



# **NOTICE AND AGENDA**

**November 15, 2023**

**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**  
                                 **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 October 25, 2023

## **CHAIR'S UPDATE**

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

## **CONSENT:**

1. Highrise Elevator Maintenance Services (Jake Gateman, Director of Procurement)
2. Mechanical Engineering Contract (Laura Dykema, Director of Planning & Development)

## **PRESENTATION / DISCUSSION / PROPOSED RESOLUTION:**

3. Discussion: 2024 Proposed Payment Standards (Brandon Crow, Director of HCV)



4. Proposed Resolution: Disposition of Excess Land Adjacent to 2728 East Franklin Avenue  
(Laura Dykema, Director of Planning & Development)

**RECEIVE AND FILE:**

- Executive Director's Update
- HUD Disposition Approval
- Monthly Performance Report for October 2023
- Community Updates and News Clippings

**CLOSED SESSION:**

- Discussion: Executive Director's Annual Performance Review 2023

**OPEN SESSION:**

- Executive Director/CEO Annual Performance Appraisal

**Next Regular Meeting:**

**Wednesday, December 20, 2023 - 1:30p.m.  
1001 Washington Avenue North  
Minneapolis, MN 55401**

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



**MINUTES OF A REGULAR MEETING OF THE  
MINNEAPOLIS PUBLIC HOUSING AUTHORITY  
IN AND FOR THE CITY OF MINNEAPOLIS  
October 25, 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 October 25, 2023, 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
Alyssa Erickson	Secretary
Medaria Arradondo	Commissioner
Mikkel Beckmen	Commissioner
Abdullahi Isse	Commissioner
Cara Letofsky	Commissioner
Tamir Mohamud	Commissioner
Hon. James Rosenbaum	Commissioner

The following members of the Board were absent:

Elfric Porte	Vice Chair
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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 Erickson. Upon a voice vote, the Chair declared the motion carried.

**Approval of Minutes:**

The Minutes of the Regular Meeting of September 27, 2023, were presented for approval. Commissioner Mohamud moved the minutes be accepted as presented. The motion was seconded by Commissioner Beckmen. Upon a voice vote, the Chair declared the motion carried.



#### **Chair's Update:**

The chair recognized all of MPHA staff's accomplishments and continued efforts towards the modular units project.

#### **Resident Advisory Board (RAB) Update:**

The Resident Advisory Board met prior to this meeting and the chair indicated that there was a quorum. During this meeting, the RAB reviewed the consent item, Electrical Systems Replacement at Two Sites; the item passed.

The RAB chair also brought to the attention of the board some lighting concerns and that for safety reasons more lighting fixtures in the future would be beneficial to the residents.

#### **Item No. 1: Consent Item: Electrical Systems Replacement at Two Sites**

After a brief presentation by staff and discussion, Commissioner Letofsky moved approval of the recommendation set forth in the Report. Commissioner Arradondo seconded the motion. Upon a voice vote, the Chair declared the motion carried. [See Document No. 2023 - 60]

#### **Item No. 2: Presentation: MPHA 2023 Security Update/Presentation**

A presentation by Heidi Buegler, Security Manager, outlining the successes, problems faced, statistics, incidences for 2023, and budget for 2024. [See Document No. 2023- 61]

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

The following items were received and filed by the Board:

- Executive Director's Update [See Document No. 2023 - 62]
- The Monthly Performance Report for September 2023. [See Document No. 2023 - 63]
- Q3 2023 Strategic Plan Quarterly Update [See Document No. 2023 - 64]
- Community Updates and News Clippings [See Document No. 2023- 65 ]

#### **Adjournment:**

There being no further business to come before the meeting, and upon a motion duly made and seconded, the meeting was adjourned at 2:30 p.m.

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Secretary of the Board of Commissioners

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Date These Minutes Approved

November 15, 2023

## REPORT TO THE COMMISSIONERS

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

**SUBJECT:** Highrise Elevator Maintenance Services

**Previous Directives:** The Board previously approved MPHA's 2024 Moving to Work (MTW) Plan which included Elevator Maintenance Services.

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

**Budget Impact:** These expenditures will be charged to high-rise maintenance contracts.

**Affirmative Action Compliance:** The contractor has provided MPHA with its Equal Employment Opportunity / Affirmative Action Policy statement. While All City Elevator does not currently anticipate hiring any new employees or subcontracting work as a result of this contract, if the need arises, All City Elevator will seek W/MBE subcontractors and Section 3 employees. All City Elevator intends to contract with a WBE businesses for electrical supplies.

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

**RECOMMENDATION:** It is recommended that the Board of Commissioners authorize the Executive Director or his designee to execute a contract with a not-to-exceed amount of \$4,500,000 for up to five years with All City Elevator, Inc, of which approximately \$2,100,000 is for preventative maintenance and call back services, and \$2,400,000 is set aside for repairs caused by vandalism, water damage or other damages beyond normal wear and tear.

Elevator preventative maintenance and routine repairs are critical components of MPHA's overall mission of providing high quality and safe housing for residents. Elevators require regular upkeep of essential components such as traction machines, hydraulic units, cables, door operator and controllers. Regular preventative maintenance and upgrades when required are necessary to keep all elevators (23 hydraulic, 56 traction, and 3 platform lifts) in good running condition, in compliance with City Codes and Ordinances, State and Federal laws, and to provide residents safe and reliable vertical transportation.

On September 29, 2023, a Request for Proposals for Elevator Maintenance Services was publicly advertised with a proposal due date of October 26, 2023. MPHA received three proposals, of which two were responsive:

All City Elevator, Inc  
Urban Elevator Services, MN  
\*Platinum Standard Elevator

\*Was deemed non-responsive for failing to properly complete the pricing schedule in their proposal

Each proposal was evaluated based on the selection criteria outlined in the RFP, which included proposed fees (both hourly rates and fixed monthly maintenance fees); experience and qualifications; staffing; references; and Section 3 preference. The agency selection committee, along with MPHA's contracted elevator consultant reviewed and scored the submittals and checked references.

All City Elevator, Inc. was not only the lowest overall cost but was also awarded the highest point value by the selection committee with an overall score of 99.3. All City Elevator has completed a number of modernization projects and has provided similar maintenance services in the past to MPHA. MPHA staff are confident they will perform well on this project and recommend approval.

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

November 15, 2023

## REPORT TO THE COMMISSIONERS

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

**SUBJECT:** Professional Mechanical Engineering Services Contracts

**Previous Directives:** In December 2022, the Board approved the agency's use of Indefinite Quantity Contracts (IQCs) for a pool of architectural 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 November 15, 2023 meeting.

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

**Affirmative Action Compliance:** The firms have signed an Equal Employment Opportunity/Affirmative Action Policy statement. Two of the three firms have previously subcontracted with woman-owned firms.

**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 ISG, Emanuelson-Podas, and Michaud Cooley Erickson for professional mechanical engineering services.

MPHA has the need for professional mechanical engineering design services for numerous capital improvement and development projects in accordance with its previously adopted annual Moving To Work (MTW) plans and 2023-27 Strategic Plan. Staff determined that the most appropriate vehicle for these services is the establishment of Indefinite Quantity Contracts (IQCs) with three firms that have a wide variety of capacity and expertise. This approach reduces the administrative burden of multiple procurements and allows projects and funds to be deployed more quickly. These will be five-year maximum contracts with an initial two-year term. 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 \$2,000,000.

On October 3, 2023, a Request For Proposals (RFP) was publicly advertised with a proposal submission deadline of October 26, 2023. MPHA received proposals from the following firms:

ISG  
Emanuelson-Podas  
Michaud Cooley Erickson  
Steen Engineering, Inc.

The four 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 as follows:

ISG  
Emanuelson-Podas  
Michaud Cooley Erickson

Staff believes these firms 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](mailto:ldykema@mplspha.org).



## 2024 Payment Standard Board Report

Staff requests Board approval to increase the payment standards for the Housing Choice Voucher (HCV/Section 8) Program. The recommended payment standard increases are based on higher Fair Market Rents (FMR) announced recently by HUD, with adjustments based on local market conditions and with consideration of MPHA's MTW Rent Reform policies. If approved, the higher payment standards and current utility allowances would take effect on January 1, 2024 for all HCV participants and applicants. The Board last approved increasing the payment standards on September 28, 2022. The last adjustment to utility allowances was approved by the Board on that same date, and as detailed below staff are not recommending increases in utility allowances this year.

The PHA's current and proposed payment standards are as follows:

Description	Studio	1BR	2BR	3BR	4BR	5BR	6BR
2023 MPHA Payment Standards	\$910	\$1,105	\$1,375	\$1,835	\$2,150	\$2,450	\$2,815
2024 HUD FMR	\$1,174	\$1,327	\$1,622	\$2,188	\$2,478	\$2,849	\$3,222
Proposed 2024 Payment Standards	\$1,060	\$1,195	\$1,475	\$2,015	\$2,360	\$2,720	\$3,135
% increase from 2023 Payment Standards	16.5%	8.1%	7.2%	9.8%	9.8%	11%	11.4%
Proposed % of HUD FMR	90%	90%	91%	92%	95%	95%	97%

### **Explanation of FMRs**

HUD enacted historic fair market increases this year, which drove most of this request. A Fair Market Rent (FMR) is generally calculated as the 40th percentile of gross rents for regular, standard-quality units in a local housing market. This excludes low-quality units, already-subsidized units, and units that have been built in the last two years. FMR includes core utilities, like water and power, but doesn't include internet and other optional services.

In order to calculate Fair Market Rents, HUD utilizes several different sets of data, including gross rents data from the U.S. Census Bureau, gross rent information from HUD's American Housing Survey, as well as additional rental rate data gleaned from yearly telephone surveys. After combing through this data, HUD will issue annual FMRs for approximately 2,500 different areas in the United States.

Averaging across all bedroom sizes, HUD increased the FMRs for the metropolitan area by almost 10% more than last year, as shown below:

<b>Federal Fiscal Year (FFY)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>FMR Increase (%)</b>	0.7%	6.1%	5.8%	7.4%	0.9%	4.8%	14%

The actual difference between FMRs by bedroom size between 2023 FMRs and 2024 FMRs are as follows:

	<b>Studio</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>	<b>4BR</b>	<b>5BR</b>	<b>6BR</b>
<b>2023 HUD FMR</b>	\$1,007	\$1,149	\$1,410	\$1,916	\$2,209	\$2,540	\$2,921

2024 HUD FMR	\$1,174	\$1,327	\$1,622	\$2,188	\$2,478	\$2,849	\$3,222
% Increase	17%	15%	15%	14%	12%	12%	10%

### **Explanation of Payment Standards**

All PHAs are required to set a payment standard that is between 90 percent and 110 percent of that region's Fair Market Rents (FMRs), while meeting the particular local jurisdiction's market needs and demands. Section 8 payment standards do not independently represent a reasonable rent; rather they establish the maximum subsidy amount that the PHA can pay for each rental unit based on the number of bedrooms.

