,700	2,622,900	12%
Federal - Operating Subsidies & Grants (ARF)	3,061,800	1,337,700	(1,724,100)	-56%
Federal - Section 8 Admin Fee Subsidy	4,766,800	5,136,400	369,600	8%
Federal - Section 8 HAP Subsidy	76,955,400	82,368,000	5,412,600	7%
Federal - Capital Grants	27,786,700	31,893,400	4,106,700	15%
City Contribution	5,277,400	4,195,600	(1,081,800)	-20%
Interest Income	91,600	72,400	(19,200)	-21%
Office Fee Revenue	260,900	-	(260,900)	-100%
Managed Services Group Revenue	11,490,625	13,695,100	2,204,475	19%
Other Revenues, Fees, & Grants	8,316,400	5,550,000	(2,766,400)	-33%
Total Sources	177,244,025	186,497,400	9,253,375	5%
Uses				
Property Management and Program Admin	17,081,175	18,704,450	1,623,275	10%
Administration	10,004,800	11,065,800	1,061,000	11%
Development Administration	1,035,900	1,305,400	269,500	26%
Tenant Services	1,247,425	1,662,600	415,175	33%
Utilities	7,818,600	9,016,300	1,197,700	15%
Maintenance	15,984,625	17,461,250	1,476,625	9%
Protective Services	3,598,700	4,552,000	953,300	26%
Insurance & Casualty Loss	2,356,500	2,493,900	137,400	6%
Other General	3,582,000	13,550,600	9,968,600	278%
Debt Service	1,808,500	1,863,300	54,800	3%
Housing Assistance Payments	69,690,300	70,457,800	767,500	1%
Capital Improvements & Equipment	43,639,500	38,110,500	(5,529,000)	-13%
Total Uses	177,848,025	190,243,900	12,395,875	7%
Net Operating Sources/(Uses)	(604,000)	(3,746,500)	(3,142,500)	520%
Transfer in/(Out) for Affiliates	-	1,631,800	1,631,800	na
Net Operating Sources/(Uses) after Transfers	(604,000)	(2,114,700)	(1,510,700)	250%
Loan from Affiliates / Repayment	(1,200,000)	-	1,200,000	-100%
Prior Years Lease to Own Sale Proceeds	1,460,800	1,460,800	-	0%
Net Sources/(Uses)	(343,200)	(653,900)	(310,700)	-91%

Total Sources of funds are expected to be \$186.5 million, a 5% increase mainly driven by an anticipated increase in Federal Section 8 Housing Assistance Payments subsidy and Capital Fund Program grant revenues. Federal subsidies and grants comprise \$144.7 million, or 77% of all sources (depicted in the chart below as hatched) and when combined with tenant and space rent from the operation of federal public housing, 86% of MPHA sources of funds come from the operation of federal housing programs.



Total uses of funds are \$190.2 million, increased by 7% from the 2022 budget. The most significant ordinary use of funds (37%), at \$70.5 million, is for housing assistance payments to landlords. Labor and employee benefit costs are expected to be \$36.7 million (19%) of total ordinary uses of funds. Capital expenditures make up 20% of planned uses. MPHA intends to contribute \$10 million to Family Housing Resources, LP for the construction of 84 new, deeply affordable units across 16 sites within Minneapolis. The contribution is presented as an Other General Expense and explains the 278% increase in this line item.



The 2023 Budget reflects the prioritization of resources in alignment with MPHA's emphasis on resident safety and security and housing preservation and production. The Budget funds protective services at nearly \$4.6 million and the Capital Improvements & Equipment line item includes over \$900,000 in security cameras and other security-related physical improvements. Security service spending is enhanced with this budget by both a proposed increase in private security guard hours as well as in the level of security services personnel deployed. Capital spending emphasizes resident safety with \$9.9 million in funds for fire suppression system installations. Currently 26 of 42 MPHA high-rise buildings (3,553 units or 71 percent) have sprinklers in place or active installation projects. An additional 7 buildings will be under construction before the end of 2022 or early 2023. This leaves 9 buildings which are included in the proposed 2023 budget. Capital spending also includes a \$10 million 2023 contribution (\$2.4 million is anticipated to be contributed in 2022) that is expected to be combined with local government funds, tax credit equity and debt, for the construction of 84 new deeply affordable townhome units.

The budget calls for a \$1.6 million transfer in from MPHA Dev Co. to fund development administration activities and \$1.4 million in sale proceeds from former public housing units to supplement capital funding. A \$653,900 use of reserves is also necessary with \$332,200 coming from restricted reserves previously funded by HUD and held for Emergency Housing Voucher housing assistance payments. Total budgeted unrestricted reserves are expected to be \$28.8 million at the end of 2023.

The Agency-wide budget consists of several sub-fund budgets. Each sub-fund's budget is discretely presented at the end of this report to provide program level detail. Each MPHA program area has spending eligibility restrictions that affect how funds are being used and, when allowable, the amounts transferred among program areas.

In October 2020, the MPHA sold 707 scattered site units to MPHA's wholly-owned affiliate, Community Housing Resources (CHR) and in June 2020 the Elliot Twins Towers were leased to Elliot's Limited Partnership as part of a conversion of assistance from public housing to project-based housing vouchers. With the sale/lease, the financial activities for these properties are no longer within MPHA's budget but rather within each of those entities' budgets. However, because MPHA continues to provide property management and maintenance services for these units, MPHA's budget does include the revenues and cost related to the property management agreement between MPHA and the other entities.

Budgetary Controls

Although MPHA presents budgetary data at a lower level on the accompanying schedules, MPHA's MTW Agreement eliminates any restriction to transfer funds among MTW program areas, among asset management projects, and between line items. The approval of the budget provides the Executive Director authorization to carry out business operations using no more than the net uses of funds identified in the Agency-wide Budget with full expenditure flexibility

throughout all agency funds subject to all spending limitations imposed by the sources of the funds.

The Executive Director is further authorized to increase the net use of funds up to an additional 3% of routine operating program budgeted reserves (comprised of the MTW, Central Office, and Other Voucher Programs budgeted year-end reserve amounts) without further approval from the Board. The calculation of the additional net use approval is as follows.

	Additional Net Uses Authorization
MTW Budgeted Reserve Level	16,584,300
Other Vouchers	1,895,300
Central Office Budgeted Reserve Level	4,455,900
Combined FYE 2023 Budgeted Reserve	22,935,500
Additional Use of Reserves Authorization w/o Further Board Approval	688,100

Moving To Work (MTW) Programs Budget

Moving to Work (MTW) is a demonstration program for public housing authorities that provides them the opportunity to design and test innovative, locally designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. MTW allows PHAs exemptions from many existing public housing and voucher rules and provides funding flexibility with how they use their Federal funds. The MTW Budget for 2023 allocates resources to: (1) carry out the daily management and maintenance operations; (2) within the funds available, provide for selected major building rehabilitation activities for MPHA's public housing stock; (3) provide for the administration and housing assistance payments for the HCV Program; and (4) set aside the funds needed for innovative, locally-designed strategies to meet the mission of MPHA.

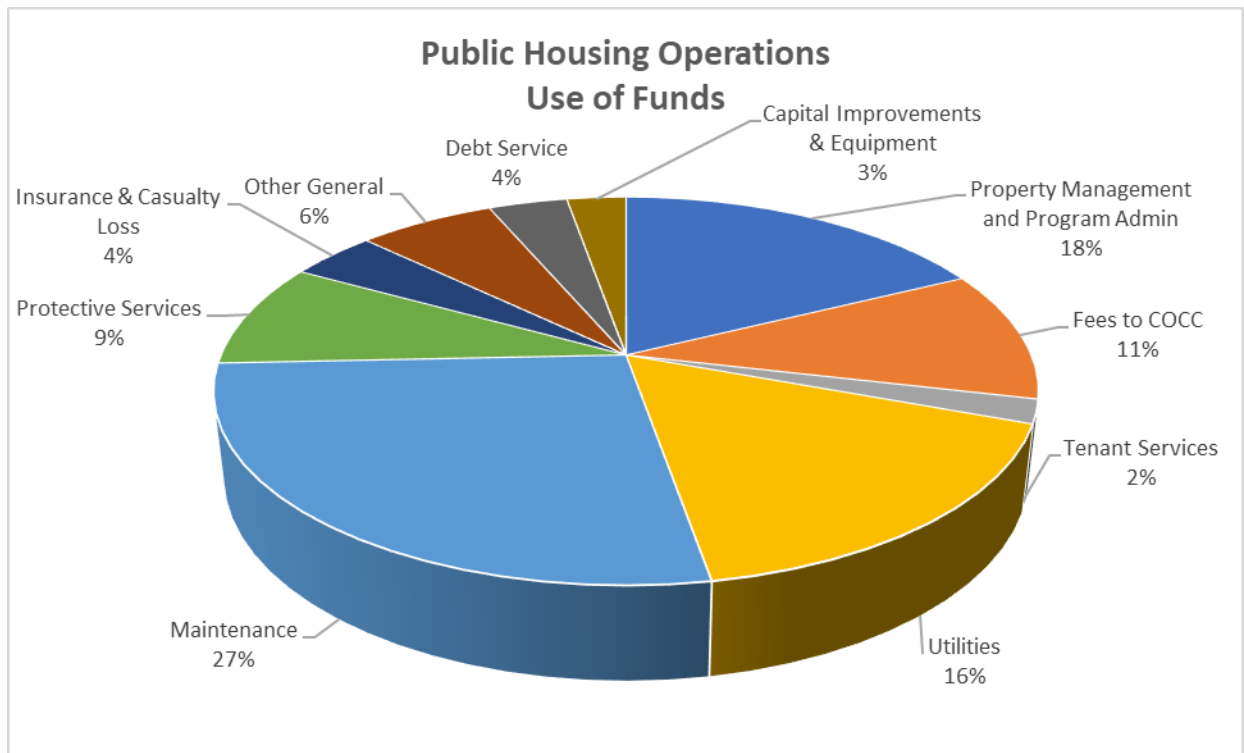
	2023 MTW Single Fund				Total MTW Programs
	Public Housing Operations	MTW Housing Choice Vouchers	Capital Fund Program	MTW Initiatives	
Sources					
Tenant Revenue -Rents & Other	18,277,100	-	-	-	18,277,100
Federal - Operating Subsidies & Grants	21,956,600	-	2,015,100	-	23,971,700
Federal - Operating Subsidies & Grants (ARF)	1,337,700	-	-	-	1,337,700
Federal - Section 8 Admin Fee Subsidy	-	2,794,800	-	-	2,794,800
Federal - Section 8 HAP Subsidy	-	63,048,100	-	-	63,048,100
Federal - Capital Grants	-	-	31,858,400	-	31,858,400
City Contribution	375,400	1,090,200	1,624,000	-	3,089,600
Interest Income	41,100	2,700	-	-	43,800
Other Revenues, Fees, & Grants	692,100	887,300	1,680,800	-	3,260,200
Total Sources	42,680,000	67,823,100	37,178,300	-	147,681,400
Uses					
Property Management and Program Admin	8,887,700	4,480,200	10,000	292,300	13,670,200
Fees to COCC	5,474,000	1,420,700	2,005,100	-	8,899,800
Tenant Services	992,200	-	-	5,900	998,100
Utilities	8,344,700	-	-	-	8,344,700
Maintenance	13,585,600	6,500	-	-	13,592,100
Protective Services	4,380,400	-	-	-	4,380,400
Insurance & Casualty Loss	2,043,900	32,100	-	-	2,076,000
Other General	3,220,200	150,000	10,000,000	-	13,370,200
Debt Service	1,848,300	-	-	-	1,848,300
Housing Assistance Payments	-	50,805,700	-	-	50,805,700
Capital Improvements & Equipment	1,391,700	-	30,060,000	-	31,451,700
Total Uses	50,168,700	56,895,200	42,075,100	298,200	149,437,200
Net Operating Sources/(Uses)	(7,488,700)	10,927,900	(4,896,800)	(298,200)	(1,755,800)
Transfer in/(Out) for MTW Single Fund	7,488,700	(11,222,900)	3,436,000	298,200	-
Transfer in/(Out) for Stable Homes Stable Schools	-	295,000	-	-	295,000
Net Operating Sources/(Uses) after Transfers	-	-	(1,460,800)	-	(1,460,800)
Prior Years Lease to Own Sale Proceeds	-	-	1,460,800	-	1,460,800
Net Sources/(Uses)	-	-	-	-	-

The total 2023 MTW Budget is a balanced budget with the planned use of \$1.46 million in sale proceeds from the prior year's sales of public housing units to former public housing tenants as part of MPHA's Lease To Own Program (Section 32 Homeownership Program). Because HUD restricts the use of the sale proceeds, these funds are presented as restricted reserves on MPHA's financial reports. However, using these restricted reserves for capital improvements in MPHA's housing stock is a HUD permitted use.

The budget anticipates \$147.7 million in operating sources of funds and plans for \$149.4 million in uses of funds plus net transfers into the MTW Budget of \$1.46 million. The MTW Program reserve is budgeted to remain at \$16.6 million or 4 months of public housing routine operating costs and debt service.

Public Housing Operations

Over \$50.1 million is planned to be spent on the day-to-day operation of the public housing program, a 12.3% overall increase from 2022. The largest budgeted expense is in maintenance expenses, which is 27% of the program's expenses. The maintenance budget is up 10% from 2022 mostly driven by increased labor costs. MPHA pays the utility costs in all of the public housing properties and that cost is expected to be \$8.3 million. The budget assumes a 17% increase in the cost utilities driven by higher rates in all utility types. The annual debt service payments to satisfy borrowing for the installation of energy saving measures totals \$1.8 million in 2023. Additionally, MPHA continues to place significant resources in protective services and funds \$4.4 million in this line item for 2023 to combat resident safety concerns. In particular, the 2023 security guard budget is 30% higher than it was in 2022 and includes increased security guard coverage and advanced level security personnel. The Public Housing Operations program is primarily funded by HUD operating subsidy (\$21.9 million) and tenant rent (\$18.3 million). The budget includes \$1.3 million in asset repositioning fees related to the sale of scattered site units to MPHA's wholly-owned affiliate entity, CHR. The additional fees are provided to assist housing authorities in removing the units from the public housing program.



Because of the need for a significant amount spending to cover resident security needs, the overall effects of inflation, and the need to be competitive in attracting talent in an unprecedented tight labor market, MPHA plans to supplement the public housing operating program resources with \$7.5 million of Housing Choice Voucher (HCV) subsidy.

The total public housing operations budget is subdivided into Asset Management Projects (AMPs). Each AMP is a cluster of high-rise buildings or properties which are grouped to promote efficient and effective management. MPHA's AMPs are based on the geographical proximity of the properties, housing type (family, high-rise), and program. MPHA has an organizational structure and management reporting system that allows for project-based management, accounting, and budgeting that meets HUD's asset management requirements. Below, the total public housing operating program budget is subdivided into each AMP.

