



NOTICE AND AGENDA

April 26, 2023

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

Commissioners: Tom Hoch, Chair
Elfric Porte, Vice-Chair
Alyssa Erickson, Secretary
Medaria Arradondo, Commissioner
Mikkel Beckmen, Commissioner
Abdullahi Isse, Commissioner
Cara Letofsky, Commissioner
Tamir Mohamud, Commissioner
Hon. James Rosenbaum, Commissioner

GENERAL:

- Roll Call
- Approval of Agenda
- Minutes of Regular Meeting of March 22, 2023

CHAIR'S UPDATE:

- Consideration of motion in support of Mayor's Public Housing and Expansion Convening

RESIDENT ADVISORY BOARD – RAB Chairperson Comments

CONSENT: None

PRESENTATION / DISCUSSION / PROPOSED RESOLUTION: None

Notice: A portion of this meeting will be closed to the public pursuant to Minnesota Statutes Section 13D.03 Subd. 3(b) to discuss the Kimberly Lowry litigation.



RECEIVE AND FILE:

- Executive Director's Update
- Monthly Performance Report for March 2023
- Community Update Newsletter and News Clippings
- MPHA ED/CEO Abdi Warsame's Response to HF 2335 (House Housing Billion-Dollar Surplus
- Presentation for Mayor Frey's Public Housing Preservation and Expansion Convening on April 17
- FYE 2022 Financial Results (PowerPoint Presentation)
- Q1 2023 Strategic Plan Quarterly Update

Next Regular Meeting:

**Wednesday, May 24, 2023 - 1:30p.m.
1001 Washington Avenue North
Minneapolis, MN 55401**

Notice: *A portion of this meeting will be closed to the public pursuant to Minnesota Statutes Section 13D.03 Subd. 3(b) to discuss the Kimberly Lowry litigation.*



**MINUTES OF A REGULAR MEETING OF THE
MINNEAPOLIS PUBLIC HOUSING AUTHORITY
IN AND FOR THE CITY OF MINNEAPOLIS
March 22, 2023**

The Minneapolis Public Housing Authority in and for the City of Minneapolis met in a regularly scheduled meeting at 1:30 P.M. on March 22, 2023, at 1001 Washington Avenue North, Minneapolis, Minnesota, the date, time, and place established for the holding of such meeting.

In the absence of Chair Hoch, Commissioner Porte will serve as the presiding officer in accordance with MPHA By-laws.

Roll Call:

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

Elfric Porte	Acting Chair
Mikkel Beckmen	Secretary
Medaria Arradondo	Commissioner
Alyssa Erickson	Commissioner
Abdullahi Isse	Commissioner
Cara Letofsky	Commissioner
Tamir Mohamud	Commissioner
Hon. James Rosenbaum	Commissioner

Note: Commissioner Isse arrived at 1:36 p.m.

The following members of the Board were absent:

Tom Hoch	Chair
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The following others were also present:

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

The Acting Chair changed the order of the agenda to accommodate the RAB Chair's, schedule by listing the "Resident Advisory Board – RAB Chairperson Comments" before the approval of the minutes.

Approval of Agenda:

Commissioner Rosenbaum moved approval of the proposed/amended agenda. The motion was seconded by Commissioner Letofsky. Upon a voice vote, the Acting Chair declared the motion carried.



RESIDENT ADVISORY BOARD – RAB Chairperson Comments:

The RAB Chair Lisa Anderson reported there was a quorum. One item on the agenda was presented by staff the Stable Homes Stable Schools Contract (SHSS). That item passed.

Resident Concerns:

- Lack of considerations for residents
- Racism is out of control in our highrises – would like the resident councils to meet to try to stop this issue.
- Lack of communications between residents and management has been brought to RAB's attention. This needs to change.
- On a positive note: MPHA had 23 days to prepare for the PHASS inspections and they did a fabulous job with the properties.

Approval of Minutes:

The Minutes of the Regular Meeting of January 25, 2023, were presented for approval. Commissioner Isse moved the minutes be accepted as presented. The motion was seconded by Commissioner Mohamud. Upon a voice vote, the Acting Chair declared the motion carried.

Chair's Update:

- Today was the first board meeting for Commissioners Arradondo, Erickson, and Porte.
- Executive Director Warsame introduced MPHA's new Deputy Executive Director Dominic Mitchell. DED Mitchell began his public housing career with the St. Paul Housing Agency in 2008 as a law clerk on the legal team and 2011-2023 as their Director of HCV.

Election of Officers and Appointment of Committees:

The Acting Chair's opening statement: Chair Hoch nominated Commissioner Porte as Vice-Chair and Commissioner Erickson as Secretary.

Upon nomination, on behalf of Chair Hoch, Commissioner Letofsky moved to elect Commissioner Porte to serve as the Vice-Chair of MPHA's board and was seconded by Commissioner Beckmen. Upon a voice vote, the Acting Chair declared the motion carried.

Upon nomination, on behalf of Chair Hoch, Commissioner Mohamud moved to elect Commissioner Erickson to serve as the Secretary of MPHA's board and was seconded by Commissioner Isse. Upon a voice vote, the Acting Chair declared the motion carried.

On behalf of Chair Hoch, the commissioners were appointed to the following committees:



Executive Committee:

Chair Hoch, Chair
Commissioner Porte
Commissioner Mohamud
Commissioner Arradondo

Resident Services Committee:

Commissioner Beckmen, Chair
Commissioner Letofsky
Commissioner Erickson
Commissioner Arradondo

Resident Engagement Committee:

Commissioner Isse, Chair
Chair Hoch
Commissioner Mohamud,
Commissioner Porte

Audit Committee:

Commissioner Erickson, Chair
Commissioner Rosenbaum
Chair Hoch
Commissioner Isse

Note: Task Forces will be formed on an “as-needed” basis.

Item No. 1: Stable Homes Stable Schools Services Contract

After a brief presentation by staff and discussion, Commissioner Beckmen moved approval of the recommendation set forth in the Report. Commissioner Letofsky seconded the motion. Upon a voice vote, the Acting Chair declared the motion carried. [See Document No. 2023-12]

Receive and File Items:

The following items were received and filed by the Board:

- Executive Director’s Update for February 2023 [See Document No. 2023-13]
- Executive Director’s Update for March 2023 [See Document No. 2023-14]
- The Monthly Performance Report for January 2023. [See Document No. 2015]
- The Monthly Performance Report for February 2023. [See Document No. 2016]
- Newsletters and News Clippings for February 2023 [See Document No. 2023-17]
- Newsletters and News Clippings for March 2023 [See Document No. 2023-18]
- MPHA Family Housing Capital Investment Request [See Document No. 2023-19]
- Letters of Support SF1899/HF2477 [See Document No. 2023-20]



Adjournment:

There being no further business to come before the meeting, and upon a motion duly made and seconded, the meeting was adjourned at 1:58 p.m.

Secretary of the Board of Commissioners

Date These Minutes Approved



MEMORANDUM TO: MPHA Board of Commissioners

FROM: Abdi Warsame, Executive Director/CEO

SUBJECT: Executive Director's Report, April Board Meeting

For decades, MPHA has maintained its “high performer” status with HUD, a designation earned by scoring 90 or above (out of 100) in HUD’s annual PHAS inspections. This designation earns the agency additional capital funding and priority status for a variety of application-based federal supports. In 2023, MPHA was awarded an additional \$955,000 in capital funding for its “high performer” status.

Late last month, MPHA received a near-perfect 98.5 percent in the physical inspection segment of the U.S. Department of Housing and Urban Development’s (HUD) annual Public Housing Assessment System (PHAS). This marks the highest PHAS physical inspection scores in MPHA’s history and builds on the agency’s record of achieving “high performer” status with HUD, dating back to the late 1990s.

This new high score on the PHAS physical inspections is a testament to the kind of high performing team we have at MPHA. The agency has been a HUD “high performer” for more than two decades, and I cannot give our operations team, led by Mary Boler, enough credit for continuing this incredible streak while still finding ways to improve.

This accomplishment is a great example of the agency delivering on its strategic plan, specifically the sixth goal of continuously improving organizational performance to retain MTW status and the highest HUD performance rating.

Since the March board meeting, the agency has also made progress on its efforts at the state legislature to secure a one-time cash investment of \$45 million to clear CHR’s capital backlog. Unfortunately, the agency received mixed news from the Minnesota State House and Senate.

In the House, the historic billion-dollar housing surplus budget did not include any part of MPHA’s ask. Further, it did not dedicate a single dollar to public housing residents anywhere in Minnesota. In the days following this budget being introduced, I shared my disappointment with House Housing Finance and Policy Committee Chair, Rep. Michael Howard, and Vice Chair, Rep. Esther Agbaje, and had subsequent conversations with committee leadership.

The story is different in the Senate, however, where the Senate’s billion-dollar housing surplus budget included \$30 million for MPHA to rehabilitate its 700+ deeply affordable family homes. I was able to join lawmakers at the budget bill’s hearing to testify in support of the agency’s funding as well as drawing attention to their legislative counterparts’ decision to zero out public housing residents entirely.

The next step at the legislature is to establish a conference committee, inclusive of members of the House and Senate, to negotiate a compromise billion-dollar housing surplus budget to be included in a broader government budget bill. The agency will work to ensure conferees prioritize public housing residents in any final agreement at or above the \$30 million number advanced by the Senate.



With a legislative deadline of May 22, a final agreement will come in advance of next month's board meeting. I will continue to keep the board updated on the agency's progress at the state legislature and share any breaking developments over the next month.

More recently, agency staff participated in and presented at the first meeting of Mayor Frey's *Public Housing Preservation and Expansion Convening* on April 17. This convening brings together local, regional, state, and federal officials, alongside private partners, focused on aligning multijurisdictional resources to help MPHA overcome its challenges and seize the many opportunities before it in pursuit of accomplishing its new strategic plan. In this first meeting, agency staff presented a snapshot of MPHA's challenges and opportunities and began outlining possible solutions to consider. In future convenings and subsequent work group meetings, the hope is to deliver a set of outcomes that help better connect MPHA to the resources it needs.

Finally, MPHA's April board meeting marks the first quarterly strategic plan update as outlined in the new plan, included as a receive and file. This report will help keep commissioners up to date on some of the agency's more tactical executions in line with the strategic plan. I am excited to introduce this new tool, and I welcome any questions commissioners might have on the agency's many activities.



Monthly Performance Report

Minneapolis Public Housing Authority
Board of Commissioners
For the month ending March 31, 2023

Contents

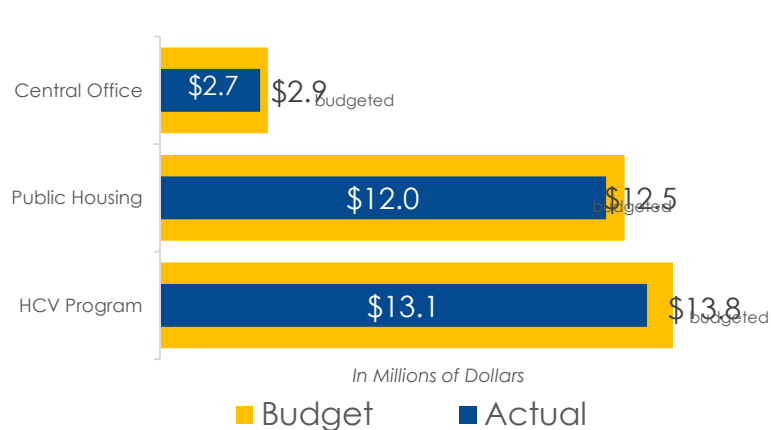
1. Financials
2. Performance of Operations
 - Public Housing Programs
 - Housing Choice Voucher Programs
3. Building Improvement and Development Projects
4. Inquiry Response and Social Media

Operating Sources and Uses

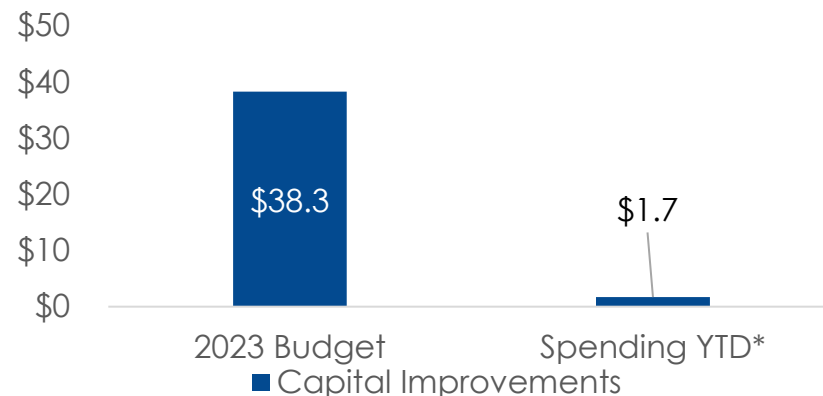
MTW Public Housing and Housing Choice Voucher (HCV) Program