As the Board is aware, MPHA utilizes rent reform that is authorized through its MTW Program for the majority of its participant households. In these cases, MPHA will determine tenant rent for households by using a flat subsidy approach. The payment standard approved by the Board is used to calculate this flat subsidy in the form of a table. MPHA will then provide this flat subsidy for all households based upon the household's verified and calculated income. The household will be responsible for all remaining rent and all tenant-paid utility costs. If the contract rent is less than the flat subsidy, the MPHA-provided subsidy will be equal to the contract rent minus the minimum rent of \$75. The rent for the identified unit must meet rent reasonableness standards and the maximum portion a family can pay under Rent Reform is 50% of their adjusted gross monthly income. Under the flat subsidy approach, utility allowance payments are eliminated. Payment standards are used to establish the flat subsidy tables.

For Non-Rent Reform households (i.e., Special Purpose Vouchers such as FUP and VASH), the participant pays 30% of monthly adjusted income (minus utility allowances for tenant-paid utilities) towards their rent and the PHA pays the difference up to the "contract rent" (the rent amount stated in the lease) or the payment standard, whichever is lower. If the contract rent plus the utility allowance exceeds the payment standard, the tenant pays any additional costs over the payment standard. This is subject to the PHA's determination that the rent is

reasonable for the unit and the amount the tenant pays meets the initial "40% affordability limit". When a voucher participant first moves into a rental unit, the family's total payment cannot exceed 40% of their monthly adjusted income, but there is no such restriction thereafter.

The increases in FMRs for 2024 are quite substantial and have largely dictated where staff have set this payment standard recommendation. In addition to considering the FMRs as required by HUD, staff considered several other factors, including participant housing cost burden, current mean contract rents, the local rental market, program utilization, participant shopping success, and HAP funding.

### **Participant Housing Cost Burden**

Part of the evaluation MPHA has determined that it will use when assessing changes to payment standards is to examine the number and percentage of households being served who are highly cost burdened, meaning that they are paying a high share of income toward their share of housing costs.

When staff analyzed the rent burdens of current voucher participants through YTD through September 2023, more than 50% of households were paying greater than 40% of their adjusted monthly income towards rent. This does reflect households at any point in a rental period. Though non-Rent Reform households cannot pay more than 40% of adjusted gross income at move-in and Rent Reform households 50%, our goal with this recommendation is to maximize the number of families we assist in maintaining housing costs at or below 40% of their adjusted gross monthly income each year thereafter.

<b>Bedrooms</b>	<b>Current Burden</b>	<b>Proposed 2024 PS</b>
<b>0</b>	45%	23%
<b>1</b>	46%	36%
<b>2</b>	47%	39%

<b>3</b>	49%	37%
<b>4</b>	52%	40%
<b>5</b>	57%	40%
<b>6</b>	54%	40%

This recommendation brings down the housing burden felt by housing participants, and works toward equity among the different unit sizes. Staff will be continuing to review ways to decrease rent burden and maximize choice in future recommendations.

### **Mean Contract Rents (HCV Participants)**

Mean contract rents for units currently under lease with an MPHA HCV Tenant-Based voucher provide us with a snapshot of where rental costs are for MPHA participants relative to the published FMRs. Mean contract rents for voucher units, as noted in the table below, are on average 9% lower than our current payment standards. However, the mean contract rent does not include utility costs, as those are not tracked for most MPHA HCV participants. At the same time, 33% of households the agency serves are paying contract rents at or above the current payment standard. For these households, a contract rent increase (without a concurrent payment standard increase) typically means that their total tenant portion will rise to cover that increase.

Description	Studio	1BR	2BR	3BR	4BR	5BR	6BR
Current mean contract rent	\$860	\$1,039	\$1,283	\$1,589	\$1,912	\$2,186	\$2,540

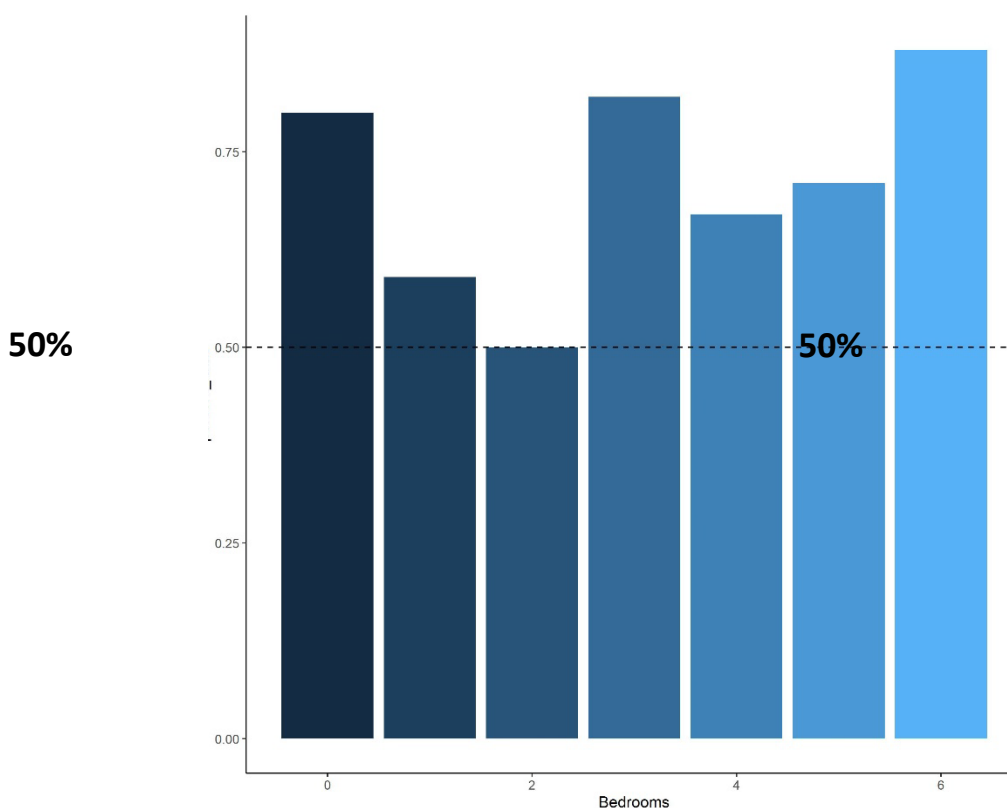
Increasing the payment standards as recommended will ensure housing burdens don't rise as contract rent increases are implemented by participating property owners.

### **Local Rental Market and Program Utilization**

The Minneapolis rental market has shown stability in rental pricing over the last year and the aggregated vacancy rate is at 5% across all rental housing types. This is in comparison to

vacancy rates sitting at below 2% pre-COVID and just 3% at the same time a year ago. Metro area PHAs are also seeing an uptick in rent concessions being offered to attract renters. That said, MPHA participants tend to have more barriers to securing a unit: poor rental histories, limited income, lower than average credit scores, and resistance from owners to accept vouchers, especially in low poverty neighborhoods. With a 95% overall Tenant-Based voucher utilization rate at the end of September, and considering special purpose voucher holders (i.e. FUP, VASH, Mainstream) most often have the highest number of barriers, higher payment standards as recommended would increase access to units available across the city.

In comparing the proposed payment standards to all rental unit data for 2023, the posted rents for at least 50% of all marketed units would fall under them, with 75% or greater falling under them for some units based upon bedroom size.



Increasing the payment standards as recommended will increase the number of units accessible to our shopping voucher participants.

### **Participant Shopping Success**

Another test of the adequacy of payment standards is the "shopping success rate" of voucher holders who are shopping for a unit to rent. The shopping success rate of both new participant families and households moving between units ("movers") from October 2022 thru September 2023 was 93%, based on 471 vouchers that were successfully leased up and 37 vouchers that expired. This is a healthy success rate, and demonstrates that our payment standards are sufficient to allow participants to utilize their vouchers. Increasing the payment standards as recommended would only increase the shopping success rate, as it would make more units affordable for voucher holders.

### **HAP Funding**

Our MTW Authority grants MPHA fungibility with most of our funds to efficiently and effectively manage our agency and to find the appropriate balance in maintaining the mechanisms that allow of to support those most in need while maximizing the total number of those individuals we can serve at any given time. This includes operational costs to support services and general maintenance at our public housing properties, capital costs for the overall upkeep and refurbishment of our public and affordable properties, funding for our myriad of special programs to serve community needs, and administrative expenses to operate our programs.

The increase proposed could have a financial impact of \$5 to \$7 million dollars in additional HAP expenses in 2024. There are many variables that can affect the final total dispersed, most of which MPHA cannot control (i.e., household incomes, household compositions, unit availability, unit rents, participant decisions to port-out of our jurisdiction, etc.) and others that it can (i.e., number of vouchers issued to individuals, number of Project-Based Vouchers awarded, policies on income reporting, inclusion or exclusion of asset income, etc.). Our goal is to maintain voucher utilization at 'substantially the same' levels as dictated by HUD in our MTW agreement, and then balance that with supporting the expansion of affordable units in the community through continuing to award project-based vouchers.

It is worth emphasizing that higher payment standards do not automatically trigger higher subsidy payments to participating property owners (landlords). Each participating owner is

permitted to ask for a rent increase for a specific property or properties. HUD regulations require the PHA to approve reasonable rent increases when requested by owners. Staff responsibly manages these transactions, using nationally recognized rental unit software to identify unassisted comparables in the same building or within a 2-mile radius, and will grant increases if the requested rent is reasonable considering the rental unit's location, size, age, condition, amenities, and similar factors.

### **Utility Allowances**

For non-Rent Reform voucher participants who pay some or all of their own utility costs, the utility allowance reduces the amount of rent the household must pay to the property owner. The rent plus the utility allowance equals 30% of the household's adjusted income.

For Rent Reform voucher participants, MPHA replaced the standard rent calculation method with a simplified, flat subsidy model that incorporates consideration for tenant-paid utilities. There are two rent tables for Rent Reform. One table for when the tenant pays for the heat and one table for when the owner pays for the heat. The subsidy adjustment for participants paying for the heat is derived from derived from the same utility data used in MPHA standard tables but adjusted annually by the change to the consumer price index.