2023 Public Housing Operations Budget by Asset Management Project (AMP)										
	Glendale	Scattered Sites	North	Northeast	Hiawatha	Cedars	Horn	Heritage Park	Suburban MHOP	Total PH Operations
Sources										
Tenant Revenue - Rents & Other	974,100	347,100	4,831,600	3,507,800	3,019,000	2,327,100	3,270,400	-	-	18,277,100
Federal - Operating Subsidies & Grants	970,400	316,900	5,138,700	3,623,000	3,835,600	2,976,700	3,791,300	996,600	307,400	21,956,600
Federal - Operating Subsidies & Grants (ARF)	-	1,337,700	-	-	-	-	-	-	-	1,337,700
City Funds	12,500	4,400	102,000	67,800	72,200	49,800	66,700	-	-	375,400
Interest Income	1,500	9,600	4,900	7,300	6,400	6,300	5,100	-	-	41,100
Other Revenues, Fees, & Grants	11,900	2,900	332,000	107,300	113,400	34,000	90,600	-	-	692,100
Total Sources	1,970,400	2,018,600	10,409,200	7,313,200	7,046,600	5,393,900	7,224,100	996,600	307,400	42,680,000
Uses										
Property Management	362,700	109,100	2,414,200	1,602,500	1,674,000	1,165,800	1,559,400	-	-	8,887,700
Fees	196,800	52,300	1,438,700	1,036,100	932,500	786,000	1,031,600	-	-	5,474,000
Tenant Services	85,000	27,600	233,700	178,900	169,300	126,400	171,300	-	-	992,200
Utilities	626,900	191,700	2,301,800	1,391,600	1,388,000	1,115,500	1,329,200	-	-	8,344,700
Maintenance	970,100	245,400	3,512,950	2,350,250	2,302,400	1,969,100	2,235,400	-	-	13,585,600
Protective Services	76,300	-	1,263,600	575,700	1,092,700	657,500	714,600	-	-	4,380,400
Insurance & Casualty Loss	119,000	41,500	529,400	345,000	350,600	310,400	348,000	-	-	2,043,900
Other General	31,900	35,600	319,600	293,800	176,700	111,900	196,700	1,746,600	307,400	3,220,200
Debt Service	11,700	600	491,900	513,900	338,400	142,900	348,900	-	-	1,848,300
Capital Improvements & Equipment	109,800	8,000	518,900	177,800	241,500	150,800	184,900	-	-	1,391,700
Total Uses	2,590,200	711,800	13,024,750	8,465,550	8,666,100	6,536,300	8,120,000	1,746,600	307,400	50,168,700
Net Operating Sources/(Uses)	(619,800)	1,306,800	(2,615,550)	(1,152,350)	(1,619,500)	(1,142,400)	(895,900)	(750,000)	-	(7,488,700)
Transfer in/(Out) between AMPs	619,800	(1,306,800)	687,000	-	-	-	-	-	-	-
Transfer in/(Out) for MTW Single Fund	-	-	1,928,550	1,152,350	1,619,500	1,142,400	895,900	750,000	-	7,488,700
Net Operating Sources/(Uses) after Transfers	-	-	-	-	-	-	-	-	-	-
Budgeted Reserves as of Dec. 2023										15,603,300

MTW Housing Choice Voucher Program

The MTW budget funds an average of 4,603 participants each month with MTW Housing Choice Vouchers (HCV) and continues MPHA's rent reform initiative. The budgeted utilization is planned at just over the MTW baseline. The HCV budget utilizes MPHA's 2023 payment standards approved by the Board of Commissioners in September 2022. The 2023 HCV Program anticipates \$50.8 million will be needed for housing assistance payments (HAP).

The Budget estimates that HUD will provide \$63 million in HCV HAP Subsidy and the City of Minneapolis will provide \$1.4 million for HAP and administrative costs needed for its Stable Homes, Stable Schools Initiative. HUD is expected to provide \$2.8 million in administrative fees to partially cover the cost needed to administer the program. Since the program sources of funds are greater than the planned need for HAP and program administrative costs, it is expected that \$11.2 million of net sources will be available for MTW Single Fund transfers.

Capital Fund Program

MPHA's existing physical needs data indicates it has a current unmet need of \$210 million that will grow to over \$600 million over the next 20 years. These figures do not take into account applied capital funding, as it is difficult to predict future funding levels and availability. This estimate of unmet need represents building components that have reached or exceeded their estimated useful life. When formulating its annual capital plan, MPHA is forced to make difficult decisions between competing needs due to continual insufficient funding. To aid in capital

planning with limited resources MPHA considers several factors including:

1. The type of need:
 - Building Systems/Infrastructure (e.g. mechanical systems, plumbing and electrical systems, security systems, fire protection systems, roofs/façades, windows, elevators, etc.) – Components that are required to keep the building functioning and safe.
 - Building Site Work, Interiors & Equipment/Furnishings (apartment kitchen and bath rehab, landscaping/site improvements, community room furnishings, building amenities, etc.) –Components that address livability and resident quality of life.
2. The remaining useful life of the building component, which generally ranges between 0 – 20 years.
3. The urgency of action relative to other competing capital needs:
 - a. Low: This action is not currently impeding building functionality or safety and may be deferred. Quality of life may be impacted by deferment.
 - b. Medium: This action is not currently impeding building functionality or safety but should be done with in the next 2-5 years. Quality of life may already be impacted and manageable component failure may occur by deferment.
 - c. High: This action is of high urgency and necessary to address building functionality and livability and should be done within the next 1-2 years. Quality of life is likely impacted and component failures will become more frequent by deferment.
 - d. Urgent: This action should not be deferred and must be done as soon as possible. Building functionality or safety is currently compromised.

A large portion of MPHA's immediate capital needs are infrastructure/building systems. Aging systems and infrastructure at many of the properties have exceeded their life expectancy and have started to fail. MPHA deems a portion of these items as high or urgent needs that could become life/safety needs if left unaddressed. Additionally, as building codes have evolved, MPHA needs to address increased life/safety requirements such as retrofitting the highrise buildings with fire suppression systems; it is the MPHA's goal to retrofit all highrise properties with this critical life-safety system by 2025. MPHA has made infrastructure/building systems a priority and will target these types of improvements with its limited Capital Fund resources until major reinvestment opportunities materialize.

In addition to the costs for the day-to-day public housing operation, \$42.1 million is planned for implementing major building rehabilitation projects including the following:

- \$9.9 million for fire suppression systems
- \$3.25 million for comprehensive rehab at 1314 44th Avenue North
- \$3.06 million in electrical switch gear and generator replacements
- \$4.3 million in Cedars Lowrises façade and window replacements
- \$2.55 million at 1707 Third Avenue façade and windows
- \$500K in security cameras (600 18th, 800 5th, 710 2nd, 1314 44th, and 1001

Washington, and replacements in AMP 3 and 5), \$200K in site security enhancements, and \$170K in entry guard systems (2415 North 3rd Street)

- \$10 million for new construction of 84 townhomes

A portion of anticipated 2023 HUD Capital Grant awarded funds and carry over capital funds from prior years' grant awards combined with \$1.5 million in sale proceeds from prior year's sales of public housing units, \$3.3 million in City/State sources, and \$3.4 million of HCV funds are planned to be used to carry out \$42.1 million for the work items listed on the following schedule.

2023 Planned Capital Projects

Sources	
2021 Capital Fund Grant ¹	7,000,000
2022 Capital Fund Grant	20,050,500
2023 Capital Fund Grant ²	6,323,000
HCV HAP Funds	3,436,000
Prior Year Lease to Own Proceeds ³	1,460,800
City of Mpls CDBG Funds ⁴	1,624,000
POHP Funds ⁵	1,680,800
Community Project Funding Grant ⁶	500,000
	42,075,100

¹Estimated 2021 Capital Fund Grant award remaining as of 1/1/23

²Estimated spending from the 2023 Capital Fund Grant - not the entire estimated grant award amount

³These funds were originally planned in 2022 but are estimated to remain as of 1/1/23

⁴The amount of City of Minneapolis CDBG funds included in this schedule are funds estimated to be remaining from the total awards for 5 sprinkler projects (600 18th, 630 Cedar, 1627 6th, 2121 Minnehaha, and 314 Hennepin) as of 1/1/23. All awarded CDBG funds for these projects are planned to be spent by the end of 2023. Additionally \$400k of the 2023 awarded CDBG funds of \$1.2M total will be planned to be spent in 2023

⁵The amount of POHP funds included in this schedule are funds estimated to be remaining from the total awards for 4 sprinkler projects (600 18th, 630 Cedar, 1627 6th, and 2121 Minnehaha) as of 1/1/23. All awarded POHP funds for these projects are planned to be spent by the end of 2023.

⁶The total award of the Community Project Funding Grant is \$2M, with partial spending starting in 2023.

Uses		
2415 North 3rd Street	Fire suppression system installation	100,000
3116 Oliver Avenue North	Fire suppression system installation	100,000
600 18th Avenue North	Fire suppression system installation	2,025,000
1710 Plymouth Avenue	Fire suppression system installation	100,000
314 Hennepin Avenue	Fire suppression system installation	1,950,000
710 2nd Street NE	Fire suppression system installation	100,000
616 Washington Avenue NE	Fire suppression system installation	100,000
1900 3rd Street NE	Fire suppression system installation	100,000
809 Spring Street NE	Fire suppression system installation	100,000
Hiawatha Towers	Fire suppression system installation	3,500,000
1627 South 6th Street	Fire suppression system installation	640,000
630 Cedar Avenue South	Fire suppression system installation	215,000
2728 East Franklin Avenue	Fire suppression system installation	200,000
Horn Towers	Fire suppression system installation	200,000
2121 Minnehaha Avenue	Fire suppression system installation	150,000
3755 Snelling Avenue	Fire suppression system installation	100,000
3205 East 37th Street	Fire suppression system installation	100,000
1314 44th Avenue North	Plumbing replacement, bath/kitchen upgrades, fire suppression	3,250,000
1920 4th Avenue South	Main electrical switch gear & generator replacement	750,000
1515 Park Avenue South	Main electrical switch gear & generator replacement	950,000
314 Hennepin Avenue	Main electrical switch gear & generator replacement, façade repairs	750,000
1710 Plymouth Avenue	Main electrical switch gear replacement	215,000
710 2nd Street NE	Main electrical switch gear replacement	70,000
Hiawatha Towers ⁷	Main electrical switch gear replacement	200,000
1015 North 4th Street	Generator upgrades	125,000
3116 Oliver Avenue North	Elevator modernization	100,000
600 18th Avenue North	Elevator modernization	100,000
1314 44th Avenue North	Elevator modernization	100,000
616 Washington Avenue NE	Elevator modernization	100,000
2728 East Franklin Avenue	Canopy roof replacement	50,000
Fifth Avenue Towers	Apartment entry door replacement, entry guard system replacement	430,000
2415 North 3rd Street	Entry guard system replacement	170,000
828 Spring Street NE	Facade and window repairs, partial plumbing replacement	400,000
3755 Snelling Avenue	Façade repairs	50,000
3205 East 37th Street	Façade repairs	50,000
800 5th Avenue North	Façade repairs & window replacement	650,000
1707 3rd Avenue South	Façade repairs & window replacement	2,550,000
2121 Minnehaha Avenue	Façade repairs & window replacement, apartment entry door replacement	500,000
1627 South 6th Street	Façade restoration & window replacement (phase II of III)	1,500,000
1611 South 6th Street	Façade restoration & window replacement (phase III of III)	2,800,000
Multiple highrises	Priority camera installations, AMP 3 camera replacements w multi-view	500,000
1920 4th Avenue South	Site security enhancements	200,000
1301 Bryant Avenue North	Fencing, exterior lighting, cameras	100,000
N/A	Pre-development (315 Lowry/Heritage Park)	500,000
1515 Park Avenue South	Fire alarm panel replacement, roof replacement	810,000
630 Cedar Avenue South	Pavillion roof replacement	75,000
Multiple highrises	Priority concrete/parking lot replacements	455,000
Multiple highrises	Priority HVAC equipment replacements	480,000
Multiple highrises	Priority interior/exterior door replacements	250,000
1415 East 22nd Street	Roof replacement and façade repairs	150,000
Glendale Townhomes	Select roofing, siding and plumbing replacement	500,000
1710 Plymouth Avenue	Shower replacement	100,000
Multiple highrises	Window fall protection review	150,000
1627 South 6th Street	Apartment flooring replacement	150,000
Family Housing Resources	Contribution toward construction of 84 PBV homes	10,000,000
N/A	Administration	2,005,100
N/A	Audit fee	10,000
Total		42,075,100

⁷Total project is \$1.2 million and added after budget workshop meetings because of additional City contributions for fire suppression systems.

MTW Single Fund Flexibility

The MTW Agreement provides MPHA financial flexibility to expend HUD public housing operating and capital resources and Housing Choice Voucher (HCV) Program resources interchangeably among these programs rather than limited within the program “silos” from which the funds were derived. The combination of the three programs create an MTW Block Grant with an expanded allowable use of funds beyond what traditional PHA’s are permitted. The term used in the MTW Agreement for this ability is “Single Fund Flexibility”. The expanded use of funds provides MPHA the opportunity to design and test innovative, locally-designed strategies that use Federal dollars more efficiently and provide opportunities for program creativity and innovation. The 2023 use of Single Fund

Flexibility is presented on the MTW Single Fund Flexibility Transfer Schedule. The financial flexibility utilizes \$11.2 million of HCV Program resources to fund increased public housing operating costs related to property security, the increased costs due to inflation, and high labor costs related to the

tight labor market. The financial flexibility also utilizes \$298,200 for MTW administration and outside legal counsel on MTW matters.

Lastly, \$3.4 million is being used from MTW Single Fund Flexibility for capital improvement spending. The ability to redirect these resources in 2023 permits the MPHA to increase funding for capital improvement work including the installation of fire suppression systems. Please refer to the 2023 Planned Capital Projects schedule on page 12 for a complete listing of capital spending.

MTW Single Fund Flexibility Transfer Schedule

Transfer (Out) for MTW Single Fund Details:

HCV Net Income	10,927,900
Transfer in of City funds for Stable Homes Stable Schools	295,000
Total MTW Single Fund Transfers (Out)	(11,222,900)

Transfer In for MTW Single Fund Details:

Operating Fund Program	7,488,700
MTW Admin Support and Legal	298,200
Capital Fund Improvements	3,436,000
Total MTW Single Fund Transfers In	11,222,900

Total Net Transfers In/(Out)	-
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Central Office Cost Center

Consistent with HUD's asset management requirements, overhead costs that benefit one or more HUD programs are budgeted for within the Central Office Cost Center (Central Office). The Central Office holds the general administrative overhead for MPHA and accounts for 6% of the overall uses of funds.

The Central Office budgeted costs are supported by fees charged to each program and are limited by HUD regulations. MPHA plans to charge up to the HUD permitted fees, including fees permitted by MPHA's local asset management plan. These fees are non-program income, defederalized, and subject only to local government restrictions. Maximizing this fee revenue offers MPHA the greatest discretion in supporting all programs, funds to leverage other grants, and for development activities and loan commitments.