Sources	YTD Budget	YTD Actual	Favorable (Unfavorable)		Variance %
			Variance		
Tenant Revenue -Rents & Other	\$ 4,521,150	\$ 4,563,189	\$	42,039	1%
Public Housing Operating Subsidy	\$ 5,823,567	\$ 5,347,121	\$	(476,446)	-8%
HCV HAP Subsidy & Admin Fees	\$ 13,399,849	\$ 12,823,986	\$	(575,863)	-4%
Other Revenues, Fees, & Grants	\$ 556,620	\$ 543,660	\$	(12,960)	-2%
Transfers-In	\$ 73,749	\$ 123,750	\$	50,001	68%
Total Sources	\$ 24,374,935	\$ 23,401,706	\$	(973,229)	-4%
Uses					
Public Housing Operations	\$ 12,458,503	\$ 12,003,787	\$	454,716	4%
Housing Choice Vouchers	\$ 13,753,072	\$ 13,147,983	\$	605,089	4%
MTW Initiatives and Other Services	\$ 68,553	\$ 8,705	\$	59,848	87%
Total Uses	\$ 26,280,128	\$ 25,160,475	\$	1,119,653	4%
Net Sources/(Uses)	\$ (1,905,193)	\$ (1,758,769)	\$	146,424	8%

Year to Date (YTD) Expenses



MTW Capital Fund Program

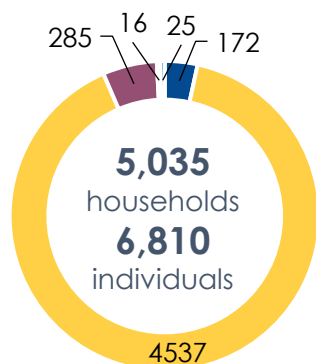


*An additional \$23.4 million is under obligation for capital projects YTD

Public Housing Programs



Occupied Units*

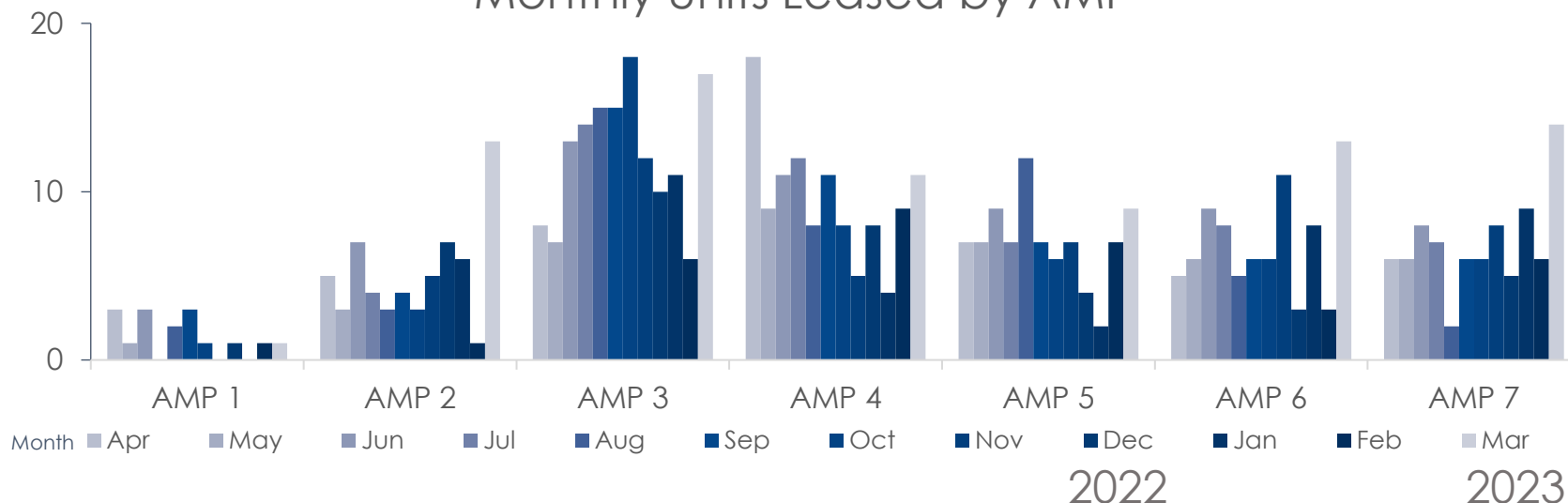


- Glendale
- MHOP
- Scattered Sites
- Highrise
- Minnehaha Townhomes

79
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

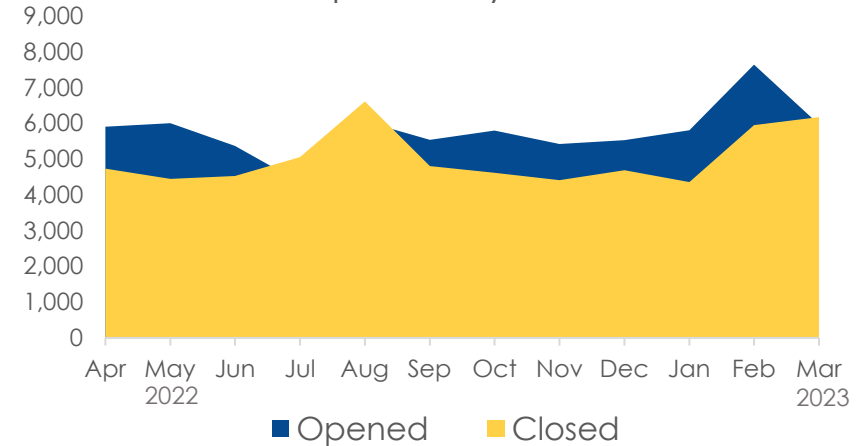


Reason for Vacating Unit	Count
Death	17
Evicted - Non Payment	14
Found Alternative Housing	9
Moving in with or closer to Family	5
To Nursing Home	4
Moving Out of Town	2
Mutual Agreement	1
Other	1
Skip	1
Illness	1
Left Country	1
Evicted - Criminal Acts	1

Applicants on Waiting List

Family 2021	2068
Family	761
Disabled (18 - 49)	1136
Near Elderly (50-61)	1560
Elderly (62+)	396

Work Orders Opened and Completed by Month

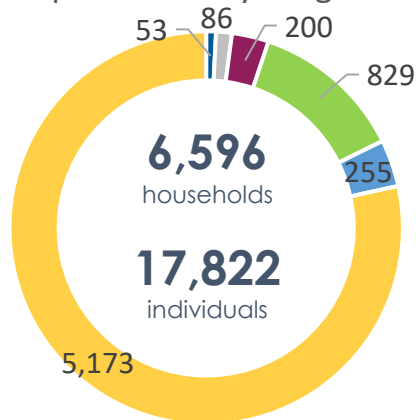


Goal	Total Completed	% Completed within Goal	Average Days Open
Emergency: 24 Hours	155	92%	0
Urgent: 1 Day	832	86%	1
After Hours Non-Emergency: 2 Days	12	92%	0
Important: 3 Days	948	70%	3
Routine: 10 Days	797	86%	5
Non-Routine: 20 Days	518	88%	9
Pest Control	788	100%	6

Housing Choice Voucher Programs



People Served by Program*



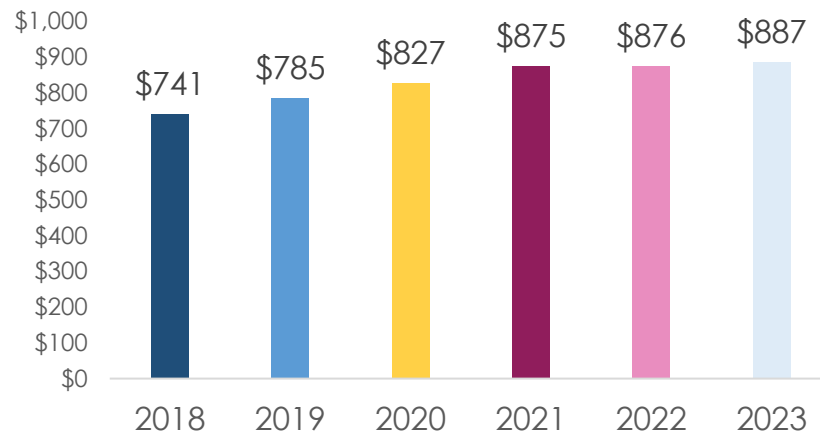
- Sponsor-Based
- Mod Rehab
- FUP and VASH

Family Unification Program and Veterans Affairs Supportive Housing

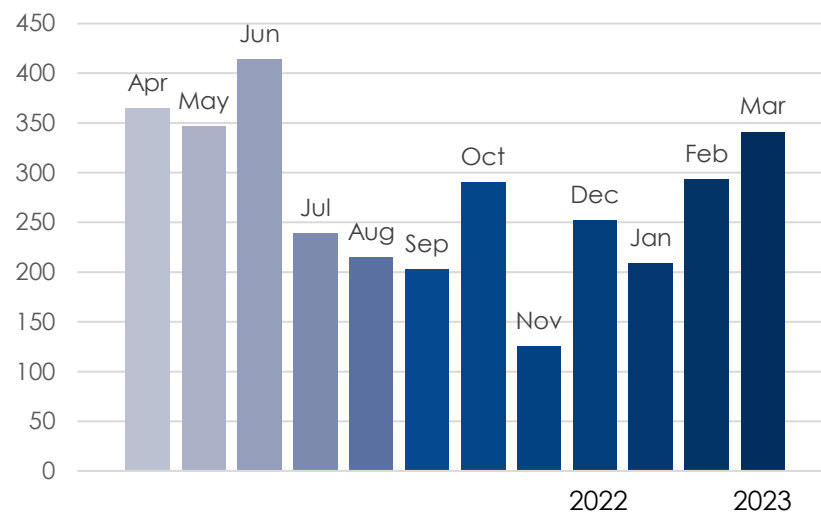
- Stable Homes Stable Schools
- Project-Based
- Tenant-Based

*Including port-ins and port-outs

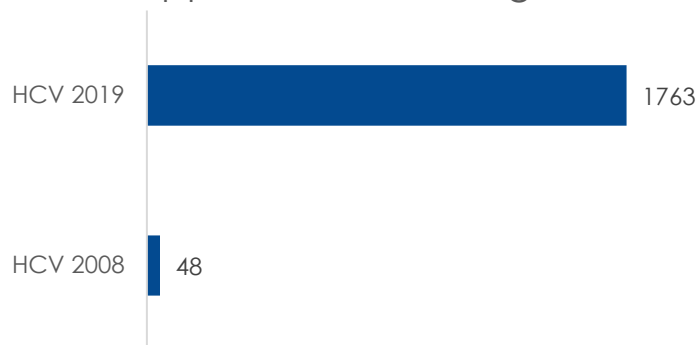
Average Housing Assistance Payment per Unit, Year to Date



Annual Inspections Conducted



Applicants on Waiting List



Building Improvement Projects - Planning

ADDRESS	DESCRIPTION OF WORK	STATUS
Multiple highrises – remaining 9 sites	Fire sprinkler system installation	Planning
CHR scattered site units	City-funded interior & exterior improvements	Planning
1515 Park Avenue South	Fire alarm system replacement	Planning
314 Hennepin & Hiawatha Towers	Main electrical switch gear & generator replacement	Planning
800 5 th Avenue North	Window replacement	Planning
2121 Minnehaha Avenue	Window replacement	Planning
1515 Park Avenue South	Roof replacement	Planning
1415 East 22 nd Street	Roof replacement	Planning
Multiple highrises	Façade repairs	Planning
Fifth Avenues & 2121 Minnehaha	Apartment entry door replacement	Planning
Glendale Townhomes	Parking lots/sidewalks, soffit/fascia/gutters, partial roofing replacement	Planning
1920 4 th Avenue South	Site security upgrades	Planning
1301 Bryant Avenue North	Site security upgrades	Planning
Multiple highrises	Priority camera installations	Planning
3116 Oliver/1314 44 th /600 18 th /616 Washington	Elevator modernization	Planning
1015 N 4 th Street	Generator upgrades	Planning
1627 South 6 th Street	Apartment flooring replacement	Planning
1710 Plymouth Avenue North	Shower replacement	Planning
Multiple highrises	HVAC equipment replacements	Planning
Multiple highrises	Sidewalk/parking lot upgrades	Planning
Multiple highrises	Door replacements	Planning

Development Projects - Planning

ADDRESS	DESCRIPTION OF WORK	STATUS
Heritage Park - 440 MBS-owned units	Conversion & recapitalization	Planning