HUD regulations require PHAs to review utility allowances for non-Rent Reform Housing Choice Vouchers at least annually, and to adjust the utility allowances if rates have changed by 10% or more since the previous adjustment. MPHA uses the annual utility analysis conducted by the Metropolitan Council. With the exception of water/sewer and trash, utility costs are the same for the metropolitan area. For water/sewer and trash, MPHA staff review the locally set rates to determine if changes are needed. The last adjustment to utility allowances was approved by the Board in October 2022, when staff recommended increasing them because of inflationary pressures that saw them exceed the 10% mark for the first time in several years. However, the only utility that would see an increase this year is heating oil, and there are no properties in our system with that as a utility. As such, there are no recommended increases for 2024.



Staff have researched the neighboring jurisdictions and determined that our payment standards are in alignment considering our MTW Authority and unique rental market.

November 15, 2023

## REPORT TO THE COMMISSIONERS

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

**SUBJECT:** Disposition of Excess Land Adjacent to 2728 East Franklin Avenue

**Previous Directives:** On March 24, 2023, the MPHA Board of Commissioners approved a resolution authorizing the disposition application for excess land located at 2728 East Franklin Avenue. On November 16, 2022 The Board adopted MPHA's MTW Annual Plan for 2023 that outlined the proposed Section 18 disposition of this excess land. The Board previously approved the *Strategic Plan 2023-2027* in December 2022 that outlined goals and implementation steps to provide and preserve deeply affordable housing for high-rise residents and increase the supply of deeply affordable housing by at least 150 units per year.

**Resident Council Review/Recommendation:** MPHA staff hosted a resident meeting at the building on September 30, 2022 and also met with the building's Resident Council on March 7, 2023. This report will be discussed with the Resident Advisory Board (RAB) immediately prior to the Board's November 15, 2023 meeting.

**Budget Impact:** None

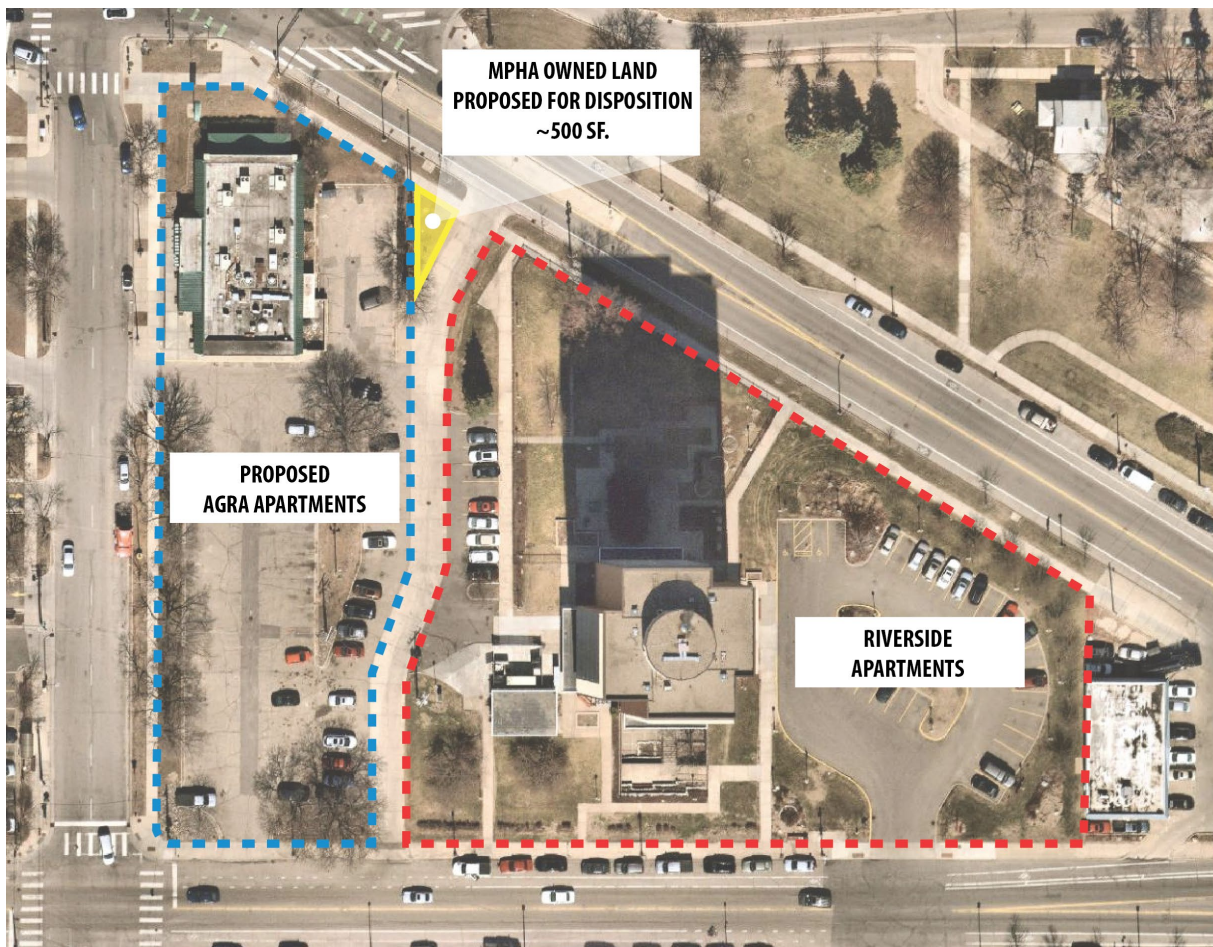
**Affirmative Action Compliance:** Not Applicable

**RECOMMENDATION:** It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Executive Director/CEO or his designee to execute and submit all required documents necessary to effectuate the completion of the Section 18 conversion and sale of the excess land approved by DDA0012475 to Franklin Riverside LLC.

The Minneapolis Public Housing Authority owns an approximately 500 square foot sliver of excess land located across the alley from The Riverside at 2728 East Franklin Avenue. This sliver of land is adjacent to a former Perkins restaurant that is now being redeveloped into a 155-unit affordable apartment project by Wellington Management- a project known as AGRA.

Through its Project-Based Voucher (PBV) Request For Proposals (RFP), MPHA has committed 38 PBVs to the AGRA project.

Historically, this land has not been maintained by MPHA as it was assumed to be part of the adjacent Perkins property and was maintained as such by the previous owner. The location and shape of the land does not present itself as being able to serve MPHA or its residents in any useful manner. Franklin Riverside LLC, an affiliate of Wellington Management, has offered to acquire the land to aid in their development and maintenance of the AGRA project. Franklin Riverside LLC has offered to pay fair market value for this land, which is \$18,000. MPHA will use the proceeds from the sale to either fund the operations of existing public housing units in its portfolio or to modernize them, consistent with Section 8(C) ("Operation of Public Housing") and Section 8(A) ("Modernization and Development of Public Housing") of PIH Notice 2020-23.



The disposition will only remove the sliver of land identified on the above map from public housing; the remainder of The Riverside will remain public housing. This disposition will not negatively impact MPHA's ability to continue to operate The Riverside as low-income public housing. Residents will not see any change in management or operations of the building, their housing benefits will not change, and they will not be displaced.

**HUD Approval of the Disposition Application**

On September 22, 2023, the U.S. Department of Housing and Urban Development's Special Application Center (SAC) approved application DDA0012475 for the disposition of the excess land.

**Next Steps**

MPHA plans to effectuate the completion of the Section 18 disposition and the sale of the excess land by the end of 2023.

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

**Attachments**

1. MPHA Board of Commissioners Resolution No. 23-XXX
2. HUD Disposition Approval Letter DDA0012475 dated September 22, 2023

## **RESOLUTION NO. 23-XXX**

**WHEREAS**, the Minneapolis Public Housing Authority (“MPHA”) owns and operates The Riverside, a 151-unit public housing high-rise located at 2728 East Franklin Avenue;

**WHEREAS**, MPHA also owns an approximately 500 square foot sliver of excess land across a public alley from The Riverside (“Excess Land”), and is legally described as that part of Lot 6 in Block 38, Whitcomb's Subdivision in Blocks 18, 19, 38 and 39 of Murphy's Addition to Minneapolis, lying westerly of the following described line: Beginning at a point in the north line of said Lot 6, distant 24.00 feet southeasterly of the northwest corner of said Lot 6; thence at a right angle southwesterly, 26.75 feet; thence southwesterly 16.28 feet along a tangential curve, concave to the southeast, having a radius of 79.67 feet to the west line of said Lot 6 and there terminating;

**WHEREAS**, MPHA has not maintained the Excess Land;

**WHEREAS**, the Excess Land will aid in the redevelopment of a vacant commercial building into a planned 155-unit affordable housing development known currently as AGRA (“AGRA Project”);

**WHEREAS**, MPHA has committed Project-Based Vouchers (PBV) to the AGRA Project through its competitive PBV Request for Proposals;

**WHEREAS**, the owner of the AGRA Project, Franklin Riverside LLC, has agreed to purchase the Excess Land for a fair market value of \$18,000;

**WHEREAS**, the disposition of the Excess Land will not impact continued operations of The Riverside as low-income public housing and will not result in any change in the housing of the tenants of The Riverside. Residents will not be displaced, will not have to move, will not lose their housing benefits and will continue to be in the low-income public housing program;

**WHEREAS**, the net proceeds of the sale will be used to either fund the operations of existing public housing units in its portfolio or to modernize them, consistent with Section 8(C) (“Operation of Public Housing”) and Section 8(A) (“Modernization and Development of Public Housing”) of PIH Notice 2020-23;

**WHEREAS**, on November 16, 2022 the MPHA Board of Commissioners adopted MPHA’s MTW Annual Plan for 2023 (“Plan”) that outlined the proposed Section 18 Disposition of Excess Land, and HUD approved the Plan on February 27, 2023;

**WHEREAS**, on May 24, 2023 the MPHA Board of Commissioners approved Resolution No. 23-230, approving the Section 18 application for the Excess Land and authorizing the Executive Director/CEO to execute all required documents necessary for a complete disposition application and final land disposition approval and sale;

**WHEREAS**, on September 22, 2023 the U.S. Department of Housing and Urban Development's Special Application Center (SAC) approved application DDA0012475 for the disposition of the Excess Land;

**NOW THEREFORE BE IT RESOLVED** by the MPHA Board of Commissioners as follows:

(i) The Executive Director/CEO or his designee is authorized to execute and submit all required documents necessary to effectuate the completion of the Section 18 disposition and the sale of the Excess Land approved by DDA0012475 to Franklin Riverside LLC.



**MEMORANDUM TO:** MPHA Board of Commissioners

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

**SUBJECT:** Executive Director's Report, November Board Meeting

While only a few weeks removed from last month's meeting, there have been numerous recent happenings that have showcased some of the agency's great work as well as another major funding award for the agency.