The 2023 Central Office budget is balanced. It includes \$11.8 million in routine uses. The uses are supported by \$11.7 million in fees charged to other HUD programs and managed services properties combined with \$48,100 in other income.

		Central Office
Sources		
Interest Income	21,100	
Central Office Fee Revenue	11,764,700	
Other Revenues, Fees, & Grants	27,000	
Total Sources	11,812,800	
Uses		
Administration	11,065,800	
Utilities	167,500	
	229,700	
Protective Services	81,400	
Insurance & Casualty Loss	88,300	
Other General	1,800	
Capital Improvements & Equipment	178,300	
Total Uses	11,812,800	
Net Operating Sources/(Uses)	-	

Development Administration

MPHA staff and consulting services performing functions related to administering MPHA's development services are accounted for within the Development Administration budget. The intent of separating out development administrative services from other MPHA administration is to insure that developer fees and other contractor fees, when self-performing construction, are sufficient to support the costs needed to execute the development work. Development work planned in 2023 includes the new construction of 84 modular-built family housing units at 16 sites and pre-development work for a potential RAD conversion and recapitalization at the Heritage Park site.

The Development Administration budget requires \$1.6 million in uses of funds and is supported by developer fees earned by MPHA Dev Co. and transferred into this budget.

Development Administration	
Sources	
Other Revenues, Fees, & Grants	-
Total Sources	-
Uses	
Fees to Central Office	326,400
Development Administration	1,305,400
Capital Improvements & Equipment	-
Total Uses	1,631,800
Net Ordinary Sources/(Uses)	(1,631,800)
Transfer in/(Out) for Affiliates	1,631,800
Net Operating Sources/(Uses)	-

Other Program Budgets

Other Vouchers

In addition to MTW funds, MPHA receives funds for other federal housing voucher programs (Other Vouchers). These HUD programs include Section 8 moderate rehabilitation and single room occupancy housing vouchers, Veterans Affairs Supportive Housing (VASH), Family Unification Program (FUP), Mainstream Vouchers, Emergency Housing Vouchers, Mobility Demonstration Program vouchers and services, Foster Youth to Independence vouchers, and vouchers dedicated to CHR and Elliotts LP former public housing units.

The Section 8 moderate rehabilitation program and Section 8 single room occupancy program provides project-based rental assistance to cover rent plus property rehabilitation costs to private owners that rent to low-income families. The HUD-funded VASH program provides rental assistance for homeless veterans. The FUP program provides rental assistance to families where inadequate housing is a primary factor preventing the placement of a child or the return of a child from out-of-home care. Mainstream vouchers provide housing assistance to non-elderly persons

with disabilities. The Emergency Housing Voucher (EHV) program is available through the American Rescue Plan Act (ARPA) and provides housing vouchers and other resources to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability. The Mobility Demonstration program is designed to provide voucher assistance and mobility-related services to families with children to encourage families to move to lower-poverty areas, to expand their access to opportunity areas, and to evaluate the effectiveness of the strategies pursued under the demonstration. The Foster Youth to Independence (FYI) initiative makes voucher assistance available to youth at least 18 years and not more than 24 years of age who left foster care, or will leave foster care within 90 days, and are homeless or are at risk of becoming homeless.

In total, these programs are planned to provide housing assistance to 1,807 families per month. To fund program administrative costs due to an expected 80% proration of administrative fee funding and to utilize EHV HAP subsidy funding provided in 2022, the Other Voucher Programs intend to use of \$314,200 in reserves and \$332,200 in restricted reserves.

	Other Vouchers	Insurance Fund	Managed Services Group	Other Non- Federal Funds
Sources				
Federal - Section 8 Admin Fee Subsidy	2,341,600	-	-	-
Federal - Section 8 HAP Subsidy	19,319,900	-	-	-
City Contribution	-	-	-	1,106,000
Interest Income	-	5,800	-	1,700
Managed Services Group Revenue	-	-	13,006,200	688,900
Other Revenues, Fees, & Grants	-	-	1,983,200	279,600
Total Sources	21,661,500	5,800	14,989,400	2,076,200
Property Management and Program Admin	1,632,900	-	2,271,100	1,130,250
Administration	-	-	-	-
Fees to COCC	427,700	-	1,983,200	127,600
Tenant Services	579,600	-	55,900	29,000
Utilities	-	-	475,400	28,700
Maintenance	2,700	-	3,465,000	171,750
Protective Services	-	-	1,000	89,200
Insurance & Casualty Loss	12,900	-	293,600	23,100
Other General	-	-	-	178,600
Debt Service	-	-	-	15,000
Housing Assistance Payments	19,652,100	-	-	-
Capital Improvements & Equipment	-	-	6,444,200	1,300
Total Uses	22,307,900	-	14,989,400	1,794,500
Net Operating Sources/(Uses)	(646,400)	5,800	-	281,700
Transfer in/(Out) for Stable Homes Stable Schools	-	-	-	(295,000)
Net Operating Sources/(Uses) after Transfers	(646,400)	5,800	-	(13,300)

Insurance Fund

MPHA has traditionally been self-insured for general liability (tort) claims and other claims not covered by purchased insurance for property, auto, workers compensation, crime, and cyber exposures. The Insurance Fund was created to cover this liability. Self-insurance for this exposure was used for the public housing program at the City of Minneapolis and continued upon MPHA's separation from the City. In 2019 MPHA purchased insurance to cover comprehensive general liability, directors and officers omissions and errors, and employment practices liability insurance. The budget anticipates \$5,800 in interest earnings on this reserve.

Managed Services Group

The Managed Services Group (MSG) is a relatively new fund created to account for contracted services the MPHA will provide to its affiliated entities for property management and maintenance. MSG is expecting to receive sufficient revenues for the services provided so that the operation will breakeven.

Other Non-Federal Funds

The Other Non-federal funds includes City of Minneapolis and Pohlad Foundation contributions for the non-housing costs for the Stable Homes, Stable Schools initiative and associated program costs. It also includes funds awarded as a settlement from HUD regarding the offset of 2012 operating subsidy. The net use of the reserves relates to interest payments due on a \$500,000 Otto Bremer Trust Note executed in 2018.

Reserve Accounts

Prudent fiscal management and HUD oversight dictate that MPHA maintain adequate reserves. MPHA manages multiple reserve accounts under various guidelines and restrictions. All agency reserves must be spent on public purposes, and some are further limited by the grant. Unless otherwise described as restricted, the reserves referred to in this report are referencing unrestricted reserves. Restricted reserves are those that the funder places restrictions on their use beyond the overall program's activities.

Typical affordable housing underwriting standards require six months of operating and debt service costs in reserves. HUD also evaluates the adequacy of a public housing project's reserves by comparing the reserve balance to the number of months of operating expenses it could cover. To receive the highest evaluation score, a public housing project must have at least four months of operating costs in its reserves. The MTW reserves are budgeted for fiscal year end 2023 at \$16.6 million; the equivalent of 4 months of routine public housing operating and debt service costs.

Program	2022 Estimated Reserve Amount	2023 Budgeted Reserve Amount
Moving To Work	\$ 16.6 million	\$ 16.6 million
Central Office Cost Center	\$ 4.5 million	\$ 4.5 million
Other Vouchers	\$ 2.2 million	\$ 1.9 million
General Liability Self Insurance	\$ 4. million	\$ 4. million
Other	\$ 1.9 million	\$ 1.9 million
Overall	\$ 29.2 million	\$ 28.8 million

The Central Office reserve is projected to end 2023 at \$4.5 million. This reserve has the least amount of program restrictions and can be used as needed across all MPHA programs.

MPHA's Insurance Fund and Other Non-Federal Funds are budgeted to have \$4 million and \$1.9 million respectively in reserves at year-end. The Other Voucher programs are expected to have \$1.9 million in reserves in 2023. In total, MPHA reserves are budgeted at \$28.8 million. Because MPHA is the guarantor for financing for the redevelopment of Elliot Twins, MPHA must maintain \$5 million of uncommitted reserves until the guaranteed obligations have been met.

As MPHA implements affordable housing redevelopment transactions that involve third-party financing, financiers will often require reserve commitments, and MPHA reserves will be needed for these commitments. Furthermore, financing requirements may likely require the commitments to come from non-federal reserves. Because of the uncertainty on the amount and the nature of commitments that might be required, the 2023 MPHA budget does not include a use of reserves for these commitments, but they should be considered in evaluating the MPHA reserve level. Also, although MPHA carries property and liability insurance, the fire at 630 Cedar Avenue South may require expenses not covered by insurance and may call for an additional use of reserves beyond the 2023 budgeted use of funds.

Elliot's Limited Partnership

As the Contract Administrator of the RAD HAP contract with Elliot's LP, HUD requires that the MPHA Board of Commissioners must confirm that the Elliot's LP budget is making deposits into the Reserve for Replacement account in accordance with the RAD Conversion Commitment. The RAD Conversion Commitment requires monthly deposits of \$4,600 into the Reserve for Replacement commencing at substantial completion of the project and increasing 3% per annum. Substantial completion of the project was in September 2021, and the replacement reserve deposits started in October 2021. As such, the budget calls for \$56,900 in replacement reserve deposits to be made in 2023. The equity partner, RBC-Elliot Twins LLC, has been provided this budget for their approval.

Elliot's LP	
Sources	
Tenant Revenue -Rents & Other	2,022,400
City Contribution	-
Other Revenues, Fees, & Grants	-
Developer Fees	-
Total Sources	2,022,400
Uses	
Property Management and Program Admin	329,950
Fees	147,100
Tenant Services	29,000
Utilities	281,900
Maintenance	238,750
Protective Services	86,000
Insurance & Casualty Loss	110,900
Other General	31,000
Debt Service	634,000
Capital Improvements & Equipment	1,300
Total Uses	1,889,900
Net Ordinary Sources/(Uses)	132,500
Replacement Reserve Deposits	56,900
Net Operating Sources/(Uses)	75,600
Transfer in/(Out) for Affiliates	-
Net Sources/(Uses)	75,600
Budgeted Reserves¹ as of Dec. 2023	NA

2023 Sub-Fund Budget Summary

The total MPHA Budget by sub-fund is presented below.

2023 Budget Summary

Sources	MTW Single Fund				Total MTW Programs		Other Vouchers	Safety and Security Grant	Insurance Fund	Development Services	Central Office	Managed Services Division	Other Non-Federal Funds	Inter-Program Eliminations	Total MPHA
	Public Housing Operations	MTW Housing Choice Vouchers	Capital Fund Program	MTW Initiatives											
Tenant Revenue - Rents & Other	18,277,100	-	-	-	18,277,100	-	-	-	-	-	-	-	-	-	18,277,100
Federal - Operating Subsidies & Grants	21,956,600	-	2,015,100	-	23,971,700	-	-	-	-	-	-	-	-	-	23,971,700
Federal - Operating Subsidies & Grants (ARF)	1,337,700	-	-	-	1,337,700	-	-	-	-	-	-	-	-	-	1,337,700
Federal - Section 8 Admin Fee Subsidy	-	2,794,800	-	-	2,794,800	-	2,341,600	-	-	-	-	-	-	-	5,136,400
Federal - Section 8 HAP Subsidy	-	63,048,100	-	-	63,048,100	-	19,319,900	-	-	-	-	-	-	-	82,368,000
Federal - Capital Grants	375,400	1,090,200	31,858,400	-	31,858,400	-	-	35,000	-	-	-	-	1,106,000	-	31,893,400
City Contribution	41,100	2,700	1,624,000	-	3,089,600	-	-	-	5,800	-	21,100	-	1,700	-	4,195,600
Interest Income	-	-	-	-	43,800	-	-	-	-	-	11,764,700	-	-	(11,764,700)	72,400
Central Office Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	13,695,100	-	-	13,695,100
Property Management Services Revenue	-	-	-	-	-	-	-	-	-	-	27,000	2,110,800	152,000	-	5,550,000
Other Revenues, Fees, & Grants	692,100	887,300	1,680,800	-	3,260,200	-	-	-	-	-	-	-	-	-	-
Total Sources	42,680,000	67,823,100	37,178,300	-	147,681,400	21,661,500	35,000	5,800	5,800	-	11,812,800	15,805,900	1,259,700	(11,764,700)	186,497,400
Uses															
Property Management and Program Admin	8,887,700	4,480,200	10,000	292,300	13,670,200	1,632,900	-	-	-	-	11,065,800	2,614,450	786,900	-	18,704,450
Administration	-	-	-	-	-	-	-	-	-	-	1,305,400	-	-	-	11,065,800
Development Administration	-	-	-	-	-	-	-	-	-	-	326,400	-	-	(11,764,700)	1,305,400
Fees to COCC	5,474,000	1,420,700	2,005,100	-	8,899,800	427,700	-	-	-	-	-	2,110,800	-	-	1,662,600
Tenant Services	992,200	-	-	5,900	998,100	579,600	-	-	-	-	-	84,900	-	-	1,662,600
Utilities	8,344,700	-	-	-	8,344,700	2,700	-	-	-	-	167,500	504,100	-	-	9,016,300
Maintenance	13,585,600	6,500	-	-	13,592,100	-	-	-	-	-	229,700	3,636,750	-	-	17,461,250
Protective Services	4,380,400	32,100	-	-	4,380,400	12,900	-	-	-	-	88,300	316,700	-	-	4,552,000
Insurance & Casualty Loss	2,043,900	150,000	10,000,000	-	13,370,200	-	-	-	-	-	1,800	2,500	176,100	-	13,550,600
Other General	3,220,200	-	-	-	1,848,300	19,652,100	-	-	-	-	-	-	15,000	-	1,863,300
Debt Service	1,848,300	-	-	-	50,805,700	-	-	-	-	-	-	-	-	-	70,457,800
Housing Assistance Payments	-	50,805,700	-	-	31,451,700	-	35,000	-	-	-	178,300	6,445,500	-	-	38,110,500
Capital Improvements & Equipment	1,391,700	-	30,060,000	-	149,437,200	22,307,900	-	35,000	-	1,631,800	11,812,800	15,805,900	978,000	(11,764,700)	190,243,900
Total Uses	50,168,700	56,895,200	42,075,100	298,200	149,437,200	22,307,900	35,000	35,000	5,800	-	1,631,800	15,805,900	978,000	(11,764,700)	190,243,900
Net Operating Sources/(Uses)	(7,488,700)	10,927,900	(4,896,800)	(298,200)	(1,755,800)	(646,400)	-	-	5,800	(1,631,800)	-	-	281,700	-	(3,746,500)
Transfer in/(Out) for MTW Single Fund	7,488,700	(11,222,900)	3,456,000	298,200	-	-	-	-	-	-	-	-	-	-	-
Transfer in/(Out) for Other Section 8 Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in/(Out) for Stable Homes Stable Schools	-	295,000	-	-	295,000	-	-	-	-	1,631,800	-	-	(295,000)	-	1,631,800
Transfer in/(Out) for Affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Sources/(Uses) after Transfers	-	-	(1,460,800)	-	(1,460,800)	(646,400)	-	-	5,800	-	-	-	(13,300)	-	(2,114,700)
Prior Years Lease to Own Sale Proceeds ²	-	-	1,460,800	-	1,460,800	-	-	-	-	-	-	-	-	-	1,460,800
Net Sources/(Uses)	-	-	-	-	-	(646,400)	-	-	5,800	-	-	-	(13,300)	-	(653,900)
Budgeted Reserves¹ as of Dec. 2022	15,603,300	981,000	-	-	16,584,300	2,209,500	-	3,974,700	-	4,455,900	-	6,100	1,993,700	-	29,164,200
Budgeted Changes in Reserves	-	-	-	-	-	(314,200)	-	5,800	-	-	-	-	(13,300)	-	(321,700)
Budgeted Reserves¹ as of Dec. 2023	15,603,300	981,000	-	-	16,584,300	1,895,300	-	3,980,500	-	4,455,900	-	6,100	1,970,400	-	28,842,500
Budgeted Restricted HAP Reserves as of Dec. 2022	-	-	-	-	-	1,087,100	-	-	-	-	-	-	-	-	1,087,100
Budgeted Change in HAP Reserves	-	-	-	-	-	(332,200)	-	-	-	-	-	-	-	-	(332,200)
Budgeted Restricted HAP Reserves as of Dec. 2023	-	-	-	-	-	754,900	-	-	-	-	-	-	-	-	754,900

¹ Reserves are defined as Unrestricted Net Position

² Prior Years Lease to Own Sale Proceeds are currently held as Restricted Net Position

MPHA Affiliate Organizations

The bylaws for Community Housing Resources (CHR), MPHA Hold Co. and MPHA Dev. Co. make the Executive Director responsible for the fiscal affairs and the budgets of these organizations. The MPHA Board of Commissioners is provided the Executive Director's 2023 budget for CHR, MPHA Hold Co. and MPHA Dev. Co. below.