Building Improvement Projects - Active

ADDRESS	DESCRIPTION OF WORK	STATUS
CHR units – various scattered sites	2023 improvements: unit modernization at turn	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
Cedars	Exterior façade/structural repairs	Under construction
Multiple sites	2022 security improvements	Bidding/under construction
1707 3 rd Avenue South	Façade restoration & window replacement	May 2023 start
1515 Park/1920 4 th /1710 Plymouth/710 2 nd	Main electrical switch gear & generator replacement	Materials ordered; summer 2023 start

Development Projects - Active

ADDRESS	DESCRIPTION OF WORK	STATUS
Family Housing Expansion Project	Development of 84 new family housing units across 16 sites	Under construction

Fire Suppression Installations



Building	Units	Budget	Funding Source(s)	Status	Construction
1206 2 nd St NE	57	\$620,000	MPHA Capital	Complete	Jan-Apr 2022
1717 Washington St NE	182	\$1,570,000	MPHA Capital	Complete	Apr-Nov 2022
2728 E Franklin St	151	\$1,200,000	MPHA Capital	Complete	Sept '22-Jan '23
Horn Towers	491	\$3,445,000	MPHA Capital	Under Construction	Jan '22-Jun '23
630 Cedar Ave S	190	\$1,592,000	MPHA Capital/City/State	Complete	May '22-Jan '23
2121 Minnehaha Ave	110	\$888,000	MPHA Capital/City/State	Complete	July-Dec 2022
1627 S 6 th St	116	\$868,000	MPHA Capital/City/State	Under Construction	Dec '22-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	Substantially Complete	Apr '22-Apr '23
Hiawatha Towers	281	\$2,100,000	MPHA Capital	Under Construction	Dec '22-Mar '24
314 Hennepin Ave	299	\$2,425,000	MPHA Capital/City	Under Construction	Dec '22-Sept '23
2415 N 3 rd St	62	\$500,000	Federal Appropriation	Planning	TBD – Fall 2023
1710 Plymouth Ave N	84	\$670,000	Federal Appropriation	Planning	TBD – Fall 2023
3116 Oliver Ave N	31	\$250,000	Federal Appropriation	Planning	TBD – Fall 2023
710 2 nd St NE	35	\$290,000	Federal Appropriation	Planning	TBD – Fall 2023
616 Washington St NE	35	\$290,000	Federal Appropriation	Planning	TBD – Fall 2023
809 Spring St NE	32	\$260,000	City of Minneapolis	Planning	TBD – Fall 2023
1900 3 rd St NE	32	\$260,000	City of Minneapolis	Planning	TBD – Fall 2023
3205 E 37 th St	28	\$230,000	City of Minneapolis	Planning	TBD – Fall 2023
3755 Snelling Ave S	28	\$230,000	City of Minneapolis	Planning	TBD – Fall 2023

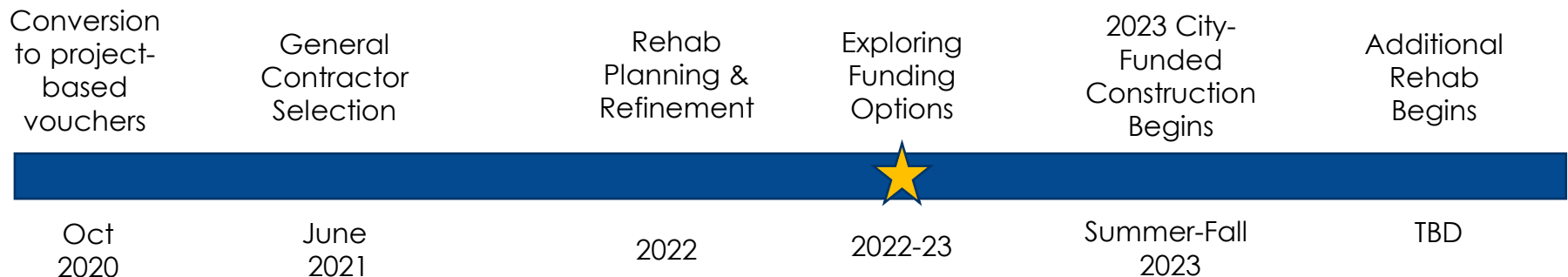
*Budget reflects costs of comprehensive building modernization project of which fire suppression is included

Scattered Site Rehab



- Conversion to project-based vouchers occurred on October 1st
- Will support investments in deferred maintenance and ongoing unit needs
- Mayor's 2023 budget includes \$3.7M for property repairs
- Pursuing \$45M state funding to address capital backlog

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
- **Construction began 11/30/22**
- **Demo, Site Prep, and Foundation work underway at 13 of 16 sites**
- **Mod production begins April 2023**

Construction Timeline (subject to change)



Inquiry Response and Social Media



MPHA on Facebook

Top Performing Post (906 views)

Last week, ED/CEO Abdi Warsame testified before the Senate Housing and Homelessness Prevention Committee alongside [Omar Fateh](#), [Mayor Jacob Frey](#), and [Minneapolis Highrise Representative Council](#) President Mary McGovern in support of SF 1899—legislation that would deliver a \$45M one-time cash grant to MPHA to clear the agency's capital backlog on its portfolio of 700+ deeply affordable family homes.

This legislation would be the largest non-federal funding ever delivered to MPH... [See more](#)



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Posts for the Month

24

New Followers



MPHA on Twitter

Top Tweet (489 views)

Last week, MPHA's ED/CEO Abdi Warsame, Mary Vang, and MHRC President Mary McGovern testified at [#mnleg](#) in support of [@go4esther](#)'s HF 2477 to send MPHA a \$45M one-time grant to overcome decades of disinvestment from federal gov't in its deeply affordable family housing portfolio. pic.twitter.com/55SO91WuER



18

Tweets for the Month

5

New Followers

March 2023

MPHA Earns Highest Physical Inspection Scores from HUD in Agency History

Late last month, MPHA received a near-perfect 98.5 percent in the physical inspection segment of HUD's annual Public Housing Assessment System (PHAS). This marks the highest PHAS physical inspection scores in MPHA's history and builds on the agency's record of achieving "high performer" status with HUD, dating back to the late 1990s.



The Public Housing Assessment System evaluates public housing authorities' performance in four categories: physical, financial, management, and capital fund programming. Measures of performance across these categories include physical inspections of randomly selected buildings and units across the agency's portfolio, review of agency financial practices and reporting, occupancy rates, percentage of tenants paying rent, and the timely deployment of annual HUD capital funding, among other items. In 2023, MPHA was awarded an additional \$955,000 in capital funding for its "high performer" status.

In 2022, MPHA awarded more than \$50 million in contract construction projects, including:

>\$6 million

to minority-owned businesses

<\$9 million

to woman-owned businesses

>10% of labor awarded to qualified low-income workers (Section 3)

Celebrating Green Initiatives at MPHA

Every year, Earth Day stands to draw attention to how the planet should be cared for. At MPHA, the focus on environmental sustainability is woven into much of the agency's work. This includes renewable energy sources in its new developments, electrifying its maintenance operations where possible, supporting MPHA resident community gardens, and incorporating energy efficient upgrades in building renovations.



MPHA Employees Promoted

Kim Hamilton was promoted from Manager to Assistant Director of Operations Leasing, Occupancy and Compliance.

Eric Staupe was promoted from Senior Manager to Director of Information Technology.





MPHA News Clips – April BOC Meeting

Modular public housing project ‘a big deal’ in Minneapolis (Finance & Commerce)

By Brian Johnson

March 27, 2023

The Minneapolis Public Housing Authority is creating dozens of deeply affordable homes in the city with a big assist from an unlikely source — a manufacturing plant about 65 miles straight south of the city.

Rise Modular, which has a plant in Owatonna, is working with the MPHA, Frerichs Construction, DJR Architecture and others to put up 84 affordable housing units within four- and six-unit structures on 16 Minneapolis locations.

Construction is just beginning on the effort, known as the Family Housing Expansion Project. At the heart of the construction process is a series of fully equipped modules, which are built in a climate-controlled setting at Rise’s 150,000-square-foot plant in Owatonna.

Dean Dovolis, CEO and founder of DJR Architecture in Minneapolis, said the units are made in Owatonna and shipped to Minneapolis, where the site work takes place and the modules are knitted together.

Dovolis said it’s a major breakthrough to have a public agency use modular construction on an affordable housing project of this size and scope. “It’s a big, big deal,” he said.

Christian Lawrence, founder and CEO of Rise Modular, said in an interview Monday that, to the best of his knowledge, the MPHA project is the first scattered site, modular project of its kind — and a model that could be replicated across the country.

“We have such a vast need for affordable housing locally, regionally and nationally,” Lawrence said. “This is a new and innovative and unique approach to help tackle it.”

Project backers say the modular process lends itself to quicker construction and lower costs compared to traditional stick-built methods. In this case, the MPHA expects to reduce costs by 13% to 21% without compromising quality or aesthetics.

A project narrative boasts that construction can happen 33% quicker because onsite activities overlap with work at the manufacturing plant, a method that reduces impacts to neighbors as fewer workers are onsite.

Crews deliver the manufactured “mods” to the project site and set them in a specific order. The goal is to “set” two buildings per week, which equates to eight weeks of installation for 16 buildings.



“The setting crew will move from one site to the next and a smaller crew will remain to perform stitch-up, connect the modules and ensure the structure is secure,” according to the project narrative.

From a money perspective, modular construction can be financed with help from nonbank sources, such as the manufacturers — an important consideration as traditional banks become more cautious in the wake of the March 10 failure of the Silicon Valley Bank, Dovolis said.

Major funding sources for the Family Housing Expansion Project funding include \$19.9 million in Low-Income Housing Tax Credits, \$12.9 million from the MPHA, an \$8.9 million loan from Citi Community Capital and \$4.6 million in federal American Rescue Plan Act.

Also chipping in are the Metropolitan Council, the city of Minneapolis’ Affordable Housing Trust Fund and Hennepin County’s Affordable Housing Development Accelerator fund.

The project comes at a busy time for MPHA.

Finance & Commerce reported in February that the MPHA hopes to create 150 units of deeply affordable housing a year for the next five years. Deeply affordable is defined as homes within the reach of households at 30% of area median income.

Through its nonprofit, Community Housing Resources, MPHA maintains 700 deeply affordable homes. Demand is strong. Nearly 7,500 people are on a waitlist up for such homes, according to the agency. Households of color make up 80% of the waitlist.

“For families from MPHA’s family waiting list, today is a life-changing moment,” Abdi Warsame, executive director and CEO of the MPHA, said at a January groundbreaking for the Family Housing Expansion Project. “For the 84 families and the hundreds to follow in the years to come, the promise of stable, deeply affordable housing becomes one step closer to reality.”

Rise Modular is no stranger to big housing projects.

Rise’s recent projects in the Twin Cities include the 202-unit Pentagon Village Apartments in Edina, and the 193-unit Alvera building in St. Paul’s West Seventh Neighborhood. Under construction is The Glenwood, a 127-unit building at 1207 Glenwood Ave. in Minneapolis.

For its part, the MPHA’s Family Housing Expansion Project will offer two- and three bedroom units, in-unit laundry, bike storage, and a 22.6-kilowatt solar energy system in for each building to support 30% of electrical uses project-wide.

While Dovolis sees a bright future for modular, he concedes that there are some drawbacks. For example, he said, modular offers less flexibility to make changes in the middle of construction.



“You make all your decision in the beginning. Mechanical, electrical, plumbing, interior design, carpet, tile, paint, light fixtures — everything is determined up front, everything’s in the drawings. You’re locked into your decision-making at the front end,” he said.

Even so, Dovolis and other industry experts foresee more modular construction down the road.

Tim Worke, CEO of the Associated General Contractors of Minnesota, said project owners and contractors are looking for “process and schedule efficiency,” which can drive demand for this type of construction.

“As owners press for projects to be built and online cheaper, better and faster, more changes like modular construction will come to the construction industry,” Worke said in an email. “There are obvious advantages to using modular techniques when it fits into the overall goals for the project.

“With respect to sourcing labor for this type of construction, it can often be easier to find workers who want the certainty of a job location and the controlled environment conditions that manufactured construction can provide versus the traditional model that involves travel and exposure to outdoor work environments.”

Dovolis agrees that a big driver is the ongoing shortage of construction labor.

“We have to adopt new methods, otherwise the buildings we create will be too expensive to be feasible,” Dovolis said.

###



House Proposal Snubs Minneapolis Public Housing Dept.'s Grant Request (Racket)

By Jay Boller, Em Cassel, Jessica Armbruster, and Keith Harris

March 30, 2023

\$45 Million? Why, That's Almost 2 Police Stations.