First, along with Chair Hoch, members of MPHA's leadership team travelled to Washington, D.C. to attend the Council of Large Public Housing Authorities (CLPHA) 2023 Fall Conference. This conference is an opportunity to learn from the country's largest housing authorities on strategies to address the nation's affordable housing shortage. It is also an opportunity to engage with HUD leadership on a wide range of topics. During the conference's "Ripples of Hope" segment, I was able to update attendees on the agency's nation-leading Family Housing Expansion Project (FHEP) and share the agency's recent successes in securing millions in one-time and ongoing state and local financial investments.

While MPHA leaders were in Washington, the Minnesota Housing Board of Directors approved a \$1.3 million grant to the agency for repairs to the CHR portfolio through its Stable Housing Organization Relief Program (SHORP). This is a one-time grant program funded with up to \$50 million of state appropriations to support eligible rental housing owners that have experienced significant detrimental financial impacts due to recent economic and social conditions, and MPHA was one of the only non-tribal housing authorities in Minnesota to receive an allocation. I want to thank MPHA's Director of Affordable Properties, Rashid Issack, and Director of Planning and Development, Laura Dykema, for their work putting together the agency's application and estimated workplan to secure yet another million-dollar-plus grant from the state for CHR repairs.

I also want to thank Laura and our operations team for providing members of the Minnesota Senate's Capital Investment Committee with a tour of the agency's 630 Cedars building while I was in Washington. The tour included Chair Sandra Pappas, Senator Karin Housley, Senator Zaynab Mohamed, and Senator Jordan Rasmusson, along with Majority Leader Kari Dziedzic to learn about how the state's Publicly Owned Housing Program (POHP) bonds helped fund fire suppression installations in the building.

Senators also learned about the need to better align Minnesota's bonding resources with various HUD financing/repositioning tools. Currently, public housing and housing redevelopment authorities across the state are incompatible with POHP dollars to fund the preservation and new-unit production of publicly owned housing that has (or intends to) used HUD financing/repositioning tools. In the upcoming state legislative session, MPHA intends to seek a legislative change to the state's POHP program to enable MPHA to better access state bonding resources, in addition to seeking another cash grant to support the agency's capital work.



Then, late last month, MPHA welcomed HUD Principal Deputy Assistant Secretary Richard Monocchio and Great Lakes Regional Administrator Diane Shelley to showcase some of the agency's recent accomplishments and partnerships with local and state government.

The visit began with Minneapolis Mayor Jacob Frey leading a roundtable discussion on housing policy and funding innovations at MPHA's Elliot Twins. Joining the discussion were state housing leaders Senator Lindsey Port, Representative Michael Howard, and Representative Frank Hornstein. Leaders celebrated the recent \$5 million grant to MPHA from the Minnesota Legislature, the City of Minneapolis 2040 comprehensive plan and its importance for developments like the FHEP, the success and expansion of Stable Homes Stable Schools, and restoring the long-dormant Minneapolis housing tax levy sending \$5 million annually to MPHA supporting preservation and production activities.

Later, agency staff provided HUD leaders with tours of three buildings—the Elliot Twins, a FHEP site, and the Hiawatha Towers. The Elliot Twins showcased the agency's recent \$27 million landmark renovation, the FHEP provided an example of MPHA delivering an innovative blueprint for housing authorities across the country to deliver quality, cost-effective, deeply affordable family housing, and the Hiawatha Towers displayed the agency's recent success to secure all the funding necessary to install fire suppression in all 42 agency high-rises by 2025.

Finally, MPHA leaders are working through the final details of a proposed 2024 agency budget. Earlier this month, the agency hosted two budget workshops for board members to learn about the proposed budget and ask questions. Following these workshops, agency staff are preparing a final budget to present to the full board for approval in its December meeting.





# Monthly Performance Report

Minneapolis Public Housing Authority

Board of Commissioners

For the month ending October 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

**\*\*This financial report has not yet been updated as of October because the General Ledger is not yet closed as of the distribution date of this report.\*\***



## 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	\$ 13,772,051	\$ 14,332,107	\$ 560,056	4%
Public Housing Operating Subsidy	\$ 17,470,701	\$ 17,424,081	\$ (46,620)	0%
HCV HAP Subsidy & Admin Fees	\$ 48,683,826	\$ 45,578,491	\$ (3,105,335)	-6%
Other Revenues, Fees, & Grants	\$ 1,669,860	\$ 1,856,463	\$ 186,603	11%
Transfers-In	\$ (421,135)	\$ 274,159	\$ 695,294	-165%
<b>Total Sources</b>	<b>\$ 81,175,303</b>	<b>\$ 79,465,301</b>	<b>\$ (1,710,002)</b>	<b>-2%</b>

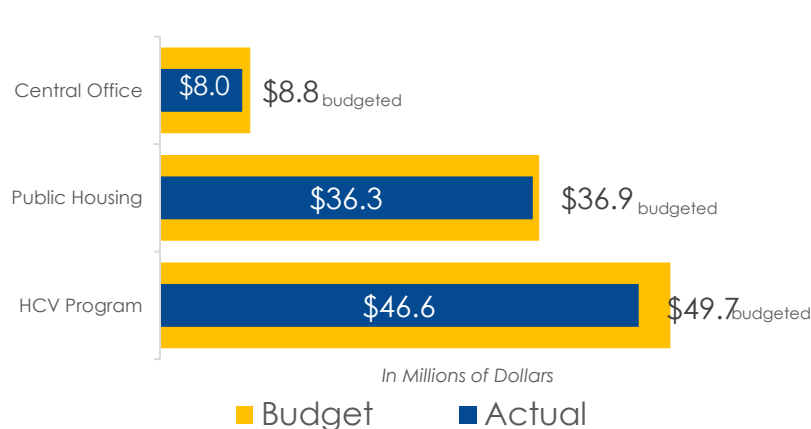
  

Uses	YTD Budget	YTD Actual	Favorable (Unfavorable) Variance	Variance %
Public Housing Operations	\$ 36,900,250	\$ 36,300,695	\$ 599,555	2%
Housing Choice Vouchers	\$ 44,275,053	\$ 42,844,710	\$ 1,430,343	3%
MTW Initiatives and Other Services	\$ 229,659	\$ 50,971	\$ 178,688	78%
<b>Total Uses</b>	<b>\$ 81,404,962</b>	<b>\$ 79,196,376</b>	<b>\$ 2,208,586</b>	<b>3%</b>

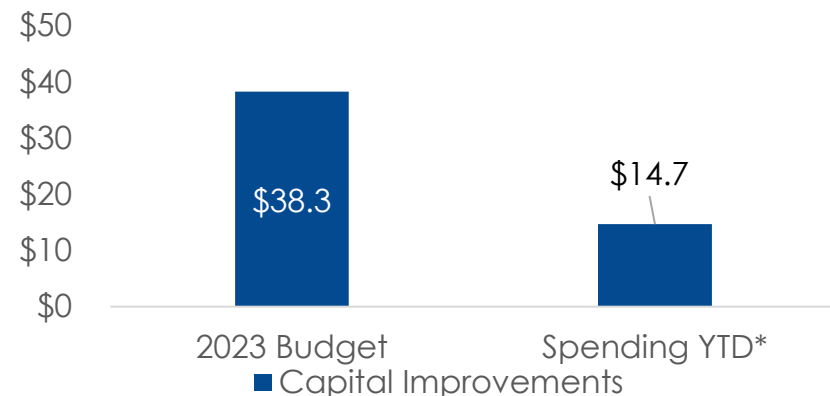
  

<b>Net Sources/(Uses)</b>	<b>\$ (229,659)</b>	<b>\$ 268,925</b>	<b>\$ 498,584</b>	<b>217%</b>
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### Year to Date (YTD) Expenses



### MTW Capital Fund Program

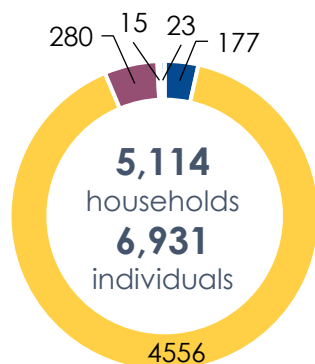


\*An additional \$17.5 million is under obligation for capital projects YTD

# Public Housing Programs



## Occupied Units\*



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

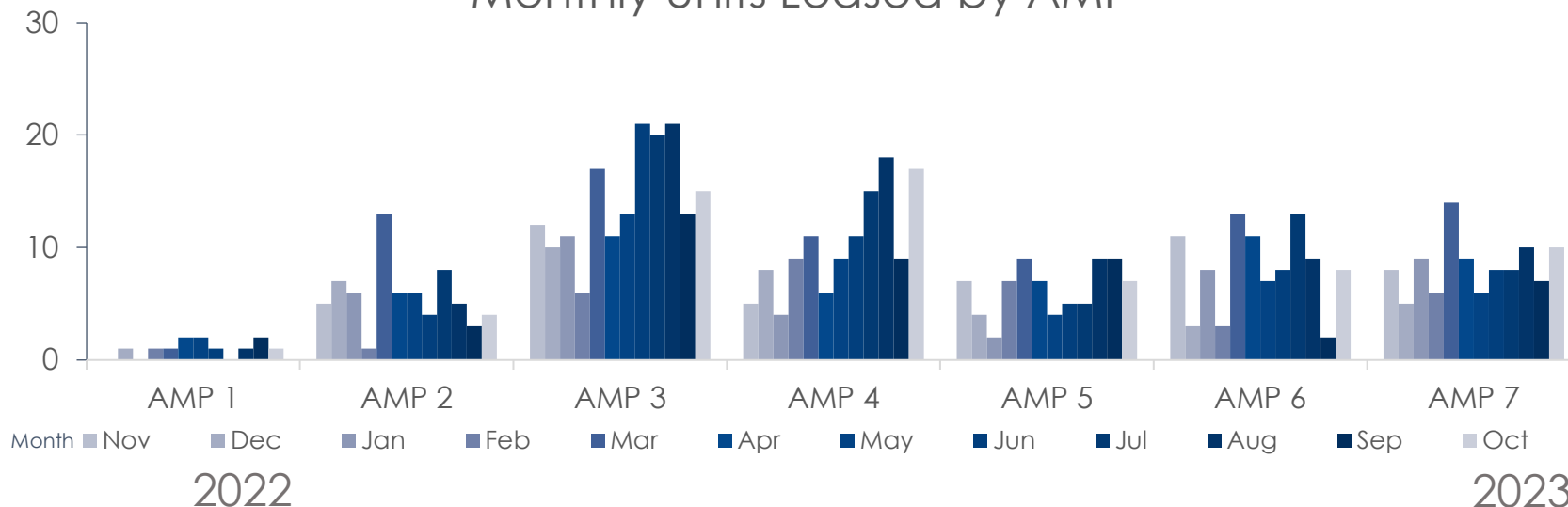
62

new units leased during month

97%

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

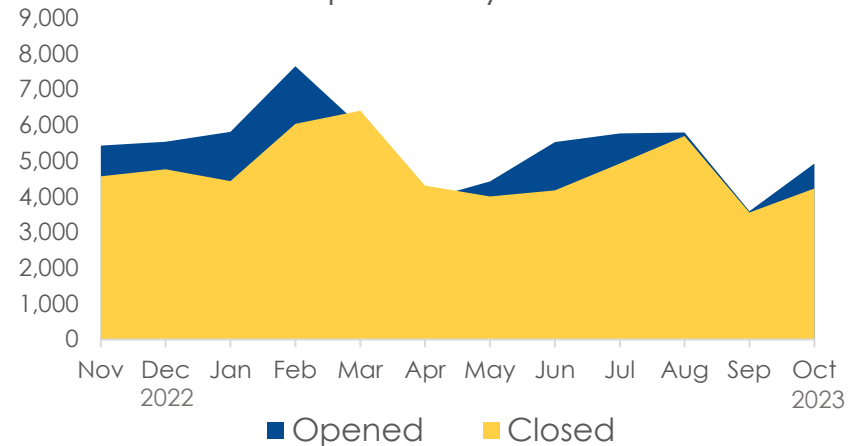


Reason for Vacating Unit	Count
Death	17
Found Alternative Housing	11
Moving Out of Town	6
Illness	5
To Nursing Home	5
Evicted - Non Payment	3
Dislike Unit	2
Other	2
Moving in with or closer to Family	2
Left Country	1
Purchased Home	1
Skip	1
Evicted - Drugs	1
Evicted - Other	1