	CHR	Hold Co	MPHA Dev Co
Sources			
Tenant Revenue -Rents & Other	14,764,800	-	-
City Contribution	3,700,000	-	-
Other Revenues, Fees, & Grants	-	9,700	-
Developer Fees	-	-	1,435,800
Total Sources	18,464,800	9,700	1,435,800
Uses			
Property Management and Program Admin	1,637,400	1,000	35,000
Fees	1,983,200	-	-
Tenant Services	55,900	-	-
Utilities	2,930,100	-	-
Maintenance	4,427,300	-	-
Protective Services	-	-	-
Insurance & Casualty Loss	704,000	-	-
Other General	177,400	-	-
Debt Service	-	-	-
Capital Improvements & Equipment	6,444,200	-	-
Total Uses	18,359,500	1,000	35,000
Net Ordinary Sources/(Uses)	105,300	8,700	1,400,800
Replacement Reserve Deposits	-	-	-
Net Operating Sources/(Uses)	105,300	8,700	1,400,800
Transfer in/(Out) for Affiliates	-	-	(1,631,800)
Net Sources/(Uses)	105,300	8,700	(231,000)
Budgeted Reserves¹ as of Dec. 2023	2,352,900	24,300	1,186,900

Acronyms

Adm. or Admin = Administration
ARF = Asset Repositioning Fee
CHR = Community Housing Resources
CMHWC = Cora McCorvey Health & Wellness Center
COCC = Central Office Cost Center
Dec. = December
EPC = Energy Performance Contract
Exp = Expense
FHF = Family Housing Fund
FUP = Family Unification Program
GL = General Liability
HAP = Housing Assistance Payment
HCV = Housing Choice Voucher
HVAC = Heating, Ventilation, and Air Conditioning
HUD = Department of Housing and Urban Development
J-PAL = J-Poverty Action Lab Grant
LP = Limited Partnership
MHOP = Metropolitan Housing Opportunities Program
MHRC = Minneapolis Highrise Representative Council
MPHA = Minneapolis Public Housing Authority
MSG = Managed Service Group
MTW = Moving To Work
N/A = Not applicable
Ops = Public Housing Operations
QMP = Quality Maintenance Program
RAD = Rental Assistance Demonstration Program
RBC = Royal Bank of Canada (equity partner in Elliots LP)
RCC = RAD Conversion Commitment
SS = Scattered Sites
TBD = To be determined
TPV = Tenant Protection Voucher
VASH = Veteran Affairs Supportive Housing
VOA = Volunteers of America



December 21, 2022

Agenda Item 3

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, Executive Director / CEO

SUBJECT: Approval of MPHA 2023-2027 Strategic Plan

Previous Directives: On April 26, 2000 the MPHA Board of Commissioners approved the agency's first five-year Strategic Plan. On May 23, 2018, the MPHA Board of Commissioners approved the Agency's most recent five-year Strategic Plan. Since the Spring 2022, MPHA has been working to inform the Agency's next strategic plan engaging an outside consultant, Bronner Group LLC, as well as engaging residents, resident leadership, staff, MPHA commissioners, and various community stakeholders in its effort to develop the 2023-2027 Strategic Plan.

Resident Notification: Each household receiving subsidy received an invitation to participate in a survey in mid-August to mid-September. In addition, three focus groups took place, and members of the Resident Advisory Board (RAB) and MHRC received a copy of the draft in early December. RAB will meet prior to the December 21, 2022 Board meeting to advise the Board with its recommendations.

Impact on Budget: The Strategic Plan outlines a framework for the agency to preserve its existing portfolio while also producing and partnering to develop new deeply affordable units across the city. Each of these goals is supported by action items that acknowledge the need to secure resources on projects that exceed MPHA's operating budget. MPHA will follow board approved budget policy as it relates to budget impacts relating to the implementation of this strategic plan.

Procurement Review: Not applicable

Recommendation: It is recommended that the Board of Commissioners adopt a resolution approving the MPHA 2023-2027 five-year Strategic Plan.

In Spring 2022, MPHA staff began their work with the Bronner Group LLC, a consultant agency specializing in developing strategy, transformation, and accountability services for government agencies to draft a new five-year strategic plan. In this process, MPHA sought input from agency staff, resident organizations, MPHA commissioners, and various departments from the city and county who regularly collaboratively with MPHA. The Plan document is intended to be a guiding document for the agency for the next five years, outlining six goals:

1. Provide and preserve deeply affordable, high-quality housing for Highrise residents.
2. Build new and expand partnerships with federal, state, and local governments, in addition to philanthropic entities to support MPHA residents and those on the agency's waitlist.
3. Provide and preserve deeply affordable, high-quality family housing
4. Increase the supply of deeply affordable housing by at least 150 units per year
5. Position MPHA as an employer of choice.
6. Continuously improve organizational performance to retain MTW status and highest HUD performance rating.

This five-year strategic plan is the result of hundreds of touchpoints with agency staff, leadership, community partners, board members, residents, and voucher-holders over the last six months. In total, 24 key informant interviews and three listening sessions were conducted. Survey participation was high in that MPHA received survey results from 242 employees, 804 LIPH residents, 891 HCV participants, and nine MPHA board members. This includes a retreat held in August that brought MPHA leadership staff and the board chair together to reflect on the strengths, weakness, opportunities, and threats identified in the data gathering phase.

From these inputs, a draft Plan was produced that has been further refined through near-daily meetings with Bronner, MPHA leadership, MHRC, and MPHA commissioners. This has culminated in a draft plan comprised of six agency goals and 32 related strategies.

In October and November, the board's Executive Committee members reviewed this draft plan across three review sessions and provided additional feedback and refinement. From that feedback, staff has spent the last month working with MPHA leaders, MHRC, the Highrise Health Alliance, and MPHA commissioners to deliver a new five-year strategic plan for consideration from the MPHA Board of Commissioners.

The agency thanks all those who worked tirelessly to draft this important plan document.

A copy of the recommended Board Resolution is attached to this Report. This Report was prepared by Rachel Almburg, Assistant Director of Housing Policy & Strategic Initiatives. For Further information, please contact Ms. Almburg at (612) 342-1404 or ralmburg@mplspha.org.

RESOLUTION No. 22-229

WHEREAS, the Minneapolis Public Housing Authority (MPHA), in and for the City of Minneapolis, remains committed to its mission to deliver high-quality, well-managed deeply affordable housing to a diverse population within this community; and

WHEREAS, MPHA recognizes that a comprehensive strategic plan is a key building block of a high-performing public housing authority; and,

WHEREAS, MPHA, with the assistance of agency staff, agency leadership, community partners, board members, residents, and voucher-holders, sought to create an actionable, measurable, resident-centric strategic plan; and

WHEREAS, MPHA recognizes that the agency will experience numerous challenges—in ways predictable and not—associated with maintaining an aging portfolio of housing and serving a population of residents and voucher-holders whose needs continue to grow; and,

WHEREAS, MPHA has produced a plan that is as ambitious as it is resilient to guide agency activities through ever-changing environments in the years to come; and,

WHEREAS, MPHA intends for the 2023-2027 Strategic Vision and Capital Plan to serve as a framework for accomplishing the agency's work over the next five years, while also affording agency staff the flexibilities to respond to new environments and unforeseen challenges; and

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of MPHA that the 2023-2027 Strategic Plan is approved and that the Executive Director is authorized to prepare, implement, and direct all operational activities necessary to accomplish the goals identified in the plan.



STRATEGIC PLAN

2023 - 2027

Introduction / Message from the Chair & Executive Director



Tom Hoch
Chair

In the past five years since MPHA's most recent strategic plan the world has been fundamentally reshaped. From a pandemic shuttering communities to a global reckoning on race and injustice igniting in Minneapolis, the world has changed in ways previously unimaginable. Yet despite the challenges and uncertainty, MPHA staff remained resolute in their commitment to the health and safety of residents and voucher-holders. Through dueling international crises, the agency maintained its high-performer status—quickly rebounding its occupancy rate following local lockdowns, maintaining high rates of rent collection with supports like RentHelpMN, and delivering high-quality, well-maintained units to MPHA residents.



Abdi Warsame
Executive Director

Beyond excelling at the agency's core mission of housing people, the agency also completed numerous major projects, including the Section 18 conversion of the scattered site portfolio (and subsequent creation of Community Housing Resources), the historic \$27 million renovation of the Elliot Twin towers made possible through use of RAD, converting the agency's legacy software systems into a single enterprise platform, partnering with Metro HRA in the Community Choice Demonstration Program, and closing the financing for 84 new units of deeply affordable family housing.

These successes cement MPHA as a high-functioning and high-achieving agency. The agency's accomplishments are underpinned by the highly capable MPHA team working together to deliver the highest quality of service for MPHA residents. These victories would not be possible if not for the quality of the MPHA team. Further, these achievements lay the groundwork for the future opportunities visioned as a part of the agency's new, five-year strategic plan.

As we turn the page on a period of global instability through dueling crises, MPHA is well positioned to take advantage of every opportunity before it. What is enclosed in this new strategic plan is everything MPHA aspires to over the next five years—a vision for a stronger, more connected MPHA. The new plan is tightly centered around the MPHA resident and voucher-holder experience, ensuring the agency leverages innovative strategies and partnerships to prioritize the preservation and production of deeply affordable housing in Minneapolis for generations to come.

But this work is not MPHA's alone. It is going to take board members, staff, residents, voucher-holders, and partners, working together, to bring this new strategic plan to life. Together, we can build a better future for our community.



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APPENDIX



The Minneapolis Public Housing Authority is proud to share its 2023 -2027 Strategic Plan. This document is the culmination of months of assessment, planning, and feedback from a broad range of MPHA's stakeholders. These stakeholders include residents, MPHA staff, commissioners, and community partners.

It strives to align the agency's current state with a vision for the future rooted in MPHA's values and mission of providing quality, deeply affordable housing to the residents of Minneapolis.

This strategic plan shows the work needed to realize MPHA's goals and ambitions over the next five years.

Strategic Plan Overview

The Minneapolis Public Housing Authority engaged in an extensive process with the Bronner Group, LLC over the past year to develop this strategic plan (the Plan). Major goals of this process were to develop a Plan which:

- Builds upon MPHA's organizational strengths and successes to support organizational growth, preserve and produce deeply affordable housing, and contribute to the prosperity of MPHA residents and voucher-holders;
- Aligns all MPHA staff around a shared purpose to increase accountability, and
- Communicates organizational priorities to MPHA's stakeholders.

Next Five Years

The Plan aims to elevate the importance of public and deeply affordable housing and the contribution of MPHA and its residents in creating and sustaining vibrant and healthy communities. The following six goals have been identified for the agency to maintain this work in 2023-2027

1. Provide and preserve deeply affordable, high-quality housing for Highrise residents.
2. Build new and expand partnerships with federal, state, and local governments, in addition to philanthropic entities to support MPHA residents and those who are on our waitlist.
3. Provide and preserve deeply affordable, high-quality family housing
4. Increase supply of deeply affordable housing by at least 150 units per year
5. Position MPHA as an employer of choice.
6. Continuously improve organizational performance to retain MTW status and highest HUD performance rating.

Who We Are / Agency Values

As the leader in providing deeply affordable housing to Minneapolis Residents, MPHA is vital city infrastructure. This infrastructure provides stability so households can focus less on meeting basic needs and more on what they need to thrive.

MPHA envisions a more equitable and inclusive Minneapolis in which everyone has a home, as the physical environment is central to all other social determinants of health. Improving access to high-quality, affordable housing is associated with improvements in life expectancy and reductions in chronic disease and hospitalizations.

MPHA is committed to doing its part to bring this vision to reality and understands it will take the commitment of an entire ecosystem to foster this type of sustainable change.

This systemic division of cities leaves MPHA communities more vulnerable to climate, economic, and social issues. Implementing procedures that reduce the effects of the environment on residents through the adoption of green energy efficiencies' is key to residents' health. In addition, MPHA aims to reduce the gap in home-ownership rates by promoting opportunities for residents who are ready to build wealth through home-ownership by referring them to reputable programs.

MPHA will move this work forward by upholding the following values:

- Collaboration and Community Involvement
- Leverage Partnerships and External Resources
- Bridging Equity Gaps and Creating Inclusive Environments
- Development that Centers on Opportunities that Support Perpetual and Sustained Affordability
- Honest, Empathetic, and Frequent Communication
- Innovative and Creative Problem Solving

Social Determinants of Health



Economic
Stability



Education



Neighborhood &
Physical
Environment



Social &
Community
Context



HealthCare
System

Housing is Foundational to a Healthy Life.

This reality drove the Minneapolis Health Department and MPHA to launch the High-Rise Health Alliance (HHA). This collaboration of health plans, health care and social service providers, housing organizations, and government partners uses a collective impact model to come together to interpret data, identify health priorities, and align services to develop integrated supports for residents living in MPHA high rise buildings.

Who We Are: People Centric

MPHA owns and operates units in every ward of the city. This includes 42 high rises, including the RAD/LIHTC Elliot Twins, more than 700 units of deeply affordable family housing units across the city through its wholly controlled nonprofit Community Housing Resources (CHR), and nearly 200 public family housing units at Glendale. The agency also serves more than 5,000 households through its Housing Choice Voucher (HCV) program. In total, MPHA serves more than 26,000 people every day.