At the Minnesota Capitol, things feel like the time Springfield Elementary got stupid rich with oil cash, and everyone came knocking with spending ideas. (Who could forget Otto's rubber-stamped plea for "guitars that are, like, double guitars"?) The Minneapolis Public Housing Authority has been pushing hard for a seemingly no-brainer use the state's colossal \$17.5 billion surplus: A one-time \$45 million grant to rehabilitate the city's 700+ "deeply affordable" family homes. Yet, per the Minnesota House Housing Finance and Policy Committee's recent surplus spending proposal, MPHA will receive exactly zero of those requested dollars. In fact, the proposal doesn't include any cash for public housing residents throughout Minnesota, according to a press release issued Thursday by MPHA. (Elsewhere, the state Senate's Housing and Homelessness Prevention Committee's surplus package would give \$30 million to MPHA; Gov. Tim Walz has targeted \$20 million to public housing rehab efforts.)

Agency head Abdi Warsame addressed that grant snub this afternoon during testimony in front of the state Senate, where he stressed the need to invest in public housing stock that's in majority "poor" condition. Here's Warsame making his case earlier this month to MinnPost's Kyle Stokes: "[The \$45 million] gets the preservation of the largest family housing portfolio serving people of color anywhere in the state of Minnesota—700-plus homes—for the foreseeable future. This, in a time where the city of Minneapolis is becoming unaffordable for working class families and families of color. If we were to lose this precious infrastructure, it would cost more than \$45 million—maybe 10 times more—to help those [3,800] families." Apropos of nothing: MPD might get \$26 million for a new Third Precinct station, though that's not surplus-related.

###



Everyone wants a (bigger) piece of Minnesota's budget (Axios Twin Cities)

By Torey Van Oot

April 3, 2023

It turns out \$17.5 billion isn't enough money to buy happiness — at least not at the Minnesota Legislature.

What's happening: Budget season is in full swing at the Capitol, as spending bills drop and start to move through committees in both chambers.

Yes, but: Even with a historic pile of cash to dole out, calls for more are flying from groups that feel their area or issue is getting the short end of the surplus stick.

Zoom in: Nursing homes, disability services advocates and food shelves are among those already lobbying DFL leaders for a bigger piece of the budget, as MPR News reported last week.

- Republicans, meanwhile, are calling to put more toward tax cuts, especially in light of hikes proposed by Democrats. They also want more spending for areas like agriculture and roads.

What they're saying: "[If] a budget is a moral document, what does it say about us that not one cent is dedicated to supporting our communities' most vulnerable residents living in public housing?" Minneapolis Public Housing Authority CEO Abdi Warsame wrote in a sharply worded letter asking Housing committee chairs for \$45 million to rehabilitate deeply affordable homes.

The intrigue: In some cases, influential committee chairs are among the disgruntled.

- Senate Human Services Committee Chair John Hoffman (DFL) has called the \$1.3 billion increase allocated for his spending bill "very disappointing" and "paltry," saying it isn't enough to cover needed pay increases for long-term care workers.

The other side: Leaders say they did the best they could with the money at hand.

- "We have to take care of transportation, education and health care, and in order to achieve that balance, not everybody got everything that they wanted," Speaker Melissa Hortman (DFL-Brooklyn Park) told MPR News. "But everybody got a significant increase."

What's next: Lawmakers go on Easter break Tuesday. When they return, the pace — and lobbying — should pick up even more.

- Expect the spending priorities to shift, and in some cases grow, as the budget comes together in the weeks ahead.

###



[Minneapolis Public Housing Authority to pay \\$1.5 million to victims of 2019 high-rise fire \(Star Tribune\)](#)

By Louis Krauss

April 13, 2023

The Minneapolis Public Housing Authority has agreed to pay more than \$1.5 million to settle a lawsuit with the families of five people killed in an apartment fire in the city's Cedar-Riverside neighborhood.

The settlement is part of a wrongful death lawsuit that followed the November 2019 fire, which consumed the 14th floor of the Cedar High Apartments complex. Surviving injured victims and families of those who died said the tragedy could have been prevented if the building had a sprinkler system, louder alarms that weren't only in hallways and other fire-prevention measures.

"The families impacted by this entirely-preventable tragedy insisted on full accountability, and we think that is what they obtained," attorney Tariq Miller told the Star Tribune on Thursday. "That being said, nothing can really compensate anyone for the loss of a relative."

The plaintiffs included injured victims who survived the fire.

Several private companies also named as defendants agreed to financial settlements as well, but those amounts were not released publicly.

The plaintiffs wrote in the complaint that the lack of sprinklers was "just one of many negligent acts" that led to the deaths.

The housing authority's full settlement amount was \$1,560,000, slightly over the \$1.5 million cap on this type of lawsuit. Three other building parties were later sued as well, including NV5, Sebesta Inc. (which is now part of NV5) and Egan Co., which installed the fire alarm system.

Attorneys for the four defendants did not return calls seeking comment Thursday.

The private companies' settlement amounts are being kept confidential, Judge Patrick D. Robben wrote in the settlement approval. The housing authority's amount has been released because it is a public entity.

Plaintiff attorney Jim Carey said he thinks it was generous of the housing authority to pay an additional \$60,000 over the capped amount, but noted he does not agree with that limitation on these settlements.

"We did the best we could, and I thought all of the lawyers, including the lawyers representing the defendants, were all ethical people trying to do the right thing," he said.



The 191-unit building was for low-income clients, primarily elderly people and people with disabilities.

The plaintiffs alleged the housing authority did not stay in compliance with state and local building codes. That includes not making sure doors would close on their own, that fire alarms could be heard, and that elevator shafts and stairwells were pressurized to prevent smoke spreading through the building, the complaint alleged.

The fire led to a variety of efforts, including state legislation, to prevent future tragedies. More than a year and a half after the fire, Minnesota lawmakers passed a law requiring sprinkler systems in public high-rise buildings.

"Every time I hear about a fire now, I look at how many stories it is and did it have sprinklers," Sen. Kari Dziedzic, DFL-Minneapolis, said after the legislation passed. "It will save lives, plain and simple."

The law requires all public buildings built before the 1970s and 1980s to be retrofitted with sprinklers by 2033.

The Cedar High building was built in 1969. It had partial sprinklers, on the main floor and in a mechanical equipment room, but not in residential units.

The International Conference of Building Officials decided in 1980 that new high-rises must have sprinklers, but the housing authority did not update the system. Following the fire, a city spokesperson said city code did not require buildings that old to have sprinklers.

While there is a new state law requiring sprinklers, Miller said he is concerned the law does not require buildings to immediately install them.

"High-rises that aren't being required to retrofit sprinklers because they have been grandfathered in still pose significant risk to some of the most vulnerable residents in the community," Miller said.

The city of Minneapolis has also worked to install high-rise sprinkler systems itself. The city's 2023 budget allocated money to install sprinklers in all 42 high-rises owned and operated by the Minneapolis Public Housing Authority.

###



[Minneapolis Public Housing settles lawsuit for \\$1.5 million after high-rise fire killed 5 \(KSTP\)](#)

By Kirsten Swanson and Ricky Campbell

April 14, 2023

The Minneapolis Public Housing Authority will pay \$1.5 million to settle a lawsuit more than three years after a fire in one of its high-rise apartment buildings killed five people.

Families who lost loved ones in a November 2019 fire claimed the housing agency was negligent by not having adequate sprinklers or other fire suppression systems in the 26-story building on Cedar Avenue.

“While no amount of money will bring back the victims who needlessly perished in the fire, this settlement marks the end of the families’ years-long attempt to hold the wrongdoers accountable for what happened,” attorney Tariq Miller said in a statement to 5 INVESTIGATES. “The settlement is a testament to our clients’ unwavering resolve and determination to bring the truth to light and fight for justice on behalf of their loved ones.”

The families also sued a private company contracted to install the building’s fire alarm system. The judge ruled that the details of that settlement will remain confidential.

The state fire marshal reported that “no loss of life would have occurred” had the high-rise been retrofitted with fire sprinklers.

A year after the deadly blaze, 5 INVESTIGATES found the public housing agency had not yet committed to a long-term plan to install sprinkler systems in its tallest, most vulnerable apartment complexes.

In 2021, state lawmakers mandated sprinkler systems for all public housing high-rise apartment buildings – but didn’t include any funding in the bill.

Last year, the federal government provided \$2 million to the Minneapolis Public Housing Authority, dedicated to installing sprinklers in high-rise apartment buildings.

In January, MPHA Executive Director Abdi Warsame was joined by U.S. Rep. Ilhan Omar (D-Minn.) to tout funding increases. Warsame said the agency has installed fire sprinkler systems in 23 of its 42 high-rises – and work is underway in another 10 buildings.

“Back in 2020, we set an ambitious goal of having sprinklers installed in all our high-rise buildings within five years,” Warsame said. “And I’m happy to say the agency is on pace to meet that goal.”

Many of the MPHA buildings were constructed before housing codes required fire suppression systems.

###



[Public housing tenant challenging MPHA's right to evict without a rental license \(Star Tribune\)](#)

By Susan Du

April 15, 2023

Stacey Marable is one of many Minneapolis Public Housing Authority tenants battling eviction. Unlike most others, she is using the legal action against her to force MPHA to make its properties more livable.

The mother of five has lived in public housing 10 years. She said she found pests, water damage and electrical hazards shortly after moving in. The city of Minneapolis denied her repeated inspection requests.

Six years ago, with her children having nose bleeds and trouble breathing, Marable saved up to hire a private inspector who found toxic mold contamination inside the walls and floors.

Medical bills mounted. Marable eventually fell behind on rent by \$164. MPHA spent \$334 on court fees to evict her.

"My two older sons, it affected their schoolwork because they didn't know if they were going to be able to come home, have a place to lay their head," she said.

Marable sued, arguing that the city treated public housing tenants as second-class citizens. She eventually won a Court of Appeals judgment that ordered the city to inspect public housing.

The city now conducts complaint-based inspections of public housing, said city spokesman Casper Hill. But MPHA units remain unlicensed, exempt from routine inspections that enforce a slew of minimum health and safety standards.

Continuing to test what tenant protections apply to public housing, Marable has withheld rent since last June's ruling in her lawsuit. Now she is back in housing court with her home again on the line.

"A landlord's covenants of habitability are interdependent with a tenant's covenant to pay rent," contended Marable's lawyer Mary Kaczorek.

In response, MPHA has argued that the city never asked the agency to purchase rental licenses and lacks the resources to conduct regular inspections of the agency's 6,000 units.

"Absolving MPHA tenants from paying rent would significantly impair MPHA's ability to provide housing to the tenants MPHA serves," said director of operations Mary Boler in a court filing.

Rent accounts for 37% of MPHA's operating costs.



According to MPHA, HUD Manager Thomas Feeney said in a 1992 memo that the agency should not pay annual licensing fees if the city did not provide annual inspection services. HUD has not updated that guidance in 30 years.

The city currently inspects all privately owned rentals on a one- to eight-year cycle depending on the documented problems at the property.

A hearing has been set at the end of April in Marable's eviction case.

"It was very difficult to continue to keep on with the fight, but the Lord, he held me down and let me know that he was there beside me," she said. "In the back of my mind I know not too many tenants could do what I am doing."

A potential class action lawsuit making the same case on behalf of all Minneapolis public housing tenants is working its way through state court.

MPHA blames the derelict state of the agency's portfolio on HUD's "decades of underfunding."

Bills in the state House and Senate earlier this year would have spent \$45 million from Minnesota's estimated \$17.5 billion surplus on repairing the agency's family housing. While the Senate's big housing bill dedicates \$30 million to MPHA, the House housing committee's spending package allots nothing to public housing rehabilitation statewide.

"For reasons that are equally unknown and shocking to me, this committee determined that these families deserved no part of this historic state surplus," said MPHA executive director Abdi Warsame. "What does it say about us ...? "

###



[Minneapolis, St. Paul public housing evictions outpacing pre-pandemic rates \(Star Tribune\)](#)

By Susan Du and Ellie Roth

April 15, 2023

Angele Enger, a single mom of two teenagers, spent the first two months of the year worrying where the family would go if evicted from their public housing on the East Side of St. Paul.

Their townhome had been a source of stability after she separated from the children's father. Her youngest struggled in virtual school while battling anxiety and depression. Enger was laid off from her Instacart shopping job when Cub Foods launched its own delivery service.

When she received an eviction notice from the St. Paul Public Housing Agency in December, she panicked.

"I wanted to throw up every day," she said. "I couldn't sleep. I started packing because I didn't know what to do. I didn't know where to go. It was literally the worst feeling ever in my whole life."

Slowing to a trickle during the COVID-19 eviction moratorium, Twin Cities' public housing evictions are rising again to outpace pre-pandemic rates.