### Applicants on Waiting List

Family 2021	2016
Family	661
Disabled (18 - 49)	1800
Near Elderly (50-61)	2213
Elderly (62+)	505

### Work Orders Opened and Completed by Month

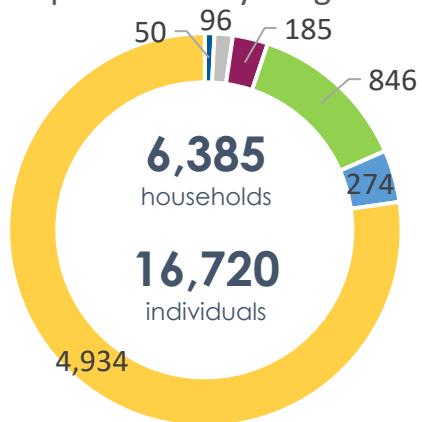


Goal	Total Completed	% Completed within Goal	Average Days Open
Emergency: 24 Hours	140	80%	0
Urgent: 1 Day	1020	82%	108
After Hours Non-Emergency: 2 Days	1	100%	0
Important: 3 Days	964	79%	2
Routine: 10 Days	378	90%	4
Non-Routine: 20 Days	42	100%	3
Pest Control	734	100%	7

# Housing Choice Voucher Programs



People Served by Program\*



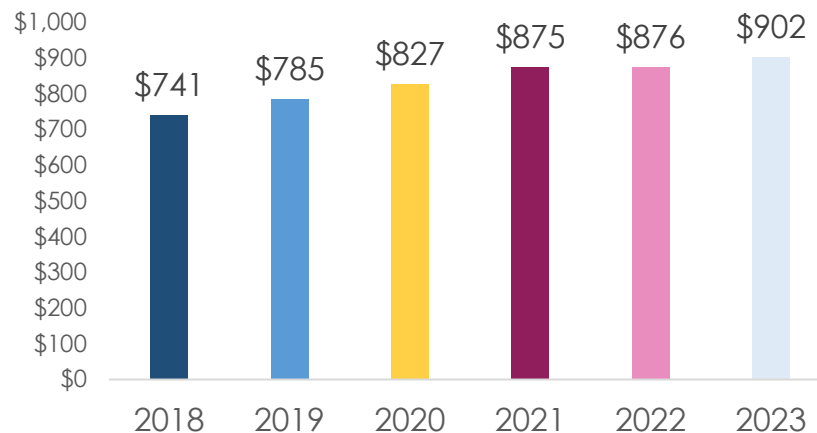
- Sponsor-Based
- Mod Rehab
- FUP and VASH

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

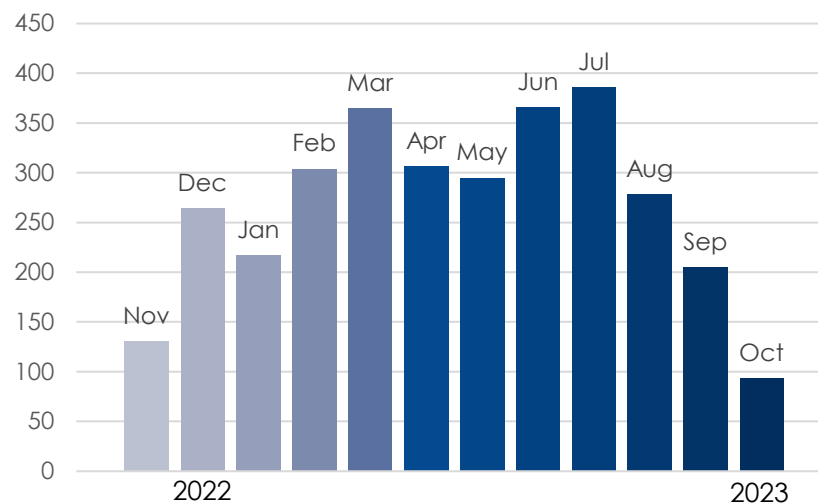
Family Unification Program and Veterans Affairs Supportive Housing

\*Including port-ins and port-outs

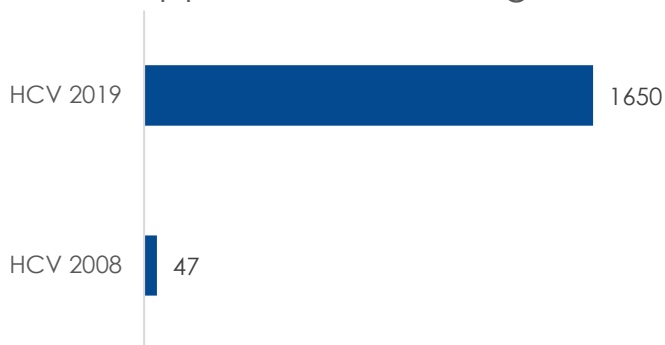
Average Housing Assistance Payment per Unit, Year to Date



Annual Inspections Conducted



Applicants on Waiting List



## Building Improvement Projects - Planning



ADDRESS	DESCRIPTION OF WORK	STATUS
CHR scattered site units	City-funded interior & exterior improvements	Planning
CHR scattered site units	State-funded improvements	Planning
800 5 <sup>th</sup> Avenue North	Window replacement	Planning
2121 Minnehaha Avenue	Window replacement	Planning
314 Hennepin Avenue	Façade repairs	Planning
2728 East Franklin Avenue	Roof replacement	Planning
Glendale Townhomes	Parking lots/sidewalks, soffit/fascia/gutters, partial roofing replacement	Bidding
Multiple highrises	Priority camera installations	Bidding
2415 N 3 <sup>rd</sup> Street	Entry guard system upgrade - pilot project	Planning
Multiple highrises	HVAC equipment replacements	Planning
Multiple highrises	Sidewalk/parking lot upgrades	Re-bidding in winter

## Development Projects - Planning

ADDRESS	DESCRIPTION OF WORK	STATUS
Scattered Sites	Redevelopment/densification of two sites	Planning
Franklin Towers or Spring Manor – TBD	Conversion, preservation & new unit production	Planning/due diligence
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
Snellings/828 Spring/800 5 <sup>th</sup> /1415 E 22 <sup>nd</sup> St	Façade repairs	Underway
Fifth Avenues & 2121 Minnehaha	Apartment entry door replacement	Under contract; late 2023 start
1415 East 22 <sup>nd</sup> Street	Roof replacement	Under contract; spring start
1515 Park Avenue South	Fire alarm system replacement	Underway
1314 44 <sup>th</sup> Avenue N & 600 18 <sup>th</sup> Avenue N	Elevator modernization	March 2024 start
3116 Oliver & 616 Washington St NE	Elevator modernization	January 2024 start
1015 N 4 <sup>th</sup> Street	Generator upgrades	January 2024 start
1710 Plymouth Avenue North	Shower replacement	November 2023 start
1627 South 6 <sup>th</sup> Street	Apartment bathroom flooring replacement	Underway
1707 3 <sup>rd</sup> Avenue South	Façade restoration & window replacement	Underway
Cedars highrises	Window replacement and exterior façade repairs	Phase III of III underway
Multiple highrises	Fire sprinkler system installation	Underway
1301 Bryant Avenue North	Site security upgrades	Underway
1515 Park/1920 4 <sup>th</sup> /1710 Plymouth/710 2 <sup>nd</sup>	Main electrical switch gear & generator replacement	Preliminary site work underway
314 Hennepin & Hiawatha Towers	Main electrical switch gear & generator replacement	Under contract

## Development Projects - Active

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

# Fire Suppression Installations



Building	Units	Budget	Funding Source(s)	Status	Construction
1206 2 <sup>nd</sup> St NE	57	\$620,000	MPHA Capital	Complete	Jan-Apr 2022
1717 Washington St NE	182	\$1,570,000	MPHA Capital	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	Complete	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 <sup>th</sup> St	116	\$868,000	MPHA Capital/City/State	Complete	Dec '22-Sept '23
600 18 <sup>th</sup> Ave N	239	\$2,450,000	MPHA Capital/City/State	Complete	Nov '22-Oct '23
1314 44 <sup>th</sup> Ave N	220	\$10,000,000*	MPHA Capital	Complete	Apr '22-May'23
Hiawatha Towers	281	\$2,100,000	MPHA Capital	Complete	Dec '22-Oct '23
314 Hennepin Ave	299	\$2,425,000	MPHA Capital/City	Complete	Dec '22-Oct '23
2415 N 3 <sup>rd</sup> St	62	\$505,000	MPHA Capital/EDI Grant	Contract Awarded	Nov '23-Feb'24
1710 Plymouth Ave N	84	\$740,000	MPHA Capital/EDI Grant	Contract Awarded	Jan '24-Apr'24
3116 Oliver Ave N	31	\$370,000	MPHA Capital/EDI Grant	Under Construction	Oct '23-Jan'23
710 2 <sup>nd</sup> St NE	35	\$370,000	MPHA Capital/EDI Grant	Contract Awarded	Apr '24-Jul'24
616 Washington St NE	35	\$395,000	MPHA Capital/EDI Grant	Contract Awarded	Apr '24-Jul'24
809 Spring St NE	32	\$375,000	MPHA Capital/City	Under Construction	Oct '23-Dec '23
1900 3 <sup>rd</sup> St NE	32	\$410,000	MPHA Capital/City	Contract Awarded	Dec '23-Feb '24
3205 E 37 <sup>th</sup> St	28	\$355,000	MPHA Capital/City	Contract Awarded	Dec '23-Feb '24
3755 Snelling Ave S	28	\$355,000	MPHA Capital/City	Under Construction	Oct '23-Dec '23

\*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
- Finalizing property repair scope for \$3.5M City of Minneapolis funds
- Developing work plan & scope for \$5M State grant

## Timeline (subject to change)

Conversion  
to project-  
based  
vouchers

Exploring/Pursuing  
Funding Options

2023 City-  
Funded  
Construction  
Begins

State-  
Funded  
Construction  
Begins

Oct  
2020

2022-24

Winter  
2023/24

TBD

# 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**
- **Have received Certificates of Occupancy for six sites**
- **First family move ins in October**

## Construction Timeline (subject to change)



# Inquiry Response and Social Media



## MPHA on Facebook

Top Performing Post (2,666 views)

Yesterday, MPHA welcomed U.S. Department of Housing and Urban Development Principal Deputy Assistant Secretary Richard Monocchio and Great Lakes Regional Administrator Diane Shelley to showcase some of the agency's recent accomplishments.