MPHA wants to convene resources to best meet the additional needs of those most cost-burdened by rent that live across every ward of the city. This work supports the creation of diverse communities.

Creating a space that goes beyond shelter is due to the dedication of our resident groups. The Minneapolis Highrise Representative Council (MHRC) formation and support of resident councils creates a community across the buildings. MHRC provides input to property management, coordinates resident activities, advocates for additional resources, and participation in their neighborhoods. MHRC along with the Resident Advisory Board (RAB), are essential groups that elevate resident voices.

Resident Voices

MPHA sent each household in its portfolio a survey. Nearly 1,880 responses were received or good response rate of 32%. In addition, listening sessions were held to better understand the lived experience and needs of residents. Insights include:

- When asked what the greatest priority of MPHA should be, the most listed item for Glendale, Highrise, and scattered site housing was preservation.
- HCV participants indicated MPHA's greatest priority should be to build more affordable housing
- CHR responses indicated the greatest need for both interior and exterior improvements.
- High-rise residents indicated a need for more opportunities to integrate into their neighborhoods
- Neighbor interactions & sense of community are one of MPHA's biggest asset to implementing human-centered solutions.
- Respondents want more timely follow-up on service requests. The top three communication preferences listed were text message, email, and posted mail.
- A request for procedures that increase transparency and make space for residents to have a say in how decisions are made.



The Strategic Planning process gave MPHA insights into Four Main Priorities:

People are at the core of how MPHA approaches its work. People are the agency's greatest asset to providing safe, affordable housing to Minneapolis' most vulnerable residents.

People

Preservation of our housing stock is essential as rents rise, so do the number of households cost burdened by rent

Preservation

Production of new housing is essential to keeping up with the number of households that need financial support to make their monthly rent payments

Production

Partnerships are key to maximizing MPHA's impact and improving the quality of life of MPHA residents and voucher holders

Partnership

MPHA wants to grow upon its successes with this Strategic Plan

Test New Innovations

MPHA was selected to be one of nine agencies to pilot the HCV Community Choice Demonstration (CCD). The CCD builds upon research supporting housing choice and up to \$50 million is available to participating PHAs to provide over 10,000 families with children better access to 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 provide families with children the following services: pre-move counseling, housing search assistance and post-move support to allow for integration into the community.

Convene Partners

MPHA routinely collaborates with government agencies and affordable housing developers to help accomplish the agency's mission of providing quality, deeply affordable housing. Community partners also play a vital role in helping MPHA residents thrive. Notable partnership work includes:

Stable Homes Stable Schools: A partnership among the City of Minneapolis, Pohlad Family Foundation, Hennepin County, the YMCA, Minneapolis Public Schools, and Minneapolis rental property owners to support families experiencing homelessness.

COVID-19 vaccine clinics in partnership with the Minneapolis Health Department, Hennepin Healthcare, Neighborhood Health Source, Community-University Health Care Center (CUHCC), Fairview Health, UCare, and Cub Foods.


Assisted Living Programs from specialty care to congregate dining, made possible through partnership with Volunteers of America, People Incorporated, Cassia, the YMCA of Metropolitan Minneapolis, the Courage Center, and Neighborhood HealthSource.

MPHA Staff

The MPHA team is the agency's greatest asset. The staff survey received a 77% response rate. Respondents praised the work of their co-workers and encouraged leadership to give them additional support through consistent staff training and team building activities.

Employees indicated that they apply their talents through their work, have the skills they need to do their jobs, and believe that MPHA provides a quality place for residents to live.

Our Plan | *Continue Our Mission*

A photograph of two women embracing outdoors. The woman on the left has dark, curly hair and is wearing a red headband with a bow. The woman on the right has brown hair and is wearing a dark blue top. They are both looking down and smiling. The background is a blurred green field.

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.

GOAL ONE

Preserve and provide deeply affordable, high-quality housing for High-rise residents.

Strategies

- 1. Develop strategies, seek resources, and implement actions to address the capital backlog for preservation and improvements within high-rises*
- 2. Continuously improve maintenance and management of MPHA owned and managed properties*
- 3. Work collaboratively with residents to advocate for community-led public safety solutions*
- 4. Identify opportunities and develop strategies for underutilized land assets in the creation of affordable housing development*

86% of MPHA residents are elderly and/or disabled.

Only 16% of high-rise residents have employment income.

GOAL TWO

Build new and expand partnerships with federal, state, and local governments, in addition to philanthropic entities that support MPHA residents and those on the agency's waitlist

Strategies

- 1. Build and support coalitions and partnerships with national/state/county/local/city/ public sector organizations*
- 2. Build awareness of MPHA's work and importance of deeply affordable housing in building sustainable and vibrant communities*
- 3. Maximize and leverage partnerships that provide programs and services to residents/participants that increase their quality of life based on their specific needs*
- 4. Maximize opportunities for wealth-building, home ownership and housing stability*
- 5. Advance the work of the Highrise Health Alliance to promote health equity*
- 6. Build and strengthen successful partnerships to maintain support provided to MPHA residents*

GOAL THREE

Provide and preserve deeply affordable, high-quality family housing

Strategies

1. *In partnership with other entities, finalize and implement approach for stabilizing existing units located in Heritage Park.*
2. *Build and pursue a plan to identify and attract funding needed for preservation and improvement of scattered sites.*
3. *Implement new green initiatives within MPHA scattered site portfolio in order to improve cost savings for residents and participate in climate activities to support a greener, cleaner Minneapolis*
4. *Explore additional opportunities to expand deeply affordable housing throughout the city including acquisition and partnership opportunities to redevelop existing scattered site homes in alignment with the city's 2040 plan*
5. *Refine options and select approach for preserving and creating new deeply affordable, high-quality housing at Glendale*

Family Housing Demographics

96% of scattered site households are people of color and 83% of scattered site head of households are women.

GOAL FOUR

Increase supply of deeply affordable housing by at least 150 units per year

Strategies

1. *Create and effectuate a development committee responsible for evaluating and prioritizing opportunities, recommending projects and their financing strategy, ensuring projects meet stated objectives, and assessing project post-closing where MPHA serves in a developer role*
2. *Deliver 84 new units of deeply affordable housing for new and existing residents that align with the City's 2040 Plan*
3. *Continue and broaden the use of federal project-based voucher (PBV) rent subsidies for increasing deeply affordable housing opportunities across the city*
4. *Identify opportunities and develop strategies for underutilized land assets in the creation of affordable housing development*
5. *Utilize MTW authority to create innovative affordable housing options*
6. *Develop a framework for MPHA's role in building more affordable housing, specifically how to exercise ability to build more public housing*
7. *Build and strengthen private and public partnerships to expand resources and opportunities*

GOAL FIVE

Position MPHA an employer of choice.

Strategies

1. *Improve recruitment and retention*
2. *Build a more inclusive, equitable and diverse workforce and culture*
3. *Create processes for organizational development that support a clear mission and vision that all staff support in their day-to-day work*



GOAL SIX

Continuously improve organizational performance to retain MTW status and highest HUD performance rating.

Strategies

1. *Implement new customer service standards and improve resident communication*
2. *Execute department wide utilization of Key Performance Indicators (KPI's) to measure and monitor staff productivity and work quality*
3. *Employ an Asset Management approach with MPHA's affordable housing portfolio*
4. *Enhance resident and staff experience through strategic use of technology*
5. *Leverage programs available through MTW to reduce evictions and provide resources for tenant stability*
6. *Migrate to new operating software*

"A great leader is someone who can listen and understands that the collective ideas of the team will move the mission forward." - MPHA Staff Respondent

How We'll Get There | Implementation

The Plan will be carried out over the next five years. Implementation of the strategies found in the appendix of this document will be managed by MPHA employees, with oversight provided from the agency's Board of Commissioners. Annual action plan updates will be presented to the Board of Commissioners each December for the following year. This will align with the agency's budget approval process.

Annual goals outlined for the year will be reflective of the work accomplished in the past year and in consideration of what is ahead. MPHA's executive team will ensure accountability throughout the implementation process. Quarterly check-ins and performance updates will be provided to document successes along with challenges faced.

Progress reports will be generated to reflect the progress-to-goal data gathered at bi-monthly staff meetings, and regular project team check-ins. The status from the strategic plan's goal tracker will be provided to the Board of Commissioners in coordination with MPHA's annual Moving-to-Work activities, budget process and capital planning.



How We Measure Impact

Qualitative program evaluation will help ensure the processes MPHA has in place or adopts meet their intended outcomes. It is vital to have resident input in creating new innovations and measuring the effect it has in the community. MPHA appreciates the dedication of its resident leaders to make this work happen. Having resident voices help define goals that are dynamic to community need upholds MPHA's mission to "...contribute to the well-being of the individuals, families and community we serve." Through this collaboration the agency will answer:

- What is the outcome of the program under evaluation?
- Is the program worthwhile?
- Did the program produce unintended consequences?
- Are there set procedures for the program?
- Were the procedures followed?
- Are there better ways to achieve the desired outcome?

Board of Commissioners

The Board of Commissioners is the governing body of MPHA, consisting of nine members. The Board's responsibilities include establishing MPHA policy, goals, objectives, and direction. MPHA thanks these members for their dedication and support of the agency's work.

Tom Hoch
Chair

Andrea Brennan
Vice Chair

Mikkel Beckman
Board Member

Abdullahi Isse
Board Member

Cara Letofsky
Board Member

Faith Xiong
Board Member

Tamir Mahmoud
Board Member

Tessa Wetjen
Board Member

Hon. James Rosenbaum
Board Member

Executive Team

The Executive Team was instrumental in the Strategic Planning process, taking the input from residents, participants, board members and MPHA staff and refining them into strategies to be accomplished in the coming five years.

The team thanks all that were involved in this process. The MPHA leadership team looks forward to the collaboration it will take from all stakeholders to bring the Plan to life.

Abdi Warsame
Executive Director

Lisa Griebel
General Counsel

Tim Durose
Chief Financial Officer

Mary Boler
Managing Director
Public Housing
Operations

Brandon Crow
Director of Housing
Choice Vouchers

Eric Staupe
Senior Manager
Information Systems

Rashid Issack
Director of Affordable
Housing Property
Operations

Maria Alvarez
Director of Human
Resources

Laura Dykema
Director of Planning
and Development

Jake Gateman
Director of
Procurement

Rachel Almburg
Assistant Director of
Policy & Strategic
Initiatives

Drew Halunen
Assistant Director,
Administration,
Communications, and
Strategic Partnerships

The Appendix

ID	Goal/Strategy/Action	Year
1.0.0	Preserve and provide deeply affordable, high-quality housing for Highrise residents.	2023-2027
1.1.0	Develop strategies, seek resources, and implement actions to address the capital backlog for preservation and improvements within high-rises	
1.1.1	Complete fire suppression installations at all non-sprinkled properties within the next 3 years.	2023-2024
1.1.2	Maximize green energy efficiencies in all modernization work; Identify opportunities and evaluate the cost, benefit and time to implement	2023-2027
1.1.3	Continue to identify properties that would benefit from the use of HUD and creative financing tools for long-term preservation and property enhancements that benefit our residents.	2023-2027
1.1.4	Utilize MTW/Capital funds to address high-priority needs in highrises	2023-2027
1.1.5	Utilize all CFP grant funds within 3 years of HUD award	2023-2027
1.1.6	Increase capital improvement funding by more than the HUD CFP amounts awarded by utilizing MTW authority.	2023-2027
1.2.0	Continuously improve and monitor maintenance and management of MPHA owned and managed properties	
1.2.1	Identify strategies to reduce unit turnaround time to less than 20 days	2023
1.2.2	Collect 98% of outstanding rent and 50% of outstanding charges	2023-2027
1.2.3	Unify statement of policies of affordable property operations and HCV	2023-2024
1.2.4	Continue to educate staff and improve knowledge, use of Yardi as it relates to property management and maintenance.	2023-2027
1.2.5	Enhance resident comfort by identifying areas of improvement through annual assessment of resident needs for well-being onsite including but not limited human services	2023-2027
1.3.0	Work collaboratively with residents to advocate for community-led public safety solutions	
1.3.1	Convene a listening session, to give residents space to share their lived experience and safety concerns with city officials	2023
1.4.0	Identify, develop and implement strategies to support the unique needs of residents	
1.4.1	Have an annual process for soliciting resident feedback to match identified needs to MPHA partnership building	2024-2027
1.4.2	Identify strategies to and coordinate services to support and facilitate aging-in-place for the senior resident population.	
2.0.0	Build new and expand partnerships with federal, state, and local governments, in addition to philanthropic entities that support MPHA residents and those on the agency's waitlist	
2.1.0	Build and support coalitions and partnerships with national/state/county/city/public sector organizations	2023-2027
2.1.1	Seek opportunities to securing stable, consistent funding supports at every level of government.	2023-2027
2.1.2	Where applicable, pursue nongovernmental grant opportunities to secure funding for projects that MPHA's operating budget cannot cover	2023

2.2.0	Build awareness of MPHA's work and importance of deeply affordable housing in building sustainable and vibrant communities.	2023-2027
2.2.1	Assess brand to develop and deliver strategic communication plan for social media, website, newsletters.	2023-2027
2.2.2	Regularly highlight MPHA efforts in remaining dynamic to community need, through communication outlets, including professional networks and conferences.	2023-2027
2.3.0	Maximize and leverage partnerships that provide programs and services to residents/participants that increase their quality of life based on their specific needs	
2.3.1	Identify and mitigate effects of climate change on the living conditions of residents through building upgrades	2024-2027
2.3.2	Identify needs, and communicate resources available for residents/participants that MPHA secures through our partnership networks.	2023-2027
2.3.3	Integrate housing stability coordinator role into resident onboarding materials to reduce number of non-lease compliant residents each quarter	2023-2024
2.4.0	Maximize opportunities for wealth-building, home-ownership and housing stability for those in family housing	
2.4.1	Continue development and dedication of resources to MPHA and Metro homeownership program collaboration.	2023-2025
2.4.2	Build upon success of Stable Homes Stable Schools to expand housing stability efforts for those living in MPHA owned and managed communities.	2023-2025
2.4.3	Expand upward mobility efforts through strategic HCV programs aimed at identifying and placing residents in areas of opportunity.	2023-2027
2.5.0	Advance the work of the Highrise Health Alliance to promote health equity by aligning resources on a yearly basis	
2.5.1	Have MPHA representative join the steering committee to further move services up stream to reduce of the number of emergencies	2023
2.5.2	Use data to evaluate the health needs of residents by building to pursue services that address the greatest issues identified	2023-2027
2.5.3	Work with established neighborhood organizations and other local groups to create space for community collaboration to reduce isolation and stigma of MPHA residents	2023-2027
2.6.0	Build and strengthen successful partnerships to provide support services to MPHA residents	2023-2027
2.6.1	Maintain or increase level of social services in the high-rises by utilizing Medicaid billing	2023-2024
2.6.2	Support and amplify resident advocacy initiatives through coordination of communication agendas	2023-2027
3.0.0	Provide and preserve deeply affordable, high-quality family housing.	
3.1.0	In partnership with other entities, finalize and implement approach for stabilizing existing units located in Heritage Park.	2023-2024
3.1.1	Work collaboratively across MPHA departments to identify and address immediate needs of the units and a long term stabilization strategy.	2023
3.1.2	Identify HUD tools and financing options to determine viable path to preservation and stabilization	2023-2024
3.1.3	Secure board support to determine best role for MPHA to play in re/development of housing units	2023