Many industries that employ low-income workers, including retail and hospitality, have not recovered, according to the Minnesota Department of Employment and Economic Development. Yet the state's emergency rental assistance program stopped issuing funds. Told by U.S. Housing and Urban Development that rent cannot be waived, Minneapolis and St. Paul public housing agencies are escalating rent enforcement.

Eviction leaves tenants who can't afford market-rate rent — seniors, disabled people and children in female-led households — with few options. It comes with a three-year ban from public housing and a legal blemish that deters private landlords.

"The stakes are so high in these cases because it takes years and years to get into public housing, and once you're evicted from there, there's really nowhere else to go," said lawyer Mary Kaczorek of Mid-Minnesota Legal Aid. "With the gap between what folks earn and what rents are, the market just isn't there for folks at that income level."

Fiduciary responsibility

Gov. Tim Walz's eviction moratorium, established spring 2020, phased out the following year and completely lifted last June.



The St. Paul Public Housing Agency started filing regular evictions earlier, in December 2021. The overwhelming reason: failure to pay rent.

The agency has initiated 175 cases since, resulting in 46 evictions so far. Its 31 filings in the first three months of this year outpace its five-year pre-pandemic rate by 88%.

Unfortunately, low-wage jobs aren't always flexible with paid time off," said Southern Minnesota Regional Legal Services lawyer Heather Mendiola. "We see public housing tenants hit hard with unplanned catastrophic events, like hospitalizations and funerals, who are in the forced position to use the rent money to cover these unexpected expenses."

St. Paul Public Housing Agency executive director Jon Gutzmann declined to be interviewed. In a statement, he said staff spent 4,000 hours helping tenants get federal emergency assistance.

But once RentHelpMN stopped taking applications last spring, the agency stepped up lease enforcement to reduce its delinquent rent balance from a high of more than \$1 million in October 2021 to \$366,900 last month.

Tenant rent accounts for 38% of the agency's operating budget; the rest is composed of taxpayer-funded federal subsidies. HUD has stated rent is still due during the pandemic, will accumulate if unpaid and cannot be waived, Gutzmann said.

The St. Paul Public Housing Agency claimed Enger owed more than \$10,000 when it filed to evict her. She alleged the agency got her income wrong after someone stole her Social Security number to apply for a job.

Through word of mouth, Enger found SMRLS lawyer Jesse Smith. He was too booked to attend her first court date, but he insisted she show up no matter how scared she felt because those who don't appear are automatically evicted.

With Smith's help, Enger eventually worked out a settlement with the public housing agency. She can now focus on negotiating special education services for her son and plans to start her own cleaning service.

"Lately it's been like a breath of fresh air ... because you sit and worry and worry and it consumes you," Enger said. "I don't want anybody else to go through this, but I'm sure a lot of people are."

\$75 lease termination

Minneapolis Public Housing Authority residents packed Hennepin housing court in March.



One by one, the clerk offered the renters free legal consultation from the county's Adult Representation Services. A 2021 Minneapolis ordinance established a right to legal services for poor defendants in eviction cases, and nearly everyone present opted to take it, striking deals with the public housing agency to gradually pay back what they owe.

Two of the poorest tenants scheduled that day were a 57-year-old woman who received a lease termination notice after falling behind \$75 and a 64-year-old man who had owed \$228. Neither appeared. The court issued orders asking the sheriff to remove them from their homes. The Star Tribune could not locate the tenants afterward.

MPHA's 134 filings in the first quarter of the year, according to Hennepin County's eviction dashboard, are occurring at a rate 78% higher than its pre-COVID average.

These days the agency sends notice of lease termination the first month tenants default on rent, regardless of how much is owed. Staff attempt to help them create repayment plans before initiating eviction, spokesman Drew Halunen said.

Fanchon Williams, 55, lost her job in December after getting sick and missing more work than allowed. She came up short \$139 in rent. Williams said MPHA offered her a list of lawyers, but denied getting any other help before the agency moved to evict.

"I thought it was a joke. I ended up getting an eviction [filed] for \$200-something," she said. "I was really under a lot of stress."

Williams quickly settled with MPHA after borrowing from family but said she was shocked at how close she came to losing her home.

"Every single resident has to pay rent and this is a federal regulation," said Abdi Warsame, the agency's executive director. "Absolutely the last thing we want to do is to evict someone, but we have to follow the rules."

Linda Hamilton, 61, received an MPHA eviction notice last month. A disabling injury put her out of work 15 years ago, she said. She spent seven years on a wait list to get her current apartment on the fifth floor of a northeast Minneapolis high-rise.

During the pandemic, Hamilton cobbled together various sources of rental assistance. When they began to dry up, she turned to mutual aid from community organizations like Zakat, Aid and Charity Assisting Humanity. Still, her outstanding balance grew to more than \$800.

Hamilton wants help forming a payment plan before she's summoned to court, but she hasn't agreed with the public housing authority on how much she can afford. Part of the conflict stems from



frustration with her aging apartment building, which is too cramped to comfortably navigate in her scooter and wheelchair, she said.

"I waited many years," Hamilton said. "And I've been unhappy and depressed since I've been here."

Unspent millions

Minnesota Housing, the state's housing finance agency, still has \$85 million in federal funds that were awarded after its rental assistance portal ran out of money and closed. A coalition of housing advocates urged Minnesota Housing to release that money as Congress intended, to renters at greatest risk of homelessness.

"All hell broke loose last June when the last [eviction moratorium] protections ended," said HOME Line executive director Eric Hauge. "The timeline for getting money in the hands of a landlord through a county or state's rental assistance program just does not align with the timeline for evictions right now."

Citing the need for more affordable housing, the agency decided to split the money evenly between targeted rental assistance and housing development. Staff are still working to implement those plans.

Early in the legislative session, Walz proposed \$100 million over the next two years for the state Family Homeless Prevention and Assistance Program, which provides rent assistance. The Legislature appropriated half that amount.

###



March 29, 2023

Chair Howard and Vice Chair Agbaje,

I am writing to express my disappointment that the House's housing surplus budget (HF 2335) does not include any part of a one-time \$45M cash grant for the Minneapolis Public Housing Authority's shovel-ready project to rehabilitate 700+ deeply affordable family homes (HF 2477). These homes serve 3,100 residents, 87% of whom are Black and 55% of whom are children under the age of 18, with an estimated 3,800 families standing to benefit from this investment over the next 30 years—which is only a fraction of the recent highwater mark of 8,000 individuals on the agency's waiting list for this type of deeply affordable family housing.

These homes serve Black families and children who are the future of Minnesota. They are upwardly economically mobile, and they have so much energy and vibrancy to contribute to our state and region. But MPHA needs help keeping a safe, stable, affordable roof over their heads and giving these families a fighting chance.

Unfortunately, for reasons that are equally unknown and shocking to me, this committee determined that these families deserved no part of this historic state surplus. Despite building a coalition of supporters that included Hennepin County, the City of Minneapolis, and every member of the Minneapolis delegation in the State House and State Senate, this committee said no.

But it is not just the absence of dedicated funding for this project, what is truly unconscionable to me is that not a single dollar is dedicated to public housing residents in this surplus budget.

Public housing residents are some of the most vulnerable persons in our communities. They are often elderly, disabled, with little to no income, and at risk of becoming homeless—with public housing serving as their safety net. And yet, year after year they endure shrinking federal funding. Public housing residents are continually forced to learn to live with less. Can you understand what that does to someone's sense of worth? Year after year, the government tells them that their wellbeing is not a priority, and they watch resources dwindle, powerless.

Now, at a time of a historic state surplus, with one-party control of government, and the stated priorities of closing equity gaps, keeping families and children out of homelessness, and protecting our communities' most vulnerable, this budget perpetuates the systemic cycle of disinvestment in public housing residents, the overwhelming majority of whom are Black.

And so, I ask: If public housing residents in the "Jim Crow of the North," where George Floyd was murdered and a global reckoning on race and inequality was ignited, cannot be dedicated a single cent under these circumstances, when will it ever happen?



I do not pretend to understand this committee's decision making, and I know there are always competing interests. But if a budget is a moral document, what does it say about us that not one cent is dedicated to supporting our communities' most vulnerable residents living in public housing?

Thank you for your time and consideration,

A handwritten signature in blue ink, appearing to read "Abdi Warsame".

Abdi Warsame
Executive Director/CEO
Minneapolis Public Housing Authority



MPHA Agency Overview: Challenges & Opportunities

Overview

MPHA Housing Programs & Demographics

- Low-Income Public Housing (+RAD/LIHTC)
- Deeply Affordable Family Housing
- Housing Choice Voucher

2022 Agency Accomplishments

Agency Challenges

- Capital Backlog & Annual Funding Challenges
- Maxing Out Existing Financing Tools

New, Five-Year Strategic Plan

The Goals for the Convening

- People
- Preservation
- Production
- Partnerships

Summary



MPHA Housing Programs

Low-Income Public Housing*

- MPHA owns and operates 42 high-rises across the city, 184 family homes at Glendale in Southeast, 20 additional scattered family homes, and a 16-unit townhome development in its public housing program (Section 9).
- Across these units, the agency serves nearly 7,000 public housing households.
- High-rise units are predominately studio and 1bd.
- These residents are at or below 30% AMI.
- MPHA's waitlist for non-family public housing has been as many as 6,000 households recently.
- Last year, MPHA celebrated the completion of the historic \$27M Elliot Twins renovation, which moved the high-rise from Section 9 to RAD Section 8.

Deeply Affordable Family Housing

- MPHA owns and operates >700 scattered site family homes, serving >3,100 residents.
- These homes account for more than 80% of the MPHA housing for families with children.
- These units were transferred to MPHA wholly controlled non-profit (CHR) in October 2020.
 - Project-based vouchers more than doubled federal subsidy for these units.
- MPHA maintains a waitlist for this type of housing, recently as many as 7,500 households.
- The units remain deeply affordable, and resident's rent portion remained the same.
- MPHA is still the long-term owner and property manager.

Housing Choice Voucher

- Beyond MPHA owned and operated housing, the agency administers the Housing Choice Voucher program (HCV, "Section 8").
- The agency serves ~7,200 voucher-holders, benefitting >18,500 residents across the region.
- There are >1,500 people on the Section 8 waitlist.
 - The HCV waitlist was last opened in 2019.
- Applicants are eligible for Section 8 at 50% AMI or below, but 75% of all participants must be 30% AMI or below.
- Should the agency receive stable, supplementary state funding, the agency could fund additional vouchers.

*LIPH, Glendale, Elliot Twins

MPHA Program Demographics

Low-Income Public Housing*			
Race		Age	
American Indian/Alaska Native	1.3%	0-17	16.2%
Asian	3.7%	18-29	5.5%
Black/African-American	80.4%	30-49	11.7%
White	14.0%	50-61	13.1%
		62+	53.6%
HOH Gender		HH Size	
Male HOH	50.3%	1	63.4%
Female HOH	49.7%	2	12.1%
HH Incomes		3	5.2%
Average	\$14,716	4	5.1%
Median	\$11,304	5	4.1%
w/ Earned Income	18%	6	3.7%
		7+	6.3%
HOH Disabled	59%		

Deeply Affordable Family Housing			
Race		Age	
American Indian/Alaska Native	1.7%	0-17	55.0%
Asian	6.3%	18-29	17.0%
Black/African-American	87.3%	30-49	18.3%
White	4.0%	50-61	6.8%
		62+	2.9%
HOH Gender		HH Size	
Male HOH	14.4%	1	0.3%
Female HOH	85.6%	2	7.0%
HH Incomes		3	11.6%
Average	\$34,225	4	14.5%
Median	\$32,850	5	16.5%
w/ Earned Income	67%	6	14.5%
		7+	35.7%
HOH Disabled	16%		

Housing Choice Voucher			
Race		Age	
American Indian/Alaska Native	2.6%	0-17	49.9%
Asian	0.8%	18-29	12.6%
Black/African-American	85.8%	30-49	21.3%
White	5.8%	50-61	8.6%
		62+	7.6%
HOH Gender		HH Size	
Male HOH	19.9%	1	13.5%
Female HOH	80.1%	2	11.9%
HH Incomes		3	14.5%
Average	\$28,036	4	14.6%
Median	\$20,427	5	14.0%
w/ Earned Income	42%	6	10.7%
		7+	20.7%
HOH Disabled	38%		