The day began with a roundtable at the Elliot Twins, led by Mayor Jacob Frey and joined by state housing leaders Senator Lindsey Port, State Representative Michael Howard, and Representative Frank Hornstein to discuss the various housing po... See more



4

Posts for the Month

22

New Followers



## MPHA on Twitter

Top Tweet (1,153 views)

Yesterday, MPHA hosted @HUDgov PDAS Monocchio & @HUDMidwest at the Elliot Twins for a roundtable led by @MayorFrey to discuss the city's innovative housing policy reforms and unprecedented funding and partnership with MPHA.



5

Tweets for the Month

4

New Followers

October 2023



OFFICE OF PUBLIC AND INDIAN HOUSING

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Special Applications Center  
77 W. Jackson Blvd., Room 2401  
Chicago, Illinois 60604-3507  
Phone: (312) 353-6236 Fax: (312) 913-8892

September 22, 2023

Mr. Abdi Warsame  
Executive Director  
PHA in and for the City of Minneapolis  
1001 N Washington Ave.  
Minneapolis, MN 55401

Dear Mr. Warsame:

On July 25, 2023, the Special Applications Center (SAC) of the U.S. Department of Housing and Urban Development (HUD) received, PHA in and for the City of Minneapolis (AKA - Minneapolis Public Housing Authority MPHA)'s application for the disposition of 0.01 acres of vacant land at a development known as Horn, MP002000007 (Property) (Legal Description attached as Exhibit A). MPHA submitted the application via HUD's Inventory Management System/PIH Information Center (IMS/PIC) system in an application known as DDA0012475 (Application). According to HUD's and PHA's records, the Property was developed, acquired, or assisted with funding from the U.S. Housing Act of 1937 (42 U.S.C. 1437p) (the Act). MPHA submitted supplemental information about the Application through September 19, 2023.

**Approval**

SAC has determined that MPHA provided the required certifications and supporting documentation required by 24 CFR 970.7(a) and has otherwise complied with applicable statutory and regulatory requirements for the disposition of the Property. Based on this, SAC approves the Application as summarized below, subject to the conditions contained in this letter.

<b>Horn, MP002000007</b> <b>Approved for Disposition: 0.01 acres</b>	
<b>Approved Method of Disposition</b>	Negotiated Sale at FMV
<b>(Anticipated) Acquiring Entity</b>	Franklin Riverside LLC
<b>Disposition Amount</b>	\$18,000
<b>Approved Lot Information: See Exhibit A</b>	



### Previous Removals at the Development

MPHA has received the following previous HUD approvals for removing property from the development known as Horn, MP002000007:

PIC Application	Removal Type	Units Approved	Acres Approved	Date of Approval
DDA0005083	Disposition	-	0.01	3/19/2014
DDA0010219	Eminent Domain	-	0.03	3/7/1991

### Description of Proposed Disposition

MPHA proposed the disposition of 0.01 acres of vacant land at the property. Details of the proposed disposition are as follows:

Horn, MP002000007	
Existing Land	9.29 Acres
Proposed Land	0.01 Acres

### PHA Plan Compliance

PHA certified and HUD's Moving to Work (MTW) confirmed that PHA submitted a MTW Plan (or Amendment) and that the description in the MTW Plan is identical to the Application and otherwise complies with Section 18. The MTW Office approved the Plan on February 27, 2023.

### Environmental Review

The HUD Minneapolis Field Office of Public Housing (Field Office) certified that, in accordance with 24 CFR 970.13, an Environmental Review (ER) was performed under 24 CFR part 58 for the disposition action and any known re-use. The ER determination was made by the Responsible Entity on November 22, 2022.

### Justification

Pursuant to 24 CFR 970.17(d), the Property comprises 0.01 acres of vacant land. MPHA has determined that the disposition of the Property is incidental to, or does not interfere with, continued operation of the remaining portion of the project. MPHA noted that "historically, this land has not been maintained by MPHA as it was assumed to be part of the adjacent property and was maintained as such by the previous owner. The location and shape of the land does not present itself as being able to serve MPHA or its residents in any useful manner."

### Property Valuation

In accordance with 24 CFR 970.19, MPHA procured an independent appraisal of the Property. The Property's FMV was estimated at \$18,000, as of July 24, 2022.

### **Method of Disposition**

MPHA's Application describes the "method of disposition" as negotiated sale for approximately \$18,000. MPHA proposes to dispose of the Property at FMV to Franklin Riverside LLC.

### **Proceeds**

In accordance with 24 CFR 970.7(a)(10), MPHA estimated it would receive \$18,000 of gross proceeds and net proceeds from the disposition. In accordance with Act, 24 CFR 970.7(b)(10), 24 CFR 970.19, and PIH Notice 2020-23, MPHA indicated it plans to use net proceeds to either fund the operations of existing public housing units within their portfolio or to modernize them, consistent with Section 8(C) ("Operation of Public Housing") and Section 8(A) ("Modernization and Development of Public Housing") of PIH Notice 2020-23.

### **Resident Consultation**

In accordance with 24 CFR 970.7(a)(7) and 24 CFR 970.9(a), MPHA submitted evidence that it consulted with residents who will be affected by a proposed disposition, any resident organizations for the development, any PHA-wide resident organizations that will be affected by the disposition, and the Resident Advisory Board (RAB). Such consultation was separate from the public consultation required by PHA Plan requirements and is summarized as follows:

- 1) Affected Residents: MPHA met with residents on September 30, 2022, to discuss the Property's disposition. Questions from residents at the meeting included concerns about the impacts from the vacant land's sale, proposals for its use, and parking concerns. MPHA submitted a summary of the meeting along with questions and comments received, sample notice of the meeting, presentation materials, and evidence of the meeting in the form of a resident's signed confirmation of attendance along with a photograph from the meeting.
- 2) Development Specific Resident Organization: MPHA met with its Riverside Resident Council on March 7, 2023. Questions from residents at the meeting included concerns about MPHA's involvement with future development of the site. MPHA submitted a summary of the meeting along with questions and comments received, sample notice of the meeting, presentation materials, and evidence of the meeting in the form of a resident's signed confirmation of attendance.
- 3) Resident Advisory Board (RAB) in accordance with 24 CFR 903.13: MPHA met with its RAB on May 24, 2023, to discuss the Property's disposition. There were no questions at the meeting regarding the disposition and the RAB unanimously approved their motion for consideration of the Property's disposition. MPHA submitted the meeting notice, meeting minutes and a sign-in sheet.

### **Offer for Sale to Resident Organizations**

In accordance with 24 CFR 970.7(a)(8), MPHA submitted evidence that it complied with the requirements of 24 CFR 970.9(b)(3). HUD has determined it is not appropriate for MPHA to

provide resident organizations with an opportunity to purchase the Property because MPHA proposed the exception under 24 CFR 970.9(b)(3)(v) for disposing of non-dwelling property.

### **Local Government Consultation**

MPHA consulted with Andrea Inouye, the Mayor of Minneapolis's Director of Strategic Partnerships for Affordable Housing, on March 23, 2023, and discussed the subject Property's disposition. As required by 24 CFR 970.7(a)(14), the application package includes a letter of support from the Honorable Jacob Frey, Mayor of the City of Minneapolis, dated April 4, 2023. In accordance with 24 CFR 970.7(a)(14), MPHA submitted evidence that the Application was developed in consultation with appropriate government officials.

### **Board Resolution**

In accordance with 24 CFR 970.7(a)(13), MPHA submitted a copy of a resolution by the PHA's Board of Commissioners approving the submission of the Application to HUD. The resolution is signed and dated on May 24, 2023, after all resident and local government consultation was completed.

### **Estimated Timetable (Impact on Operating Funds)**

In accordance with 24 CFR 970.7(a)(4) and 24 CFR 970.21(d), PHA submitted an estimated timetable for the proposed disposition as follows:

	<b>Milestone</b>	<b>Number of Days after Approval</b>
A	Begin Relocation ("Days to Relocation" field)	N/A
B	Complete Relocation	N/A
C	Execute Disposition Document	120
D	Dispose of Property/HUD Releases DOT	150

### **Conditions and Next Steps for Implementation**

- MPHA must comply with all requirements of Section 18 of the 1937 Act, 24 CFR part 970, and this approval letter in carrying out this disposition action.
- MPHA shall not dispose of the Property in accordance with this approval until all residents have been relocated, all demolition actions at the development (that were previously approved by HUD) are complete, and until the Field Office releases the Declaration of Trust (DOT).
- The Field Office is authorized to release the DOT from the Property in accordance with this approval. Prior to releasing the DOT, the Field Office must confirm the terms of the disposition transaction conforms with the requirements of this approval. The Field Office may request confirmation from MPHA that relocation is complete and was done in

accordance with applicable requirements prior to releasing the DOT. MPHA must submit a draft DOT release to the Field Office, along with any other documents requested by the Field Office (e.g. title report, disposition narrative, draft use agreement, draft grant deed, general depository agreement, etc.).

- The Field Office is authorized to approve the removal of the Property (units and acreage) from IMS/PIC and MPHA's public housing inventory, in accordance with 24 CFR 970.34 and HA's request.

If after receiving this approval (but prior to DOT release), MPHA's plan changes on material terms, SAC approval of the change is required. Material terms include a change to the method of disposition (i.e., public bid sale to a negotiated sale) and changes to the proposed commensurate public benefit justifying a below FMV disposition. MPHA must request SAC approval by emailing [SACTA@hud.gov](mailto:SACTA@hud.gov) with information about the change.