3.2.0	Build and pursue a plan to identify and attract funding needed for preservation and improvement of scattered sites.	2023-2027
3.2.1	Develop and execute a robust fundraising plan. (For CHR as non-profit)	2025
3.2.2	With other levels of government and foundations, identify and capture additional revenue to address capital needs backlog across inventory	2023-2027
3.2.3	Advocate for a fully funded annual tax levy or equivalent resources from the City of Minneapolis	2023-2027
3.2.4	By the third quarter, develop and implement an annual city, county, state, and federal legislative agenda centered on securing additional resources to support MPHA residents, operations, and capital needs.	2023-2027
3.3.0	Implement new green initiatives within MPHA scattered site portfolio in order to improve cost savings for residents and participate in climate activities to support a greener, cleaner Minneapolis	2023-2027
3.3.1	Identify opportunities and evaluate the cost, benefit and time to implement	2023-2027
3.4.0	Explore additional opportunities to expand deeply affordable housing throughout the city including acquisition and partnership opportunities to redevelop existing scattered site homes in alignment with the city's 2040 plan	2023
3.4.1	Re-evaluate CHR program and sites for additional opportunities to add density	2023
3.4.2	Increase supply of deeply affordable housing by working with land trusts, for profit, and non-profit housing developers	2024
3.5.0	Refine options and select approach for preserving and creating deeply affordable, high-quality housing at Glendale.	2023-2024
3.5.1	Develop and implement resident engagement process to conduct a community needs assessment.	2024
3.5.2	Develop and implement multi-year work plan for implementing approach that may incorporate multi-generational community needs	2024-2027
3.5.3	Increase the amount of housing on site using methods that maintain zero displacement of residents	2025
4.0.0	Increase supply of deeply affordable housing by at least 150 units per year	
4.1.0	Create and effectuate a development committee responsible for evaluating and prioritizing opportunities, recommending projects and their financing strategy, ensuring projects meet stated objectives, and assessing project post-closing where MPHA serves a developer role	
4.1.1	Develop a standard business process for establishing development pipeline and moving projects forward that includes processes for risk assessment and decision-making. Incorporate input from the city, county, state and non- and for-profit housing developers	2023
4.1.2	Implement interdepartmental after-action reviews from executed development projects to identify actionable insights and inform future decision-making with new redevelopment projects.	2023
4.1.3	Refine and utilize internal tool for evaluating and prioritizing new construction and preservation projects.	2023
4.1.4	Continue to conduct research and analysis to inform development committee recommendations or requests.	2023
4.2.0	Deliver 84 new units of deeply affordable scattered site housing for new and existing residents that align with City's 2040 Plan	2024

4.2.1	Successfully manage and oversee construction on 84 new units of scattered site housing; deliver on time and within budget.	2023-24
4.2.2	Support, account, and provide financial reporting in accordance with transaction agreements so that developer fees and permanent loan closing can occur as anticipated.	2023
4.2.3	Procurement aligns trades, services, and material contracts for the contracted construction of 84 new units of scattered site housing and monitor compliance with contract requirements.	2023-2024
4.2.4	Successfully lease up and prepare to manage 84 new scattered site units.	2023-24
4.3.0	Continue and broaden the use of federal project based voucher (PBV) rent subsidies for increasing deeply affordable housing opportunities across the city	2023-2027
4.3.1	Support affordable housing development that supports community needs, through understanding and working along with the priorities of government jurisdictions	2023-2027
4.3.2	Evaluate the RFP process on a bi-annual basis for quality improvement purposes	2023
4.3.3	Align agency resources to release RFP with other housing resources across the State of Minnesota	2023
4.4.0	Identify opportunities and develop strategies for underutilized land assets in the creation of affordable housing development	2024
4.4.1	Perform a comprehensive assessment of the agency's full portfolio to understand where it is feasible to add additional deeply affordable family units in-line with the city's 2040 plan and where rehabilitation of existing units is the highest, best use of funds to help work towards maximizing the opportunity for deeply affordable housing in the agency's portfolio.	2023
4.4.2	Coordinate with federal, state, and local governments and foundations to redevelop the land assets that are underutilized across Minneapolis	2023-2024
4.4.3	Establish annual goals and plan for the creation of new deeply affordable housing.	2023-2027
4.5.0	Utilize MTW authority to create innovative affordable housing options.	
4.5.1	Research programs in other locations to determine viability and best approaches.	2023-2027
4.5.2	Integrate resident focus groups into the planning process to increase transparency	2023-2027
4.5.3	Evaluate how new initiatives are rolled out internally, as well as to external entities	2024
4.6.0	Develop a framework for MPHA's role in building more affordable housing, specifically how to exercise ability to build more public housing	
4.6.1	Secure firm commitment from HUD for Faircloth units including timing, number, constraints and processes	2023
4.6.2	Establish and implement a process for the selection of partners to support the development of Faircloth units; secure advance HUD approval for process	2023
4.7.0	Build and strengthen private and public partnerships to expand resources and opportunities.	
5.0.0	Position MPHA as an employer of choice.	
5.1.0	Improve recruitment and retention.	

5.1.1	Create a leadership development program for all staff members	2023-2024
5.1.2	Analyze turnover and retention rates within the organization to assist departments in lowering the same.	2023
5.1.3	Develop a succession plan model, which includes establishing internal structures for capturing and creating knowledge, starting with positions with greatest risk of losing institutional memory.	2023-2024
5.1.4	Create talent development structure and pathways to support learning and encourage innovation.	2023-2027
5.1.5	Complete compensation analysis to ensure pay equity across the organization. Develop MPHA's compensation philosophy and take initiative to ensure pay equity plan is developed across the organization.	2023-2024
5.2.0	Build a more inclusive, equitable and diverse workforce and culture.	
5.2.1	Audit HR policies and practices to ensure alignment with DEI strategies.	2023-2024
5.2.2	Develop and implement system for regularly incorporating employee feedback into organizational decision-making (example: tracking of problems and appropriate response/FAQ).	2023-2024
5.3.0	Create process for organizational development that supports a clear mission and vision that all staff support in their day-to-day work	
5.3.1	Improve Decision-making processes through clarification of roles and responsibilities.	2024-2027
5.3.2	Create clear decision criteria/process for non-standard issues involving employees	2024-2027
5.3.3	Empower team members to own their work, through consistent review process	2024-2027
5.3.4	Encourage collaboration in problem-solving across departments through intradepartmental goal setting sessions	2023-2027
6.0.0	Continuously improve organizational performance to retain MTW status and highest HUD performance rating.	
6.1.0	Implement new customer service standards and improve regular resident communication	
6.1.1	Implement Rent Café functionality to maximize LIPH tenant and HCV participant utilization.	2023-2024
6.1.2	Continue to monitor and adjust HCV participant services to log progress to have response time occur within 72 hours	2023-2025
6.1.3	Meet or exceed safe harbor benchmark goals as defined in 24 CFR Part 75 of 25% of total labor hours being worked by Section 3 workers and 5% of total labor hours being worked by Targeted Section 3 workers.	2023-2027
6.1.4	Ensure MPHA staff are present at resident meetings, maintain log of information shared and track participation	2023-2027
6.2.0	Execute department wide utilization of Key Performance Indicators (KPIs) to measure and monitor staff productivity and work quality.	
6.2.1	Identify and replicate relevant standards required by HUD or best practices used by housing industry and government agencies, i.e., ICMA	2023-2024
6.2.2	If no existing KPI /benchmark exists, create a new benchmark for the specific strategy and monitor through goal-tracking tool	2023-2024
6.2.3	Set specific targeted number and time frame	2023-2024
6.3.0	Employ an Asset Management approach with MPHA's affordable housing portfolio	

6.3.1	Identify and assess HUD rules and requirements for Asset Management	2024
6.3.2	Identify how costs are charged to properties and if any cost should transition to fee for service model or change how charges are applied	2023-2027
6.3.3	Assess and realign properties assigned to the AMPs as appropriate	2024-2027
6.3.4	Dedicate staff to managing PBV Contracts	2024
6.4.0	Enhance resident and staff experience through strategic use of technology	
6.4.1	Increase and harden network and data security across all our facilities and IT platforms	2023
6.4.2	Create and implement IT Service Management	2023
6.4.3	Create and implement IT Hardware Replacement plan	2023
6.4.4	Create and implement MPHA IT Plan	2023
6.4.5	Conduct outside IT Security Testing and Evaluation to identify timeline for process improvement	2024
6.4.6	Implement content management system across the PHA.	2025
6.4.7	Replace/Upgrade Phone system, Voicemail, and IVR Systems	2025
6.5.0	Leverage programs available through MTW to reduce evictions and provide resources for tenant stability	
6.5.1	Identify population to target with each intervention and evaluate outcomes on a quarterly basis	2023
6.5.2	Develop program metrics and test pilot for self sufficiency initiatives. Evaluate new programs annually.	2024
6.6.0	Migrate to new operating softwares	
6.6.1	Develop standard operating procedures and policies consistent with new Yardi software	2023-2025
6.6.2	Develop and train staff in standard operating procedures and policies consistent to meet compliance standards for new NSPIRE system	2023-2024
6.6.3	Implement and monitor effective use of new HRIS	2023-2024



MEMORANDUM TO: MPHA Board of Commissioners

FROM: Abdi Warsame, Executive Director/CEO

SUBJECT: Executive Director's Report, December Board Meeting

Agency staff have been working tirelessly to close out 2022, which has included securing an unprecedented \$4.9 million in the City of Minneapolis' 2023 budget—including the final funding for fire suppression installations, the agency's proposed 2023 budget, and the new, five-year strategic plan.

Earlier this month, MPHA staff worked with Councilmember Wonsley to deliver the agency an additional \$1.2 million in the City of Minneapolis' 2023 budget on top of the \$3.7 million proposed by Mayor Frey in August. This new \$1.2 million is the final funding needed by MPHA to install fire suppression systems in all 42 of its high rises. The city's 2023 budget is a remarkable accomplishment, and it marks a new era of partnership and collaboration at MPHA in pursuit of serving MPHA residents, voucher-holders, and the thousands of families on the agency's waiting lists.

Thanks to the quick work of our team, the agency's proposed 2023 budget before the board for consideration already includes an updated capital spending plan that accounts for this unprecedented \$4.9 million funding. Agency CFO Tim Durose has done a terrific job pulling this proposed budget together while balancing a never-ending list of competing needs against the agency's limited funding. It never ceases to amaze me how much our team can accomplish with so little.

Finally, staff have worked around the clock to wrap up the agency's new strategic plan for board consideration. This has included hundreds of touchpoints with agency staff, leadership, partners, board members, residents, and voucher-holders over the last six months, along with almost daily meetings with Bronner, MPHA commissioners, and MHRC to tighten the final pieces of the plan in preparation for board consideration. Passing both the agency's 2023 budget and the strategic plan are a top priority of the agency as they are critical to guiding it into the future, including serving as the guidepost for the agency's annual goal-setting work planned for January.

But as we close out these final projects to end the year, I also want to reflect on some of the agency's incredible accomplishments this year, as identified by our executive leadership team in a recent year-end review meeting:

Closing and Beginning Construction on New CHR Homes: Earlier this year, the agency closed on the financing and began construction of its 84 new-unit family housing expansion project. With financial assistance coming from city, county, and federal programs on top of MPHA's contribution, these new homes are projected to serve approximately 420 families over 30 years. The agency is planning a groundbreaking to celebrate this incredible achievement in early 2023.



Elliot Twins Completion and Loan Conversion: The agency completed the final loan conversion and celebrated the completion of the landmark Elliot Twins redevelopment project. This historic \$27 million renovation of the 60-year-old towers included a full remodel for all 174 deeply affordable studio and one-bedroom units, added 10 disability accessible units, replaced aging building systems, and completed energy efficiency improvements including re-cladding the buildings with insulated metal panels. This transformation also added 6,200 square feet of community and office space, security upgrades, and resident amenities, including larger laundry spaces, computer rooms and an exercise room. Notably, this redevelopment was completed on time during a global pandemic. But most importantly, every resident who wanted to return to the property following a temporary relocation was able to return to a newly renovated home.

Securing Final Funding for Sprinklers: In 2020, the agency established a goal of installing fire suppression systems in all 42 high rises by 2025. Since then, MPHA has invested more than \$16 million of its own capital dollars towards fire suppression installations. In 2021, Minnesota Housing contributed \$2.4 million, the City of Minneapolis contributed \$2.15 million across 2021 (\$1.15M) and 2022 (\$1M), and Minnesota's federal delegation—led by Senators Smith, Klobuchar, and Representative Omar—secured a \$2 million direct appropriation earlier this year to support this work. And with the new \$1.2 million championed by Councilmember Wonsley, MPHA has secured the final funding needed to install fire suppression systems in all its high rises.

Unprecedented New Agency Resources: With a new advocacy program, the agency pursued and secured significant financial assistance from both the federal government and local jurisdictions. Working with the agency's federal delegation, MPHA secured a \$2 million direct appropriation to support its ongoing fire suppression work. And then earlier this month, the agency secured an unprecedented \$4.9 million in the City of Minneapolis' 2023 budget. This \$4.9 million includes a new, one-time \$2.7 million contribution that will enable the agency to bring five additional deeply affordable family homes online in areas of opportunity while also making important repairs and improvements within the CHR portfolio. It also includes \$1.2 million to serve as the final piece of the funding puzzle to install fire sprinklers in all 42 MPHA high rises.

Growing Engagement with National Leaders: This past spring, Senators Klobuchar and Smith toured 616 Washington St NE to learn how the \$2 million federal appropriation they helped secure would assist the agency's fire suppression work. Then, Congresswoman Omar joined U.S. Department of Housing and Urban Development Secretary Marcia Fudge to tour the 630 Cedar building to learn about fire suppression installations and the Elliot Twins to join local officials in learning about the agency's successful RAD conversion. Further, Secretary Fudge lauded MPHA as a national example of a successful RAD conversion.

Project-Based Vouchers (PBVs): In 2022, 120 new PBV units came online while the agency awarded more than 200 additional new PBVs.

Public Housing Occupancy: The agency continued to maintain public housing occupancy rates at or near 98 percent for a majority of the year.

Housing Stability & Rent Help MN: Agency staff was able to assist more than 750 families apply and receive rent relief payments through Rent Help MN. Through this work, MPHA residents secured more than \$2,500,000 in rental assistance.