*LIPH, Glendale, Elliot Twins

Minneapolis Public Housing Authority

2022 Agency Accomplishments

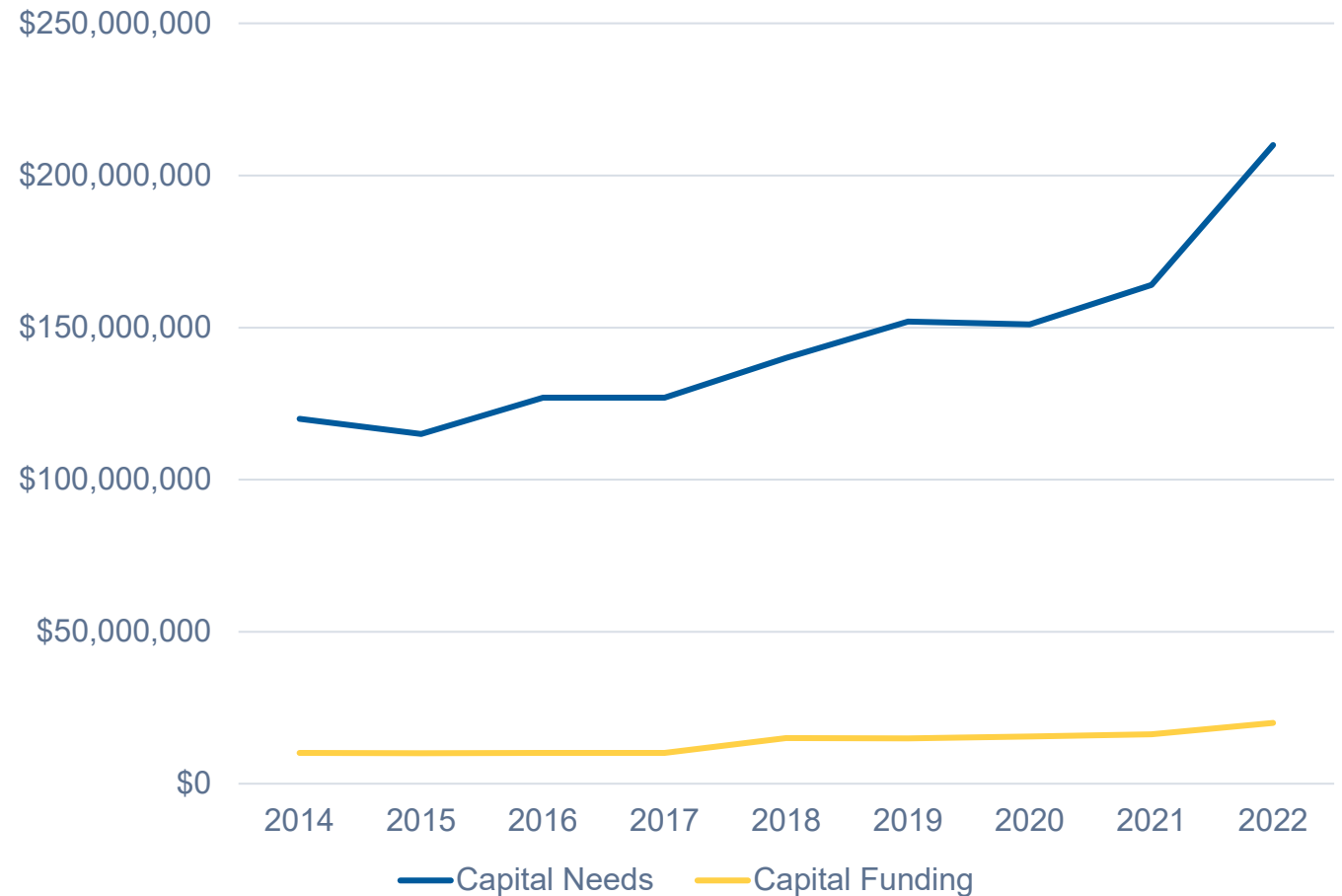
- \$2M in New Federal Funding for Fire Suppression
- \$27M Elliot Twins RAD/LIHTC Renovation
- August Visit from HUD Secretary
 - Secretary Fudge lauded MPHA as a national example of a successful RAD conversion
- Helping nearly 750 MPHA families receive >\$2.5M in rent relief through Rent Help MN
- Closing on 84 New-Unit Deeply Affordable Family Housing Expansion Project (CHR)
 - This project was funded by Minneapolis ARPA funds, the Minneapolis Affordable Housing Trust Fund, Hennepin County Accelerator Fund, Met Council LHIA funds, LIHTC, bonds, and debt.
- Securing Unprecedented \$4.9M in City of Minneapolis 2023 Budget
 - \$3.7M for CHR Repairs & Five Family Home Rehabs
 - \$1.2M as Final Funding for Fire Suppression Work



MPHA Housing Stock & Capital Backlog

- MPHA's housing stock is comprised of nearly 6,000 units located in 42 high-rise buildings, 736 scattered site homes, 184 rowhouse units, and a 16-unit townhome development.
- Forty of the 42 high-rise buildings in MPHA's inventory were built in the 60s and early 70s.
- MPHA's single-family homes range from 10-100+ years old, and our 184-townhouse development (Glendale) is 70 years old.
- MPHA's current capital backlog is ~\$210M. These capital needs simply reflect the cost to maintain the agency's current portfolio.
 - This does not reflect building enhancements, energy upgrades, increased accessibility, new amenities, etc.
 - While MPHA tries to incorporate building and resident enhancements, when possible, it's a secondary priority to addressing critical property needs.
- Historically, HUD has only provided funding for 10% or less of the actual need.

Recent Capital Needs vs Capital Funding



Maximizing Existing Tools

- **Moving to Work Authority**
 - As one of 39 MTW agencies across the country, HUD affords MPHA additional budget and finance flexibilities to address the agency's challenges.
 - Using its MTW authority, MPHA has invested an additional \$3-5M annually in capital improvements.
- **Publicly Owned Housing Program Bonds**
 - The agency has secured over \$7 million in funding from the state's POHP General Obligation (GO) bonds to support capital improvements in agency high-rises.
- **HUD Conversion Tools**
 - In October 2020, the agency used HUD's Section 18 to convert its 700+ unit scattered site portfolio from Public Housing to Section 8 Project Based Vouchers. This more than doubled its annual federal subsidy.
 - The agency's landmark \$27M renovation of the Elliot Twin towers was enabled by HUD's Rental Assistance Demonstration (RAD) program. This allowed MPHA to access debt and Low-Income Housing Tax Credits.
 - A comprehensive rehab using RAD can increase annual voucher subsidy for a project by 10+%. It means more sustainable long-term operations, increased debt capacity, and less reliance on soft sources. This approach requires bonds/LIHTC funding to support rehab costs.
- **Traditional Soft Sources**
 - MPHA has secured millions from the City, County and Met Council to support MPHA's preservation and new-unit production work (ARPA, AHTF, CDBG).
 - City has allocated and supported 4% Bonds/LIHTC to support preservation and new unit production.



MINNEAPOLIS

\$27M upgrade for aging Elliot Twins public housing towers is complete

Housing Authority officials said the redevelopment of the towers will serve as a blueprint for how the agency can preserve and produce more affordable housing amid a crisis.

By **Faiza Mahamud** Star Tribune | JUNE 14, 2022 — 4:22PM

MINNEAPOLIS

Minneapolis public housing officials seek additional funding as repair needs increase

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

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

Listen

Minneapolis Public Housing Authority

New Strategic Plan

- Six Goals

- Provide and preserve deeply affordable, high-quality housing for high-rise residents.
- 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.
- Provide and preserve deeply affordable, high-quality family housing.
- Increase supply of deeply affordable housing by at least 150 units per year.
- Position MPHA as an employer of choice.
- Continuously improve agency performance to retain MTW status and highest HUD performance rating.

- Four Priorities

- People
- Preservation
- Production
- Partnerships



Four Primary Targets

The agency has identified four primary items in which Mayor Frey's *Public Housing Preservation and Expansion Convening* can assist MPHA.

- **People**

- Preservation with enhancements improve resident quality of life; adding units allows MPHA to house more of the City's most vulnerable population.

- **Preservation**

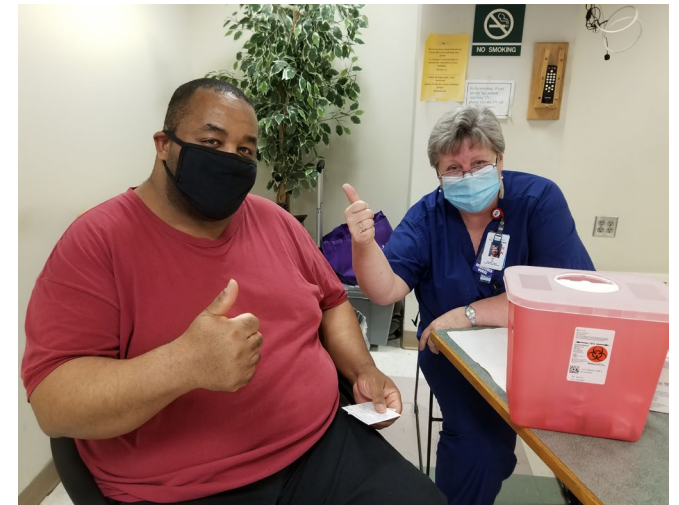
- Help MPHA secure the resources necessary to preserve its CHR portfolio. Continue to work with MPHA to identify resources to address the capital backlog at its 42 high-rises as well as resources to address livability and other enhancements.

- **Production**

- Support the agency's goal of helping deliver at least 150 deeply affordable units in Minneapolis each year.

- **Partnerships**

- Identify reliable, long-term funding streams the agency can use to achieve and further its mission.



People

- MPHA centers its work around its people.
- >26,000 people rely on MPHA to provide safe, stable, affordable housing every day.
- This focus has guided the agency's recent work, including at the Elliot Twins and the Family Housing Expansion Project (FHEP).
 - Elliot Twins resident enhancements included: in-unit AC, 6,000 sq/ft community room, kitchen, exercise room, bike storage, computer room, expanded laundry facilities, resident council offices, increased security features and outdoor gardening/picnic space.
 - FHEP included a new, unique resident design panel that connected residents with architects to provide guidance on everything from layout designs to finishings used on surfaces throughout the new units.
- Accessibility Improvements
 - MPHA has added 27 ADA compliant accessible units across three recent projects.
- Housing Previously Unsheltered Residents
 - MPHA has added 33 units dedicated to previously unsheltered residents through Hennepin County's coordinated entry program across two recent projects.
- Outcomes from *The Convening* should be centered around the people MPHA serves.



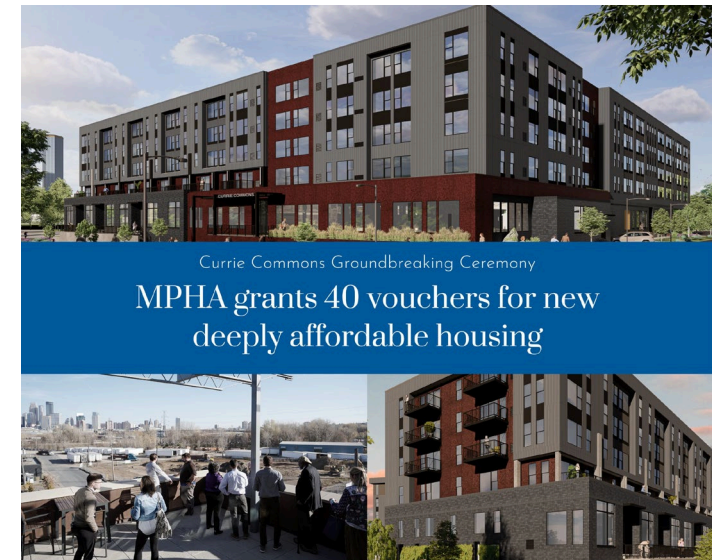
Preservation

- **CHR (Scattered Site Family Homes)**
 - The current CHR capital backlog is ~\$31M, estimated to reach \$85M by 2032 without outside investment.
 - MPHA commits ~\$2M/year towards CHR repairs. This investment is insufficient to address the needs.
 - MPHA needs a large capital infusion to counter the decades of federal disinvestment and to stabilize and preserve this critical portfolio of family homes.
- **High-Rises**
 - The current high-rise capital backlog is ~\$150M.
 - MPHA uses its capital fund, MTW flexibilities, HUD repositioning tools, and other grants, bonds, and appropriations to maintain these 42 buildings.
 - MPHA needs ready access to bonds and tax credits to continue its use of HUD tools to perform comprehensive renovations and enhancements.
- **Glendale**
 - The capital backlog on Glendale's 184 units is ~\$21M.
 - While MPHA prioritizes preservation and improvement of units, there is a major opportunity to add new units in high-opportunity area.
- **Heritage Park**
 - 200 public housing units as a part of a 440-unit mixed income project managed by external firm. Significant resources needed for recapitalization efforts.