- PIH Notice 2021-07 provides that written SAC approval is required if the changes to the disposition are "material". SAC understands that details of the disposition transaction may change between the time of MPHA's Application submission and the time of the disposition transaction. SAC does NOT consider the following to be material changes to the terms of the disposition and MPHA can proceed with the disposition without receiving further written SAC approval, if these change prior to disposition, \_\_provided the Field Office is aware of the changes, provides written approval, and incorporates the changes into any required HUD use restrictions prior to releasing the DOT. Notwithstanding this, SAC will process and provide written technical corrections to update its approval of these changes, if requested by MPHA or the Field Office.
  - Change in Acquiring Entity (name or ownership structure) if future use remains the same.
  - Change in amount of sales proceeds that MPHA will receive (i.e., based on more recent appraisal or changes in negotiated sale terms), provided the amount does not change more than 20% (greater or lesser) from that indicated in the Application and SAC Approval, and further provided that the future use remains the same if the disposition was approved as a below FMV transaction). MPHA must use and report and use all proceeds in accordance with PIH Notice 2020-23. If the sales proceeds change more than 20%, MPHA must request approval from the SAC.

### **IMS/PIC Reporting**

In accordance with 24 CFR 970.35, MPHA must ensure the Property is "Removed from Inventory" ("RMI") status in IMS/PIC within seven (7) days of disposition (i.e., transfer of warranty deed or execution of ground lease).

Specific instructions for completing the removal in IMS/PIC are as follows:

1. Select the "Development Number", then select "Add Transaction"



2. Select the appropriate "Application (DDA) Number" from the drop-down menu
3. In the "Action/Closing Date" box, enter the removal (demolition) date. If the properties in a DDA application were demolished/disposed of (phased) on multiple dates, a separate transaction is needed for each action date
4. Use "Remove Residential Inventory by Building" section, select the appropriate building(s) available in the "Complete Buildings Available" box and transfer them to the "proposed Buildings" box
5. Save the information using the "Save" button. The status of this information is then displayed as "Draft"
6. MPHA supervisory staff submits the information to the MPHA Executive Director, or the designated final reviewer at PHA, using the Submission sub tab. The status becomes "Submitted for Review"
7. MPHA Executive Director or designee uses the Review sub tab to reject the transaction, which places it in a "Rejected" status, or approves, which places it in a "Submitted for Approval" status
8. The Field Office reviews the request, and once the Field Office approves it, the status of the units in IMS/PIC permanently changes to RMI.

### **Proceeds**

MPHA must comply with Section 18(a)(5) of the 1937 Act, 24 CFR 970.19(e), PIH Notice 2020-23 for holding, expending, and reporting on proceeds. If MPHA determines a use for net proceeds different from that proposed in its approved application, the PHA is not required to request or receive HUD (SAC or Field Office) approval for the alternate use. However, MPHA must ensure, subject to potential HUD enforcement, that the alternate use fully complies with the requirements of Section 18(a)(5) of the 1937 Act, 24 CFR 970.19(e), and PIH Notice 2020-23, and that such alternate use is properly documented compliant with 24 CFR 970.35 and section 11 of that Notice." See also Memo dated June 7, 2022 from SAC Director to Field Offices at [https://www.hud.gov/sites/dfiles/PIH/documents/Memo\\_FOs\\_S18\\_Proceeds.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/Memo_FOs_S18_Proceeds.pdf)

### **Use of Public Housing Funds for Disposition-Related Costs**

Section 18 of the Act authorizes HUD to approve unfunded applications. Therefore, HUD's approval of the Application does not approve PHAs to use Public Housing Capital and/or Operating Funds to pay for disposition-related costs (i.e., relocation costs, environmental review costs, consultation costs, appraisals costs). Many of these costs are eligible uses of Public Housing Funds, but MPHA must comply with all applicable public housing requirements (including 5-Year CFP Action Plan requirements) regarding the use of Public Housing Funds CFR 905.500(j), which can be used for eligible Capital Fund purposes.

## Resources

HUD's Public Housing Repositioning website at [www.hud.gov/repositioning](http://www.hud.gov/repositioning)

SAC's website at [www.hud.gov/sac](http://www.hud.gov/sac)

Section 18 Application Checklist. Includes an Order of Operations that includes post-approval steps (See Exhibit C of Checklist)

<https://www.hud.gov/sites/dfiles/PIH/documents/S18%20Checklist%2010-1-21%20%281%29.pdf>

Post-Closing Asset Repositioning Videos (for operating PBV projects post-closing) [PHA Asset Repositioning Post-Closing How-To Videos - HUD Exchange](#)

The Field Office has been informed of this approval and will assist MPHA in its implementation. I urge you to continue to maintain an open dialogue with your Field Office, residents and local officials. If PHA has any questions about this approval, please contact [SACTA@hud.gov](mailto:SACTA@hud.gov).

Sincerely,

Jane B. Hornstein  
Director

CC: Field Office

Enclosure: Exhibit A - Legal Description

**Exhibit A - Legal Description**

Lot 6 in Block 38, Whitcomb's Subdivision in Blocks 18, 19, 38 and 39 of Murphy's Addition to Minneapolis, lying westerly of the following described line: Beginning at a point in the north line of said Lot 6, distant 24.00 feet southeasterly of the northwest corner of said Lot 6; thence at a right angle southwesterly, 26.75 feet; thence southwesterly 16.28 feet along a tangential curve, concave to the southeast, having a radius of 79.67 feet to the west line of said Lot 6 and there terminating;

## \$1.3 Million Grant from Minnesota Housing

Late last month, the Minnesota Housing Board of Directors approved a \$1.3 million grant to MPHA's wholly owned and controlled nonprofit, Community Housing Resources (CHR) through the Stable Housing Organization Relief Program (SHORP). Like recent funding secured at the Minnesota Legislature and through the City of Minneapolis, this new grant funding will support capital improvements to the agency's portfolio of nearly 700 deeply affordable family homes

## Minnesota Senate Capital Investment Committee Tours MPHA



MPHA welcomed members of the Minnesota Senate's Capital Investment Committee to discuss the state's previous investments in MPHA through Publicly Owned Housing Program (POHP) bonds. MPHA staff led Chair Sandra Pappas, Senator Karin Housley, Senator Zaynab Mohamed, and Senator Jordan Rasmusson, along with Majority Leader Kari Dziedzic, on a tour of 630 Cedar to learn about how POHP bonds were used to help funding fire suppression installations in the building.

## HUD Principal Deputy Assistant Secretary Richard Monocchio Visits

MPHA welcomed HUD Principal Deputy Assistant Secretary Richard Monocchio and Great Lakes Regional Administrator Diane Shelley to showcase some of the agency's recent accomplishments and partnerships with local and state government.

Minneapolis Mayor Jacob Frey led a roundtable discussion on housing policy and funding innovations at MPHA's Elliot Twins. Joining the discussion were state housing leaders Senator Lindsey Port, Representative Michael Howard, and Representative Frank Hornstein. Leaders celebrated the recent \$5 million grant to MPHA from the Minnesota Legislature, the City of Minneapolis 2040 comprehensive plan and its importance for developments like the FHEP, the success and expansion of Stable Homes Stable Schools, and restoring the long-dormant Minneapolis housing tax levy sending \$5 million annually to MPHA supporting preservation and production activities.



## **MPHA News Clips – November Board of Commissioners Meeting**

### **Local and federal leaders to discuss 2040 plan, affordable housing efforts in Minneapolis Monday afternoon (KSTP)**

By Kilat Fitzgerald

October 30, 2023

Minneapolis city leaders are set to highlight affordable housing goals with federal officials during a roundtable discussion Monday afternoon.

The group will review the 2040 Plan and inclusive zoning policies, ongoing housing projects in Minneapolis and progress toward affordable housing goals with state and federal investments.

In September, a judge ordered Minneapolis to stop implementing the 2040 Plan and revert back to its 2030 plan. Minneapolis appealed that ruling later in the month.

Those set to attend Monday's discussion include Mayor Jacob Frey, Principal Deputy Assistant Secretary of the U.S. Department of Housing and Urban Development (HUD) Office of Public and Indian Housing Richard Monocchio, Director and CEO of the Minneapolis Public Housing Authority (MPHA) Abdi Warsame, MPHA High-Rise Council President Mary McGovern, Interim Director of the Community Planning and Economic Development Department for Minneapolis Erik Hansen, Chair of Housing Finance and Policy Committee Rep. Michael Howard (DFL-Richfield), Chair of Housing and Homelessness Prevention Committee Senator Lindsey Port (DFL-Burnsville) and residents from the Elliot Twins apartments.

###

## **Minneapolis city leaders urge renters to report discrimination against Section 8 vouchers (Sahan Journal)**

By Katelyn Vue

November 2, 2023

The city of Minneapolis recently began enforcing an ordinance that prohibits landlords from discriminating against renters who use government-issued Section 8 vouchers under an ordinance that passed five years ago.

City officials are educating renters about the ordinance to encourage them to file complaints when necessary. Eight complaints have been filed by Minneapolis renters so far, said Kaela McConnon Diarra, director of the Minneapolis Civil Rights Complaint Investigation Division.

The ordinance is intended to protect low-income families vulnerable to discrimination against landlords who deny them housing or treat them differently for relying on Section 8 vouchers, which are used to partially cover rental expenses. The federal government provides rental subsidies that the Minneapolis Public Housing Authority administers to renters in different forms, including Section 8 vouchers.

“When you look at the passage of the ordinance, it was because people were having a really hard time placing these Section 8 vouchers, which can be so useful for low income people,” said attorney Elana Dahlager. “It’s such an important way for people to be able to attain and retain housing.”

Dahlager is the housing assistant supervising attorney at the Mid-Minnesota Legal Aid, which provides free legal services to low-income people.

Although the Minnesota Department of Human Rights prohibits and investigates discrimination against public assistance, such as social security benefits, in housing, state laws do not protect renters who use Section 8 vouchers.

“The Minneapolis ordinance is different in that it is explicitly saying that to deny someone solely on the basis of the fact that they get the Section 8 voucher is discriminatory,” Dahlager said. “In Minneapolis, I think that that’s a major form of discrimination.”

Nearly 86 percent of tenants who rely on Section 8 vouchers in Minneapolis are Black or African American, according to the Minneapolis Public Housing Authority, which administers the vouchers. Half of those tenants are children.

‘File at the onset’

The Minneapolis City Council voted in 2017 to pass the ordinance that prohibits landlords from discriminating against renters who use public assistance, including Section 8 vouchers, to cover housing costs. According to the Poverty & Race Research Action Council, 17 states across the country prohibit landlords from discriminating against public assistance, including Section 8 vouchers.