Monthly Performance Report

Minneapolis Public Housing Authority

Board of Commissioners

For the month ending November 30, 2022

Contents

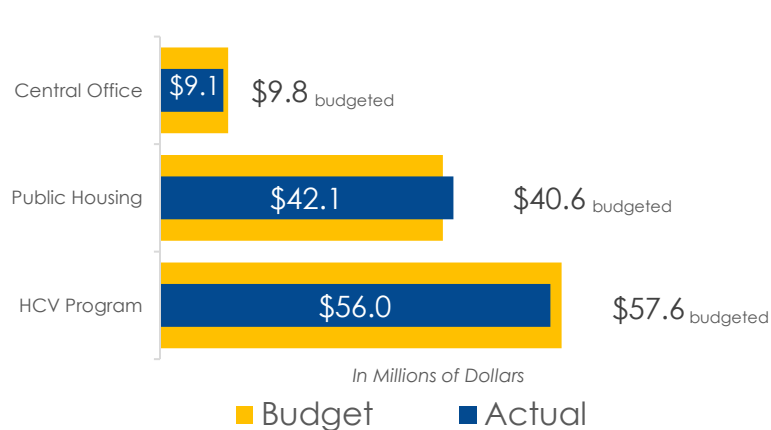
1. Financials
2. Performance of Operations
 - Public Housing Programs
 - Housing Choice Voucher Programs
3. Building Improvement and Development Projects
 - Update on Elliot Twins RAD Conversion and Scattered Sites Section 18 Process
4. Inquiry Response and Social Media

Operating Sources and Uses

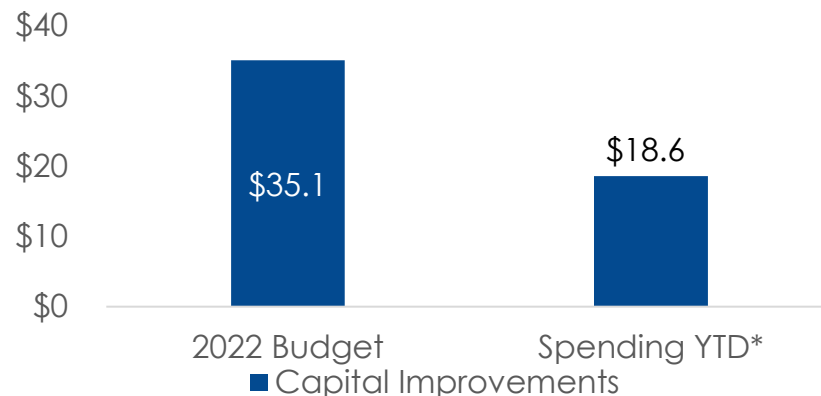
MTW Public Housing and Housing Choice Voucher (HCV) Program

Sources	YTD Budget	YTD Actual	Favorable (Unfavorable)	Variance %
			Variance	
Tenant Revenue -Rents & Other	\$ 16,418,293	\$ 16,218,563	\$ (199,730)	-1%
Public Housing Operating Subsidy	\$ 20,867,176	\$ 21,658,392	\$ 791,216	4%
HCV HAP Subsidy & Admin Fees	\$ 56,195,545	\$ 54,770,614	\$ (1,424,931)	-3%
Other Revenues, Fees, & Grants	\$ 2,187,780	\$ 2,666,255	\$ 478,475	22%
Transfers-In	\$ 229,163	\$ 270,417	\$ 41,254	18%
Total Sources	\$ 95,897,957	\$ 95,584,241	\$ (313,716)	0%
Uses				
Public Housing Operations	\$ 40,631,061	\$ 42,113,135	\$ (1,482,074)	-4%
Housing Choice Vouchers	\$ 56,552,748	\$ 54,951,371	\$ 1,601,377	3%
MTW Initiatives and Other Services	\$ 256,739	\$ 64,475	\$ 192,264	75%
Total Uses	\$ 97,440,548	\$ 97,128,981	\$ 311,567	0%
Net Sources/(Uses)	\$ (1,542,591)	\$ (1,544,740)	\$ (2,149)	0%

Year to Date (YTD) Expenses



MTW Capital Fund Program

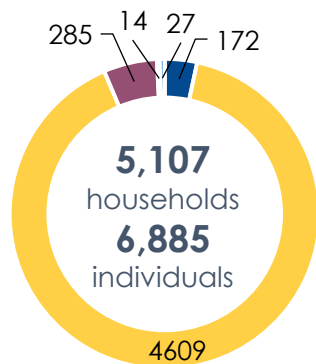


*An additional \$26.2 million is under obligation for capital projects YTD

Public Housing Programs



Occupied Units*

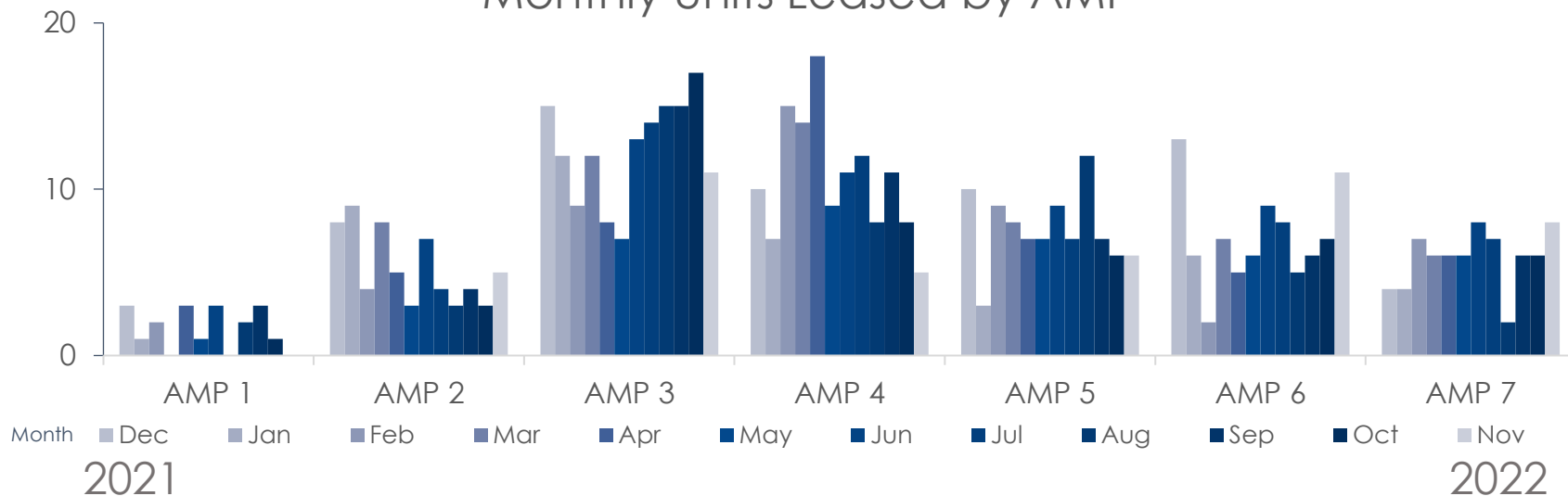


- Glendale
- MHOP
- Scattered Sites
- Highrise
- Minnehaha Townhomes

46
new units leased
during month

98%
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.

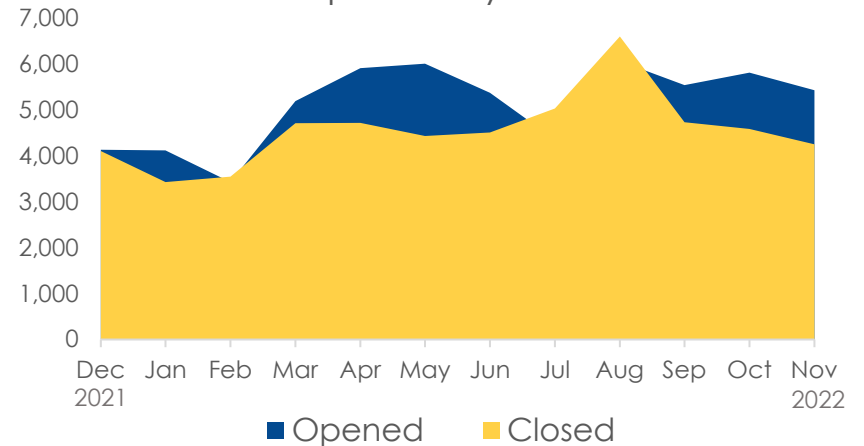
**Metropolitan Housing Opportunities Program (Hollman consent decree units owned and operated by third-parties)

Public Housing Programs

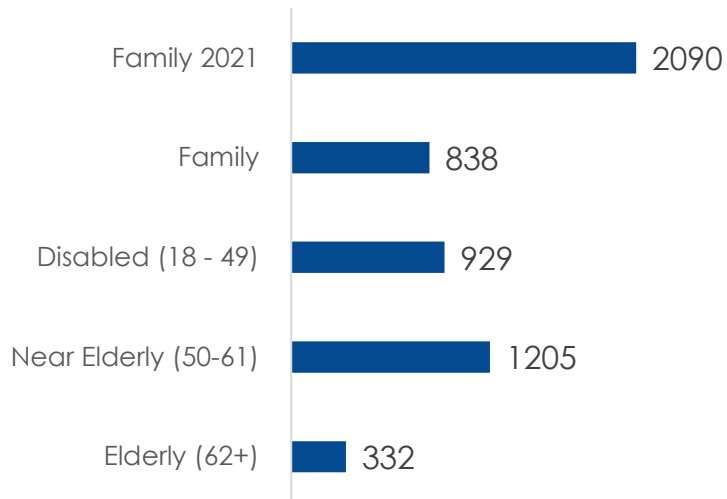


Reason for Vacating Unit	Count
Found Alternative Housing	13
Death	9
Moving in with or closer to Family	5
Dislikes Neighborhood	3
Evicted - Non Payment	2
Dislike Unit	1
Moving Out of Town	1
Other	1
Left Country	1

Work Orders Opened and Completed by Month



Applicants on Waiting List

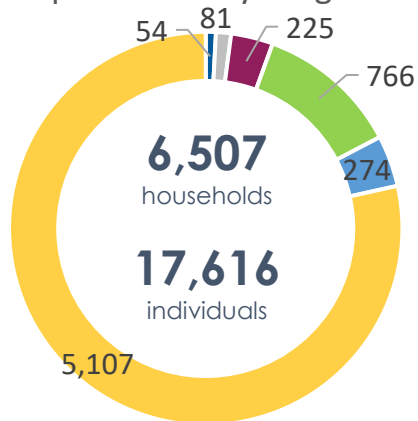


Goal	Total Completed	% Completed within Goal	Average Days Open
Emergency: 24 Hours	112	96%	0
Urgent: 1 Day	784	86%	326
After Hours Non-Emergency: 2 Days	7	100%	0
Important: 3 Days	916	75%	2
Routine: 10 Days	647	79%	5
Non-Routine: 20 Days	464	61%	13
Pest Control	715	100%	5

Housing Choice Voucher Programs



People Served by Program*



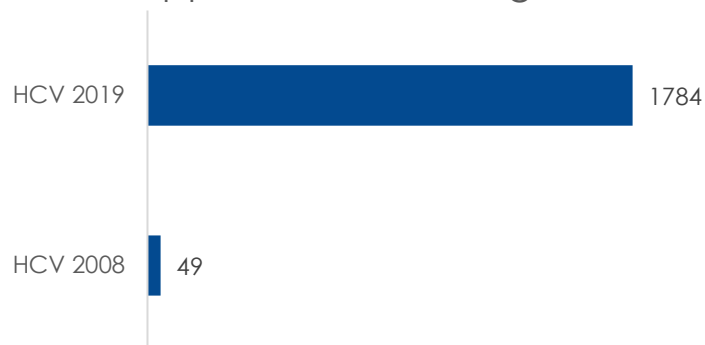
- Sponsor-Based
- Mod Rehab
- FUP and VASH

Family Unification Program and Veterans Affairs Supportive Housing

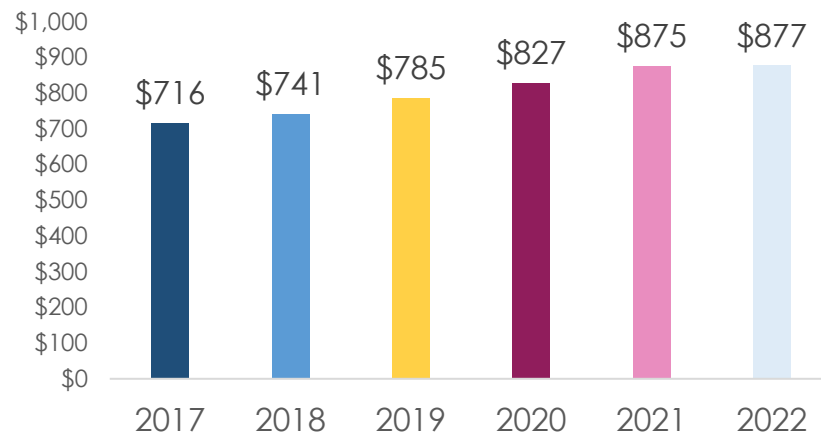
- Stable Homes Stable Schools
- Project-Based
- Tenant-Based

*Including port-ins and port-outs

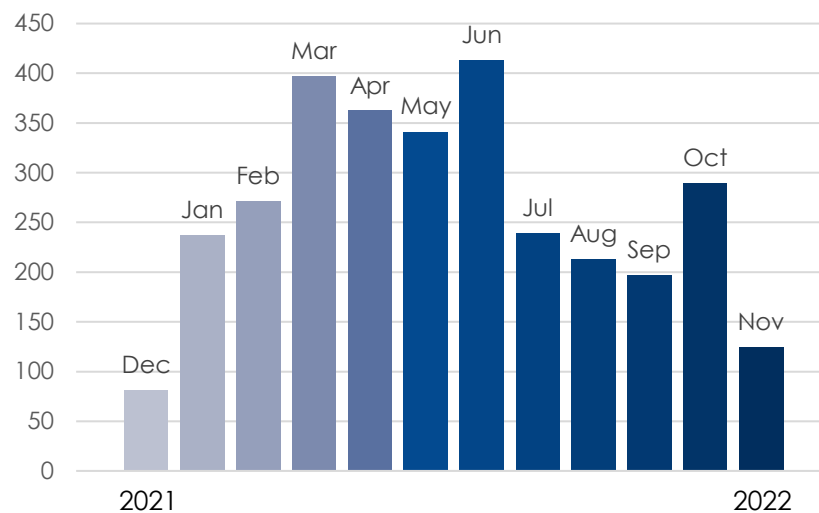
Applicants on Waiting List



Average Housing Assistance Payment per Unit, Year to Date



Annual Inspections Conducted



Building Improvement Projects - Planning



ADDRESS	DESCRIPTION OF WORK	STATUS
Hiawatha Towers	Fire sprinkler system installation	Contract awarded; December 2022 start
314 Hennepin Avenue	Fire sprinkler system installation	Contract awarded; December 2022 start
1707 3 rd Avenue South	Exterior façade restoration & window replacement	Contract awarded; March 2023 start
1515 Park/1920 4 th /1710 Plymouth/710 2 nd	Main electrical switch gear & generator replacement	Contracts awarded; April 2023 start
Multiple sites	Security related improvements	Planning/Bidding/ Awarding contracts