Production

- Deploying Project-Based Vouchers
 - A major part of MPHA's annual commitment to help deliver 150+ deeply affordable units/year for the next five years will be through PBVs.
 - In the last five years, MPHA has awarded >700 PBVs, w/ 461 of those units (along with an additional 102 sponsored units) coming online or under construction since 2019.
 - This MPHA voucher subsidy has enabled the construction of the majority of the ~850 units of deeply affordable housing units created in Minneapolis since 2019.
- CHR (Scattered Site Family Homes)
 - FHEP will bring 26 two- and 58 three-bedroom units in modular fourplexes and sixplexes to 16 sites in the city.
 - MPHA has limited opportunities to replicate FHEP within its portfolio. New expansion could come from smaller scale infill and strategic public and/or private land acquisition.
- Glendale
 - Opportunity to add as many as 180 deeply affordable units which will require considerable engagement, planning, and resources. At 12 acres in size, it is the largest publicly held housing asset in a high-opportunity area in the Twin Cities.
- High-Rises
 - Many MPHA high-rise sites have land that could be developed to add new units as well as areas within the building footprint to add units (as was done with Elliot Twins redevelopment).
- Vacant Land Holdings
 - MPHA holds several vacant parcels as well as other sites that could be redeveloped to support new unit production.
 - MPHA could partner with the city, county, state, or other government entities to develop publicly held vacant parcels.



Partnerships

- Relying solely on HUD's capital funding, the agency projects the capital backlog to reach ~\$403M by 2043.
- MPHA is seeking a \$45M one-time grant* from MN legislature, but new sustainable local funding supports are needed.
- MPHA can leverage any new sustained funding with bonds/LIHTC and debt to preserve and produce new units.
- Possible funding streams include, but are not limited to:
 - The City of Minneapolis authorizing MPHA to use its levy authority. A max levy would generate ~\$12M annually, and a long-term commitment would enable MPHA to secure hundreds of millions in leverage.
 - Hennepin County could direct some portion of its HRA levy annually to MPHA.
 - Reforming POHP GO bonds.
 - Minnesota Housing and the state legislature could create ongoing MPHA funding.
 - Regular access to bond/LIHTC funding or set-asides.



**Work ongoing*

Minneapolis Public Housing Authority

Summary

- On any given night, MPHA helps house nearly five percent of the city's population.
- Across its three programs serving more than 26,000 people:
 - **\$18,132** – Median Household Income
 - **83%** – Black/African American
 - **64%** – Female Head of Household
 - **39%** – Children Under Age of 18
 - **38%** – Households of 5+ people
 - **21%** – Elderly (62+)
- MPHA accounts for nearly half of all PHA capital backlog in MN, and it needs state and local funding supports commensurate with the magnitude of the challenge.
- MPHA has pursued an all-of-the-above approach in seeking new funding and partners to help address its capital needs.
- The agency has made progress and secured tens of millions in one-time, project-based, and ongoing funding supports.
- But it's not been enough. MPHA needs additional state and local support.





Questions



Financial Performance

Fiscal Year End 2022 Results

Presentation



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

Presentation - Objectives



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

Sources & Uses of Funds



FOR THE YEAR ENDING DECEMBER 31, 2022 (\$ millions)			
ANNUAL PROGRAMS	SOURCES	USES	NET SOURCES (USES) ¹
PUBLIC HOUSING OPERATIONS	43.5	47.8	(4.3)
CAPITAL FUND PROGRAM	18.8	27.3	(8.5)
MTW HOUSING CHOICE VOUCHERS	62.9	50.6	12.3
MTW LOCAL INITITATIVES	-	0.1	(0.1)
TOTAL MTW PROGRAMS	125.2	125.8	(0.6)
OTHER VOUCHERS	19.5	19.6	(0.1)
CENTRAL OFFICE	11.9	11.1	0.8
OTHER PROGRAM AREAS	31.4	30.7	0.7

¹ Before inter-program transfers

Grants & Set Aside Funds



AS OF YEAR ENDING DECEMBER 31, 2022 (\$ millions)			
SPECIAL FUNDS	BEG. BAL.	NET CHANGES	END. BAL.
SETTLEMENT FUNDS & OTHER NON-FEDERAL	1.9	(0.1)	1.9
PROCEEDS FROM REAL ESTATE SALES	1.8	-	1.8
POHLAD FOUNDATION	0.1	-	0.1
FAMILY HOUSING FUND	0.1	-	0.1
TOTAL SPECIAL PROGRAMS	3.9	(0.1)	3.9

AS OF YEAR ENDING DECEMBER 31, 2022			
INTERNAL SERVICE FUND	BEG. BAL.	NET CHANGES	END. BAL.
GENERAL LIABILITY INSURANCE	4.0	(0.2)	3.8

Housing Choice Vouchers



(\$ millions)	BUDGET		ACTUAL		VARIANCE
REVENUES					
ADMIN FEES	\$	2.8	\$	3.4	\$ 0.6
HAP SUBSIDY	\$	57.3	\$	57.8	\$ 0.5
OTHER INCOME	\$	1.9	\$	1.7	\$ (0.2)
TOTAL REVENUES	\$	62.0	\$	62.9	\$ 0.9
EXPENSES					
PROGRAM ADMINISTRATION	\$	5.2	\$	5.6	\$ (0.4)
HAP EXPENSES	\$	49.9	\$	45.0	\$ 4.9
TOTAL EXPENSES	\$	55.1	\$	50.6	\$ 4.5
NET OPERATING INCOME (LOSS)	\$	6.9	\$	12.3	\$ 5.4
MTW TRANSFERS TO OTHER PROGRAMS	\$	7.2	\$	12.8	\$ (5.6)
TRANSFER IN	\$	0.3	\$	0.3	\$ -
NET INCOME (LOSS)	\$	(0.0)	\$	(0.2)	\$ (0.2)

Revenues 1.4% better than planned- proration and 2021 carry over funds available

Utilization at 93% of plan

Increased the amount of transfers out to cover additional capital spending, Heritage Park needs, and utility costs

Public Housing Operations



(\$ millions)	BUDGET	ACTUAL	VARIANCE
REVENUES			
DWELLING RENT	\$ 17.9	\$ 17.7	\$ (0.2)
SUBSIDY	\$ 22.8	\$ 23.8	\$ 1.0
OTHER	\$ 1.2	\$ 2.0	\$ 0.8
TOTAL REVENUES	\$ 41.9	\$ 43.5	\$ 1.6
EXPENSES			
PROPERTY OPERATIONS & MAINTENANCE	\$ 24.4	\$ 23.0	\$ 1.4
UTILITIES	\$ 7.2	\$ 8.1	\$ (0.9)
TENANT SERVICES	\$ 0.9	\$ 1.1	\$ (0.2)
INSURANCE, DEBT SERVICE & OTHER	\$ 6.0	\$ 7.5	\$ (1.5)
CAPITAL EQUIPMENT & EXTRA. MAINT.	\$ 0.6	\$ 2.5	\$ (1.9)
MANAGEMENT FEES	\$ 5.5	\$ 5.6	\$ (0.1)
TOTAL EXPENSES	\$ 44.6	\$ 47.8	\$ (3.2)
NET OPERATING INCOME (LOSS)	\$ (2.7)	\$ (4.3)	\$ (1.6)
TRANSFERS FROM HCV PROGRAM	\$ 2.6	\$ 4.2	\$ 1.6
OTHER TRANSFERS IN	\$ 0.1	\$ 0.1	\$ -
NET INCOME (LOSS)	\$ 0.0	\$ (0.0)	\$ 0.0

Better federal funding – 105%
Insurance reimbursements from Horn
Towers –water damage

Savings primarily derived from labor
and EE benefits

- Additional spending related to:
- Utility rates (gas/electric)
 - Casualty losses at Horn Towers
 - Additional funding for Heritage Park
 - Additional capital purchases

Needed to cover additional spending

Capital Fund Program



(\$ millions)	BUDGET	ACTUAL	VARIANCE
REVENUES			
CAPITAL FUND GRANT	\$ 29.3	\$ 16.3	\$ (13.0)
MTW TRANSFER FROM HCV	\$ 4.3	\$ 8.5	\$ 4.2
CITY & STATE CONTRIBUTIONS	\$ 4.6	\$ 2.5	\$ (2.1)
SALE PROCEEDS	\$ 1.5	\$ -	\$ (1.5)
TOTAL REVENUES	\$ 39.7	\$ 27.3	\$ (12.4)
EXPENSES			
PROGRAM ADMINISTRATION	\$ 1.6	\$ 1.7	\$ (0.1)
CAPITAL IMPROVEMENT PROJECTS	\$ 38.1	\$ 25.6	\$ 12.5
TOTAL EXPENDITURES	\$ 39.7	\$ 27.3	\$ 12.4
NET INCOME (LOSS)	\$ -	\$ -	\$ -

Required less Grant funds because of less than planned spending

Increased MTW transfers for additional projects and utilizing 2021 HCV carry-over funds held by HUD

Largest annual capital spending

1. 1314 44th - \$9.2M
2. Fire Suppression Installs -\$7M at 1206 2nd, 1717 Washington, 1627 S 6th, 630 Cedar, Horn Towers, 2728 E Franklin, 600 18th, 2121 Minnehaha
3. FHR -\$1.7 M

MTW Transfers



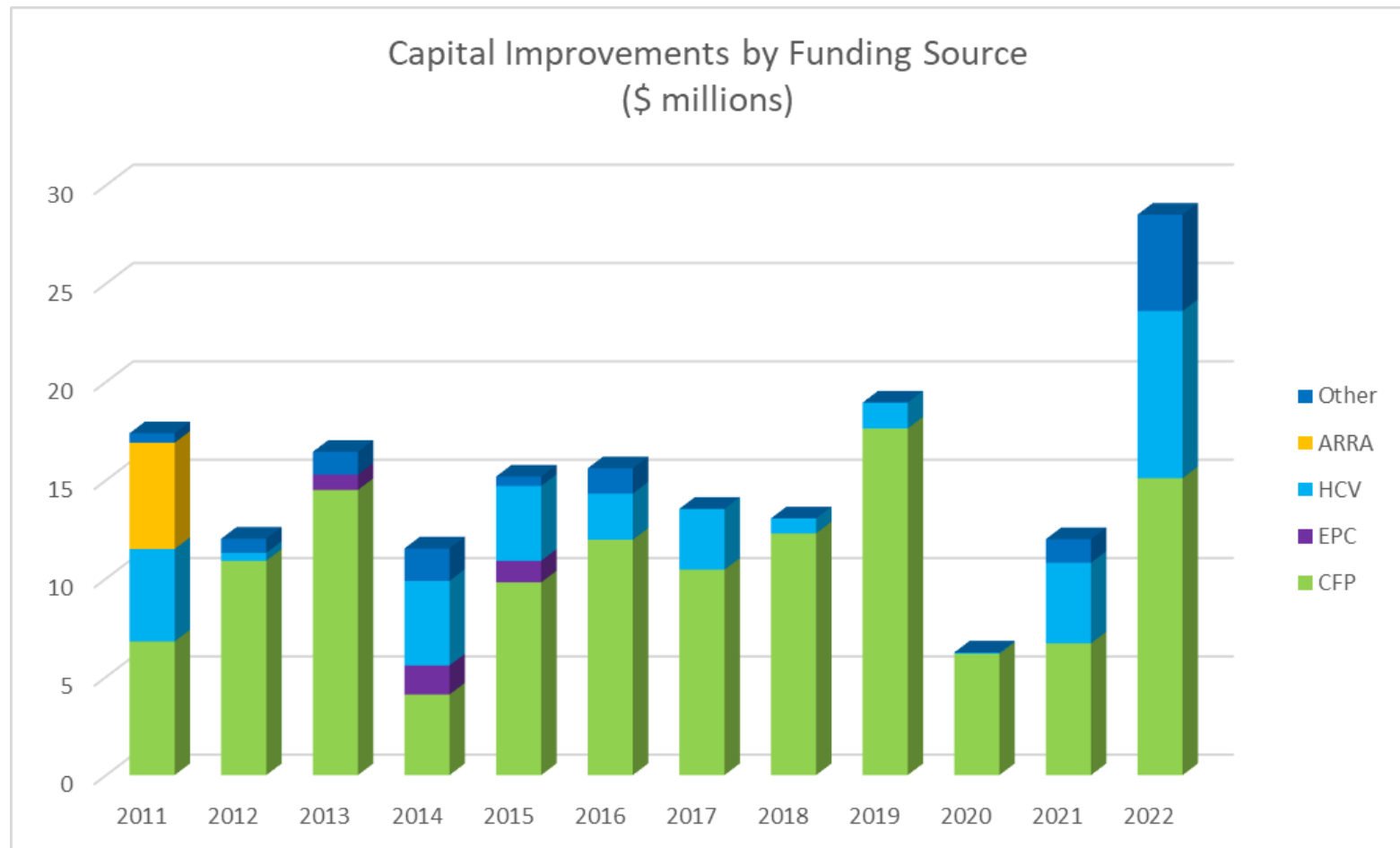
**MTW agreement grants MPHA the authority to move HUD funding appropriated for one program to another in order to meet the housing needs that are most appropriate for the PHA*