Development Projects - Planning

ADDRESS	DESCRIPTION OF WORK	STATUS
CHR scattered site units	Major modernization	Planning
Scattered sites new construction	Development of new family housing	Closed 11/22/22

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	Substantially complete
Multiple highrises	Security surveillance system upgrades funded via HUD's Safety & Security Grant	Under construction
Multiple sites	HVAC/systems upgrades	Complete
Glendale Townhomes	Flat roof replacement	Under construction
2415 North 3 rd Street	Exterior façade restoration & balcony repairs	Under construction
Cedars	Exterior façade/structural repairs	Under construction

Development Projects - Active

ADDRESS	DESCRIPTION OF WORK	STATUS
Scattered Site	Energy efficient single-family construction	Substantially complete

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	Complete	Apr-Nov 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-Feb '23
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 Construction	Nov '22-Aug -'23
1314 44 th Ave N	220	\$10,000,000*	MPHA Capital	Under Construction	Apr '22-Apr '23
Hiawatha Towers	281	\$2,100,000	MPHA Capital	Under Contract	Dec '22-Mar '24
314 Hennepin Ave	299	\$2,425,000	MPHA Capital/City	Under Contract	Dec '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

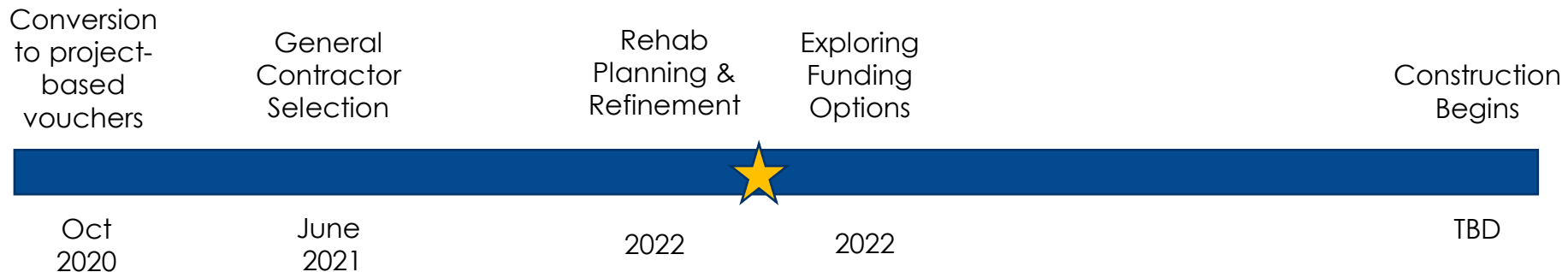
*Budget reflects costs of comprehensive building modernization project of which fire suppression is included

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
- Mayor's 2023 budget recommendation includes \$3.7M for property repairs

Timeline (subject to change)



Family Housing Expansion Project

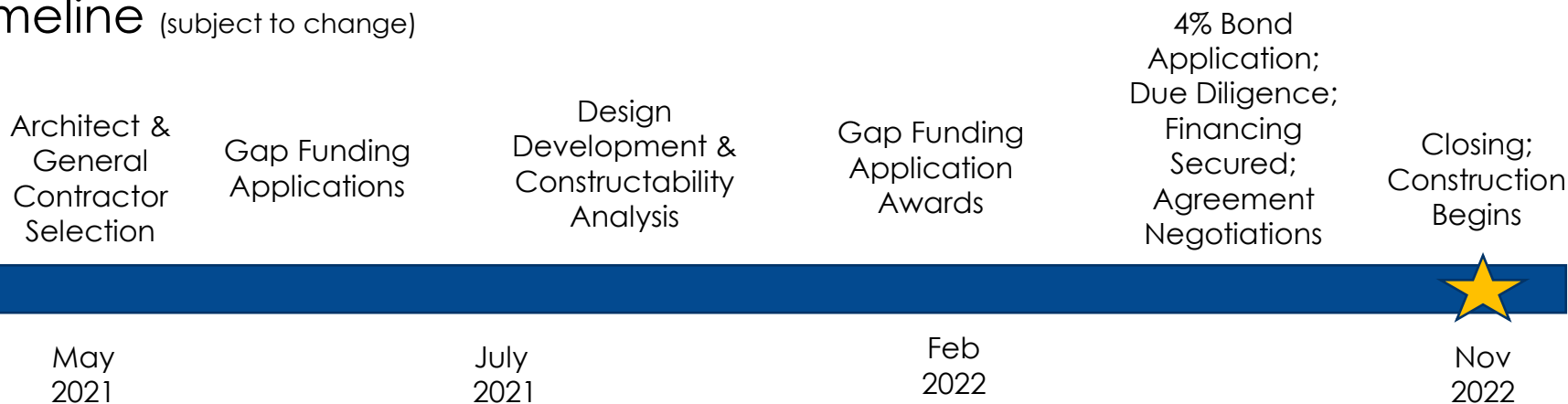


84-unit new scattered site construction



- 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
- **Closed 11/22/22**
- **Construction began 11/30/22**

Timeline (subject to change)



Inquiry Response and Social Media



MPHA on Facebook

Top Performing Post (1210 views)

November 2022

Minneapolis Public Housing Authority staff joined local leaders last week to celebrate the Currie Commons groundbreaking event. The agency granted 40 Project-Based Vouchers to [Wellington Management, Inc.](#)'s new 187-unit development in the Harrison neighborhood. These voucher units will be reserved for families earning less than 30 percent of the area's median income. The agency is excited to be a part of this dynamic project and hopes to establish more partnerships like Currie Commons to help deliver new deeply affordable housing to Minneapolis.



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Posts for the Month

15

New Followers



MPHA on Twitter

Top Tweet (270 views)

MPHA is in DC this week at [@CLPHA](#) Fall Conference. It's a chance to highlight MPHA's successes this year and learn from peers across the country on how to address our community's greatest housing challenges. pic.twitter.com/hulpAgonlb



8

Tweets for the Month

0

New Followers

MPHA in the Community

This month, MPHA participated in two affordable housing groundbreaking events where the agency awarded a total of 51 PBVs. MPHA also gathered with UCare, City of Minneapolis Health Department, and VOA to host a winter gear and vaccine drive for Glendale residents.



MPHA Secures an Unprecedented \$4.9M in Minneapolis' 2023 Budget

The Minneapolis City Council approved the city's 2023 budget, including an unprecedented \$4.9 million for MPHA.

"I commend Mayor Frey, Councilmember Wonsley, and the entire City Council for taking bold action to help address the affordable housing crisis in Minneapolis by allocating an unprecedented \$4.9 million to MPHA in the city's 2023 budget," said Minneapolis Public Housing Authority Executive Director/CEO, Abdi Warsame.

\$1.2 million of the budget allocation is the final piece of funding needed to install fire suppression systems in all 42 high rises and \$3.7 million towards critical repairs in the agency's deeply affordable family housing portfolio (CHR).



Rashid Issack on CLPHA Conference

Last month, a group of MPHA staff attended the Council of Large Public Housing Authorities' (CLPHA) 2022 Fall Conference in Washington, D.C. Among MPHA's delegation was Rashid Issack, the agency's Director of Affordable Properties Operations. The time away from his normal routine allowed Rashid to focus on learning from the speakers and others he met during the conference.

"I am proud to work for an agency that makes education for employees a priority and gives me the time I need to focus on learning," said Rashid. "The connections that I made are extremely valuable and I am grateful that I can utilize them as a resource in my new role."

In the end, Rashid enjoyed his first CLPHA conference and cannot wait to attend future conferences to continue the journey of learning and deepening his knowledge of housing.



MPHA News Clips – December BOC Meeting

[What will Minneapolis taxpayers get for \\$1.66 billion next year? \(MPR News\)](#)

By MPR Staff

December 7, 2022

The Minneapolis City Council passed a two year budget Tuesday night. The spending plan includes \$1.66 billion for 2023 and \$1.7 billion for 2024.

Here are a few highlights:

Public safety and police spending increases

The mayor's proposed budget included \$195 million for the MPD in 2023 — larger than the \$187 million allocated to the department in 2022. During the budget markup process last week, members of the city council shifted about \$1 million from the MPD budget. Those reductions are a small portion of the department's budget.

The budget also includes funding for additional law enforcement for a total of 731 sworn police officers in 2023, plus an additional nearly \$9 million in overtime and \$1.5 million for contracting with other law enforcement entities.

The plan uses funds from the federal American Rescue Plan Act to help create a new department of Neighborhood Safety from the existing Office of Violence Prevention.

It also includes \$1.45 million for the Behavioral Crisis Response program in 2023 and \$2.9 million in 2024. Under the program, mental health professionals respond to behavioral health crisis situations.

Increased funding for affordable housing

Spending increases from \$16.8 million to \$18 million over the next two years for the Affordable Housing Trust Fund, putting close to \$3 million in the Minneapolis Public Housing Authority and allocating \$500,000 to provide legal help for renters facing eviction.

Property tax levy increase to help pay for spending

The two-year plan relies on levy increases of 6.5 percent in 2023 and by 6.2 percent in 2024. City officials say the 6.5 percent hike will result in an "increase in a median value home's property taxes of \$167 annually."

Money for infrastructure improvements

The budget includes \$3.88 million in 2023 and \$4.37 million in 2024 for roads and trails and 311 response.



Funds will also pay for body worn cameras for traffic control and animal control agents

The council also amended the mayor's plan to include funding (\$1.2 million) to pay for the installation of sprinklers at Minneapolis public housing buildings and improved street lighting in north Minneapolis (\$300,000). As well as funding for some neighborhood organizations and landscaping on city roundabouts and streets.

The budget also includes \$600,000 to address opioid addiction treatment

More details about the biennial budget can be found on the city's website.

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[Why we're fighting to fully fund public housing in Minnesota \(MinnPost\)](#)

By Rep. Esther Agbaje, Councilmember Robin Wonsley and BET President Samantha Pree-Stinson
December 13, 2022

Housing is a human right.

It's a common and important refrain these days, but as elected officials we see firsthand how far our current system is from realizing that vision. Our government, at every level, has failed to adequately invest in housing for decades and the results are stark. This winter nearly 8,000 Minnesotans will be unsheltered or transient. Here in Hennepin County, about 2,600 residents are unhoused. Nearly a quarter are children, and over 80% are Black, Indigenous, or People of Color.

The housing crisis is a systemic problem, and when there are systemic problems, everyone has someone else to blame for the lack of solutions. There's no better example of this than public housing in America. Public housing is primarily funded at the federal level, but it is run at the local level by Public Housing Authorities (PHAs). Starting in the 1970s, coordinated attacks on public housing funding and administration policy have massively undermined the government's ability to create, maintain, and preserve public housing.

Because public housing is funded and operated in multi-jurisdictional structures, it's easy to pass the blame for systemic underfunding. But what it really means is that all policymakers, at every level of government, have an obligation to fully use all the tools available to them if we want to solve the housing crisis. None of us can fix a systemic problem alone, but if we get serious about taking action on every level, the problem can be fixed.

There is no solution to the housing crisis without public housing. Our current housing system is premised on making profits, even if it comes at the expense of people's needs. Public housing operates outside of the profit motive and resists commodification, which means it has a unique role to play in achieving universal housing. Public housing must be a priority for any elected official who believes housing is a human right.

Currently, the Minneapolis Public Housing Authority (MPHA) struggles to maintain our existing 7,000 units. Persistent underfunding has created a capital repair backlog of over \$200 million. That translates to maintenance issues for residents ranging from urgent problems like mold, pests, and heat to quality-of-life issues like community rooms without any furniture.

The capital backlog doesn't just mean worse conditions for residents, it fundamentally jeopardizes public housing itself. Unaddressed maintenance issues snowball into increasingly disruptive and expensive problems, damaging public housing's reputation as high quality, stable, and desirable. It is a textbook example of the neoliberal tactic of underfunding a program, letting outcomes deteriorate, and then deeming it a failure as a pretext for privatization.



This has already happened with public housing around the country and right here in Minneapolis. The RAD program, which makes private financing options available to Public Housing Authorities, is often the only available option for PHAs to obtain needed funding. But in an effort to meet immediate needs, it opens the door to the private sector owning public housing units. Already some public housing projects have seen lack of oversight in the RAD program that has caused some residents to lose their housing because of increased rents or lack of tenant protections after the conversion from public housing to subsidized housing. The long term results could be that within a matter of years, residents can lose their housing while private developers profit from a once-public good.

Yet if governments can step in with the funds that local authorities like MPHA need to address the capital backlog, it will improve residents' lives directly rather than jumping through the logistical hoops of programs like RAD, and without opening the door to privatization.

But it's not just about protecting what we have — it's about building more.

PHAs around the country are capped at the number of public housing units they can have because of the federal Faircloth Amendment. In Minneapolis, the current waitlist has about 8,000 families and many more waiting to even sign up for the waitlist. Until the Faircloth Amendment is repealed federally, PHAs are unable to meet the full need for public housing. Yet, even with this limitation, many PHAs are still under their cap. The MPHA has the authority to build about 900 more units of public housing, which could mean 900 more families from the waitlist who could be housed.

New public housing isn't sufficiently subsidized on the federal level, which means other levels of government need to step up to deliver the needed funding while federal legislators work to improve federal funding policy. In Minneapolis, this means using our budget process to meet critical public housing needs, as the City Council did this budget cycle in approving \$1.2 million for completing the installation of fire suppression in public housing towers. It also means using the city's public housing levy to generate funds. It also means getting creative with ways the state, county, and city can support their local PHA with funding and policy.

There's no need to settle for unpredictable solutions like RAD/Section 18 when we have the resources, collectively, to take on the housing crisis. The state has a \$17.6 billion surplus. A significant portion of those funds should be used to address Minnesotans' housing needs.

The problem isn't resources. The problem until now has been a lack of political will to fully fund public housing. As elected officials, we are committed to working together at all levels of government, with anyone from any party who believes that housing is a human right, and to make that a reality.

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LS Black Breaks Ground on \$71M Affordable Housing Development in Minneapolis **(REBusiness Online)**

By Kristin Hiller

December 14, 2022

MINNEAPOLIS — LS Black Development recently broke ground on the \$71 million Canvas Apartments affordable housing development in Northeast Minneapolis. The property's 160 units will all be reserved for residents earning between 30 to 80 percent of the area median income (AMI). The project will feature one-, two- and three-bedroom units, as well as 23,000 square feet of production space, which encompasses both commercial and industrial uses. Completion is slated for spring 2024. The Minneapolis Public Housing Authority is providing 11 project-based Section 8 vouchers for the project.

Canvas Apartments is LS Black's first development project since adding a housing division. The St. Paul, Minn.-based company was formed in April 2020 to build, acquire and own affordable and workforce housing properties. It is a subsidiary of LS Black Constructors, a Minnesota-based construction and development services provider.

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