(\$ millions)	BUDGET ACTUAL VARIANCE			
MTW TRANSFERS OUT				
HCV TRANSFERS TO OTHER PROGRAMS	\$ 7.2	\$ 12.8	\$ (5.6)	
TOTAL TRANSFERS OUT	\$ 7.2	\$ 12.8	\$ (5.6)	
MTW TRANSFERS IN				
PUBLIC HOUSING OPERATIONS	\$ 2.6	\$ 4.2	\$ 1.6	
PUBLIC HOUSING CAPITAL IMP.	\$ 4.3	\$ 8.5	\$ 4.2	
MTW LOCAL INITIATIVES	\$ 0.3	\$ 0.1	\$ (0.2)	
TOTAL TRANSFERS IN	\$ 7.2	\$ 12.8	\$ 5.6	

Additional 2021 HCV carry-over funds available

Transfer increased amount of funds for public housing operations (utilities/HP) and public housing capital improvements

Capital Improvements by Funding Source



Central Office



(\$ millions)	BUDGET		ACTUAL		VARIANCE
REVENUES					
MGMT & BOOKEEPING FEES	\$	11.0	\$	10.8	\$ (0.2)
OTHER INCOME	\$	0.1	\$	(0.1)	\$ (0.2)
TOTAL REVENUES	\$	11.1	\$	10.7	\$ (0.4)
LOAN FROM AFFILIATES	\$	-	\$	-	\$ -
EXPENSES					
GENERAL ADMINISTRATION	\$	10.7	\$	9.8	\$ 0.9
CAPITAL EQP	\$	0.3	\$	0.1	\$ 0.2
TOTAL EXPENSES	\$	11.0	\$	10.0	\$ 1.0
TRANSFER OUT	\$	0.1	\$	-	\$ 0.1
NET INCOME (LOSS)	\$	0.0	\$	0.8	\$ 0.8

Didn't charge CHR full management fee and Market Value adjustment on investments

Savings in labor and benefits, travel/conferences, legal, and consulting contracts

Central Office

(Development Administration)



(\$ millions)	BUDGET	ACTUAL	VARIANCE
REVENUES			
MGMT & BOOKEEPING FEES	\$ -	\$ -	\$ -
OTHER INCOME	\$ 2.5	\$ 1.2	\$ (1.3)
TOTAL REVENUES	\$ 2.5	\$ 1.2	\$ (1.3)
LOAN FROM AFFILIATES	\$ -	\$ -	\$ -
EXPENSES			
GENERAL ADMINISTRATION	\$ 1.3	\$ 1.2	\$ 0.1
CAPITAL EQP	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 1.3	\$ 1.2	\$ 0.1
REPAY AFFILIATE LOAN	\$ 1.2	\$ -	\$ 1.2
NET INCOME (LOSS)	\$ -	\$ -	\$ -

Left resources in DevCo because they weren't needed

Loan was never made –no repayment needed

Reserves by Program



AS OF YEAR ENDING DECEMBER 31, 2022 (\$ millions)			
UNRESTRICTED RESERVES	BEG. BAL.	NET CHANGES	END. BAL.
MOVING TO WORK	15.6	0.4	16.0 ¹
CENTRAL OFFICE	3.9	0.8	4.7
OTHER	2.6	(0.1)	2.5
TOTAL ANNUAL PROGRAMS	22.1	1.1	23.2

¹Excludes \$3.8 million and \$1.7 million is Note Receivable from Elliots LP and Family Housing Resources LP respectively

Annual Programs have \$0.1 million in Restricted Reserves

AS OF YEAR ENDING DECEMBER 31, 2022 (\$ millions)			
SPECIAL FUNDS	BEG. BAL.	NET CHANGES	END. BAL.
MANAGED SERVICES DIVISION	-	0.3	0.3
SETTLEMENT FUNDS	1.5	-	1.5
PROCEEDS FROM REAL ESTATE SALES (MTW)	1.8	-	1.8
POHLAD FOUNDATION	0.1	-	0.1
FAMILY HOUSING FUND	0.2	(0.1)	0.1
TOTAL SPECIAL PROGRAMS	3.6	0.2	3.8

AS OF YEAR ENDING DECEMBER 31, 2022			
INTERNAL SERVICE FUND	BEG. BAL.	NET CHANGES	END. BAL.
GENERAL LIABILITY INSURANCE	4.0	(0.2)	3.8

When it comes to reserve balances an increasing or stable trend tends to indicate stronger financial performance and appropriate budgeting practices, while a decreasing or erratic trend may indicate the opposite.

Reserves by Program



AS OF YEAR ENDING DECEMBER 31, 2022 (\$ millions)		
RESERVE DESIGNATIONS		BALANCE
FEDERALIZED		20.0
GRANT RESTRICTED		0.2
INSURANCE FUND		3.8
DE-FEDERALIZED		6.8
TOTAL ALL MPHA PROGRAMS		30.8

From Ehlers, Public Finance Advisors – March 2023 Quarterly Newsletter

Fund	Description	Requirement	Measurement	Basis
General	Small Local Governments	> \$500,000	Specific Amount	Fund Balance
	All Others	42%–50%	Subsequent Year Expenditures	
Special	Property Tax Supported	25%–50%	Subsequent Year Expenditures	
	Other Revenues	0%–50%		
Capital	Equipment & Improvements	25%–35%	Five-Year Rolling Average	
Enterprise	Public Utility	Varies	Six-Months Operating + Debt Service + Capital Outlay + Any Payment In Lieu of Taxes	Cash Balance
	Other			

Community Housing Resources

(\$ millions)	ACTUAL
REVENUES	
DWELLING RENT	\$ 4.6
HAP	\$ 9.2
FUNDS FROM MPHA	\$ (0.1)
OTHER	\$ 0.2
TOTAL REVENUES	\$ 14.0
EXPENSES	
PROPERTY OPERATIONS & MAINTENANCE	\$ 6.9
UTILITIES	\$ 3.0
INSURANCE, DEBT SERVICE & OTHER	\$ 0.5
MANAGEMENT FEES	\$ 1.6
TOTAL EXPENSES	\$ 12.0
NET OPERATING INCOME (LOSS)	\$ 2.0
CAPITAL IMPROVEMENTS & PRE-DEVELOPMENT	\$ 3.4
NET INCOME (LOSS)	\$ (1.4)
UNRESTRICTED NET ASSETS	\$ 1.7

Elliot's LP

(\$ millions)	ACTUAL	
REVENUES		
DWELLING RENT	\$	0.6
HAP	\$	1.4
FUNDS FROM MPHA	\$	-
OTHER	\$	-
TOTAL REVENUES	\$	2.0
EXPENSES		
PROPERTY OPERATIONS & MAINTENANCE	\$	0.7
UTILITIES	\$	0.3
INSURANCE & OTHER	\$	0.1
MANAGEMENT FEES	\$	0.1
TOTAL EXPENSES	\$	1.2
NET OPERATING INCOME (LOSS)	\$	0.8
DEBT SERV, RR DEPOSITS, DEV USES	\$	0.5
NET CASH FLOW	\$	0.3
PARTNERS' CAPITAL	\$	11.6

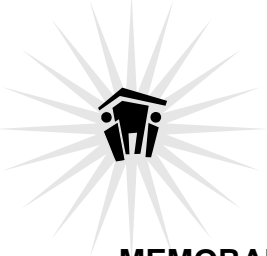
Dev Co.

(\$ millions)	ACTUAL
REVENUES	
DEVELOPER FEES	\$ 0.2
OTHER	\$ -
TOTAL REVENUES	\$ 0.2
EXPENSES	
PAYMENT TO MPHA FOR SERVICES	\$ 1.2
TOTAL EXPENSES	\$ 1.2
NET OPERATING INCOME (LOSS)	\$ (1.0)
UNRESTRICTED NET ASSETS	\$ 3.0

Presentation - Objectives



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



MEMORANDUM TO: MPHA Board of Commissioners

FROM: Abdi Warsame, Executive Director/CEO

SUBJECT: Q1 2023 Strategic Plan Quarterly Update

As MPHA embarks on the first year of its new five-year strategic plan, the agency is building the requisite systems to ensure it can deliver on the ambitions set forth. This process included having department leaders develop team-specific goals that aligned with the goals, strategies, and actions laid out in the plan. Each department then reviewed these goals with me and their full department staff to engage in dialogue on how their work will help MPHA achieve its targets.

In the first quarter of 2023, the agency has accomplished a significant amount of work to advance its six goals. This speaks to the dedication of MPHA's team to continuously improve processes to deliver work that assures residents and participants have access to quality, well-managed homes. The list below details some of the unique agency accomplishments made in the first quarter of 2023.

1. Preserve and provide deeply affordable, high-quality housing for Highrise residents.

- Completed a \$10M renovation at 1314 44th in March. Work included plumbing, fire suppression installation, as well as unit kitchen and bath renovations.
- The agency secured and celebrated the final \$1.2 million needed to install fire suppression systems in all 42 high-rises. The final funding came from the City of Minneapolis, led by Councilmember Robin Wonsley.
 - Six high-rise fire suppression system installations were finished, nine are under construction, and nine are in the planning stage.
- Staff continued to focus on reducing unit turnover time, reducing the average to 48 days, down from a high point of 83 days in mid-2022.
- MPHA continues to collaborate with the MHRC through various committees, including the Security Advisory Committee, which is involved in the Security Audit being conducted by an outside contractor.
- Highrise Health Alliance (HHA) developed an outreach strategy to communicate the end of the state of emergency, and its impacts on medical enrollment.

2. 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.

- The agency secured an additional \$300,000 from the Pohlad Foundation in support of a Stable Homes Stable Schools expansion to serve additional families.
- Agency leaders participated in the announcement of Minneapolis Mayor Jacob Frey's *Public Housing Preservation and Expansion Convening*, bringing together multijurisdictional partners to focus on MPHA's challenges and opportunities.
- The agency built and executed an advocacy plan to secure a one-time \$45M cash grant

MINNEAPOLIS PUBLIC HOUSING AUTHORITY

EQUAL HOUSING OPPORTUNITY – EQUAL EMPLOYMENT OPPORTUNITY



from the state's historic \$17.6B surplus to rehabilitate the agency's CHR portfolio.

- Bill was introduced in House and Senate (HF 2477/SF 1899), and hearings were held in March. Request to be negotiated in housing conference committee.
- Work on the plan is ongoing, with a legislative deadline of May 22.
- Support given to the Health Department to submit application for REACH grant, that would reduce the racial and ethnic health disparities experienced by MPHA residents.

3. Provide and preserve deeply affordable, high-quality family housing.

- Readied capital deployment plan for \$3.7M allocation from the City of Minneapolis to rehabilitate the CHR portfolio, including rehabbing five offline large family homes.
- MPHA continues to work with HUD and McCormack Baron Salazar (MBS) to prepare units for occupancy at Heritage Park.
 - Identifying a pathway to recapitalization remains a priority.

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

- The Project Based Voucher (PBV) Program saw three new sites lease-up a total of 94 units, of these, 26 units are Veterans Affairs Supportive Housing (VASH) vouchers.
- An application for a project proposed by the Native American Community Clinic was awarded 16 PBVs.
- Construction of the Family Expansion Project remains on schedule. Demolition and foundation work is complete at nearly all sites. Modular construction has commenced at our partner's factory with a target to set our first mods in mid-May.
- Staff co-presented with HUD at MTW Collaborative Conference on Faircloth to RAD.

5. Position MPHA as an employer of choice.

- DEI Committee re-established using a train the trainer model.
- MPHA received three responses to our Request for Proposals (RFP) for a new Human Resources Information System (HRIS). First round evaluations are in progress, which includes live demos to identify the best and final option.
- HR has conducted and is reviewing a first-round labor market compensation study. HR will conduct a second round of data collection in Q2. This data will help inform upcoming and annual compensation decisions.

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

- Executed contract with a new auditor following decision by state auditor's office to shift priorities and resources in clients.
 - Berman Hopkins CPA's audit of 2022 is underway and is expected to be complete by June.
- MPHA achieved its highest Public Housing Assessment System (PHAS) physical inspection scores in agency history. This builds on the agency's record of achieving "high performer" status with HUD, dating back to the late 1990s.
 - This designation earns the agency additional capital funding and priority status for a variety of application-based federal supports. In 2023, MPHA was awarded an additional \$955,000 in capital funding for its "high performer" status.
- Submitted year-end financial compliance records to HUD in advance of the deadline.
- Continued integrating Yardi functions to reduce processing time and paper files.
- MTW FY 2023 Plan approved by HUD; MTW FY 2022 Report submitted on time.