The ordinance prohibits landlords from rejecting renters because they use Section 8, and also requires them to provide all tenants the same amenities and services regardless of how they pay their rent.

“If the landlord has a building and all the people who receive benefits of some kind are located on a lower floor than people on the higher floors—I think all of those things are things that are worth investigating, potentially,” Dahlager said.

But shortly after the ordinance passed, a group of landlords sued the city, arguing that it was unconstitutional. As a result, the district court ordered that city officials had to pause enforcing the ordinance.

After more legal fights, the district court lifted its order in December 2022, allowing the city to enforce the ordinance. However, the landlords’ lawsuit against the city is active before the Minnesota Court of Appeals.

The hope is that the city can defeat the lawsuit and continue to enforce the ordinance, said McConnon Diarra.

In addition to McConnon Diarra, the Minneapolis Civil Rights Department has three investigators that look into discrimination complaints and two intake officers as full-time staff.

While not all cases of discrimination are obvious, Dahlager said she encourages renters to file complaints when they think they’ve been discriminated against so investigators can conduct tests, look for patterns with landlords, and seek evidence.

McConnon Diarra said renters who suspect that they have been discriminated against because of Section 8 vouchers should “file at the onset.” She added that sometimes landlords will advertise that they do not accept Section 8 vouchers, which is direct evidence of discrimination.

In other cases, evidence is not as easy to find. McConnon Diarra said that in such cases, she suggests that renters document as much as possible by writing down notes about the incident that include the date, time, who was present, and what was said.

“Even if it’s something that happens in a more oral conversation, make sure you really write that up, right then and there for yourself,” she said. “It’s also really good to do that while your memory is still fresh about the interaction and you can most accurately report what happened.”

She said it’s also helpful to gather witnesses who can support the complaint, and to provide their contact information along with the complaint.

#### Expanding protection

The Minneapolis Civil Rights Department cannot enforce the ordinance if the alleged discrimination happened more than a year from the reporting date, or if it occurred outside Minneapolis. Without

statewide protection, many families are left vulnerable to discrimination, said housing advocates.

Attorney Larry McDonough, who has nearly four decades of experience with housing laws, said it's very common for families who rely on Section 8 vouchers to be denied housing or to be treated differently.

Several housing organizations worked together this year to try to pass a statewide law banning discrimination against Section 8 vouchers, but didn't succeed. McDonough, a policy attorney at HOMELine, a nonprofit that provides free and low-cost organizing, education, and advocacy services to renters, said they'll work together again next year to pass the same legislation.

"The more that this law is enforced, the more compliance you're going to see, and that's going to increase the number of landlords who are participating in the program," he said. "And it's going to make it easier for tenants to place their vouchers in the timeframe that they have."

Dahlager said she represented a client who had a "fairly common" experience. The client claims that her landlord did not fulfill requirements and miscommunicated with the Section 8 provider to ensure that the client's subsidy would cover rent. Instead, her landlord filed an eviction against the client for nonpayment.

Her client filed a complaint against her landlord citing the city's ordinance, and claimed that she was treated unfairly for relying on a Section 8 voucher.

"She felt like she was being treated poorly and differently on the basis of the fact that she was receiving housing benefits," Dahlager said. "And she felt like she wanted to make this complaint, I think primarily to see if she could affect change that would also help other people in her situation."

Resolving a discrimination complaint can take some time, said McConnon Diarra, adding that the time frame depends on the case. Potential outcomes in an investigation include a monetary settlement, making the landlord commit to new anti-discrimination practices, and allowing the complainant to rent the housing unit that they were denied.

City civil rights staff will share information about the ordinance and answer questions at a public meeting on November 13 from 2 p.m. to 7 p.m. in the Plymouth Room of the University of Minnesota's Robert J. Jones Urban Research and Outreach-Engagement Center, 2001 Plymouth Ave., Minneapolis.

###



## **Q&A with Ward 2 City Council candidates Robin Wonsley, Michael Baskins (The Minnesota Daily)**

By Alexandra DeYoe

November 5, 2023

Ward 2 write-in candidate Michael Baskins is running against incumbent council member Robin Wonsley in the upcoming Nov. 7 elections.

Ward 2 covers Marcy-Holmes, Prospect Park, Como, Cedar-Riverside and the University of Minnesota campus. Wonsley has been the Ward 2 council member and has run unopposed since 2021.

Wonsley is Minneapolis's first Black Democratic socialist council member and has contributed to blocking the relocation of the 3rd Precinct police station and led discussions on police accountability and reform.

Baskins began his campaign as a challenger to Wonsley in September and said he wanted to provide an alternative choice for Ward 2 residents. Baskins said he cares about all sides of policy-making and wants to focus on improving Minneapolis' job opportunities, housing and public safety.

Wonsley and Baskins sat down with the Minnesota Daily for a Q&A to learn more about their campaign's priorities.

Minnesota Daily: Ward 2 covers student residents such as the University of Minnesota and Augsburg University. How would you ensure student voices are heard and give authority to their concerns?

Michael Baskins: "I think the best way to do that is to have regular consultations with some of the most connected student groups in the University, the student government, the paper, the student council. I would work on a regular basis, on a monthly basis to communicate with each of those groups on what they're hearing from the students on what the student issues are on the ground and certainly make their voices heard at the City Council level.

"It needs to happen every year to the students to let them know who their representative is because every year the students change. I think that's one of the biggest challenges of campus is that it's really hard to get every successive group of students to know who you are and to know who to contact you, but that would be built into my sort of marketing plan for each year."

Robin Wonsley: "There are still lots of things to learn, but I'm so proud of my office for the outreach we've done both at the University of Minnesota and Augsburg University to build relationships with student leaders and campus organizations, to set up regular meetings with those students to hear about what concerns are at the top of their minds and be on campus and off campus. Oftentimes or throughout my term, I've been on campus, at minimum, at least once or twice a week to just hear from students. We've also worked with professors. I've spent lots of time partnering with classes.

"We were able to also work with the students who were impacted by the Identity fiasco to now bring forward an ordinance that will make sure that no student going forward or renter will be stuck in a pre-

lease agreement without some way of seeking recourse. It's through collaboration like that that we're even able to bring rental rights policies that are reflective of a lot of the issues that student renters are experiencing."

Daily: Minneapolis has a long history of controversies with policing, concerns of lack of accountability and the federal and state consent decrees with the Minneapolis Police Department. What do you want to change within Minneapolis policing?

Baskins: "I think it's really important that we rebuild trust by communicating with the community what these consent decrees look like, what visibility and oversight power we have as the council, and then make sure that we are communicating what we're learning in real-time to the community, essentially. I genuinely want to work with the police department on how we can support them in getting officers hired quicker and preventing the attrition of officers that they currently have.

"I think that the Violence Interrupter Program is an excellent idea where they're sending social workers to mental health crisis calls, and I support that and I would continue funding that. But I would make sure and audit it, make sure that it's working collaboratively between the police and that both sides are communicating well."

Wonsley: "We're super excited to really dig into this next police contract to make sure that it does have stronger provisions around discipline, around reforms and also removing language that might be harmful for residents. I also am proud of the work that we've done to foster transparency around it. My office led getting the contract released to the public last year, that had never happened before. Our conversations then prompted community listening sessions last summer, again, something that had never happened before.

"One of my biggest priorities has been public safety beyond policing. Even our officers know that the model of overreliance on just law enforcement is not sustainable for them and it does not work for our constituents. Our BCR program, which is our mental health response 9-1-1 dispatch service, has been the clearest indicator of, you know, investing in public safety beyond policing actually works. Our officers love that program because they recognize that themselves, they are not qualified mental health experts and they were excited as well as our residents."

Daily: Ensuring affordable housing and rent control has been a recent concern for Minneapolis residents; how would you help ensure affordable housing is accessible to the public?

Baskins: "Rent control that is a 3% cap on the rate on rent hikes per year would be the most, you know, extreme in the country. We've seen through studies that rent control does, and I'll just say this again, that rent control does limit the construction of new housing, diminishes the quality of housing because landlords don't put money back into it.

"Instead of that, I would do targeted investment in low-income housing. That's what we're doing right now, and I think that it's working fantastically. There's countless articles that you can read about Minneapolis as a true leader in affordable housing."

Wonsley: "Our office has been a major champion in calling for increased investments in public housing, and just this year alone we were able to work with our state-wide leaders as well as other local leaders like the board of estimates and taxation president to raise an unprecedented ten million dollar allocation to the Minneapolis public housing authority. That also resulted in an annual public housing levy being restored that will automatically assure five million dollars for public housing every single year.

"I'm super excited to work with my colleagues to advance a humane response policy. It's very clear the whack-a-mole approach that we've been utilizing and dealing with our growing unhoused community is not working. We will evict an encampment and then you'll see multiple encampments pop up nearly a few hours later and then we're back in the same cycle. This is why we know that we have to do things that ensure the increase, or the expansion of actual affordable housing."

Daily: How would you support small businesses in Minneapolis?

Baskins: "I would listen to the needs of small businesses in the corridor and understand what their particular challenges are because they're not all the same. One example is there was a desire to remove parking on Hennepin Avenue and I've mentioned this on my website. The small businesses were very concerned, sort of unanimously, that they would lose a large percentage of their business. It's very hard to find parking, of course, as you know, in that area of the city, and if there's no street parking, it's going to dramatically affect those small businesses.

"A more general policy on how to support small businesses. Well, first of all, public safety is a big thing, right? So a lot of small businesses are very, sort of have been, very affected by sort of less safe neighborhoods. I certainly would direct the law enforcement public safety officers to ensure the protection in those areas."

Wonsley: "I'm very proud of my colleague Jeremiah Ellison, who was able to get a substantial increase in funding for that program because it's been super successful and we need more initiatives like that. Also with the rent control policy, I think we absolutely, as I mentioned within and regards to the commercial space in that being costly, with us moving into our new development model where, you know, we have the baseline of these structures being related to commercial space that are super costly, I do think we need to be looking at what our protections that we can also be leveraging to support leasers of commercial spaces.

"I'm a staunch worker advocate, pro-union all day every day. I cut my teeth and politics by working on the 15 minimum wage campaign and I've worked for unions, our teachers' unions since then. I understand that you cannot have any type of business or you can't be a leader in any industry without having workers. You have to have workers and that means those workers need to be also taken care of. They need to be paid beyond a livable wage. They need to be provided benefits like health care so that they're not having to work multiple jobs in order to take care of those things or go without those particular needs. Anything that we can also do to make sure that workers are getting the pay and rights that they deserve is also crucially important."

###

**November SERIES: Q&A With Robin Wonsley on Minneapolis Policing, Housing, and Socialism**  
**(Minnesota Women's Press)**

By Mikki Morrisette

November 6, 2023

Although Minneapolis City Council member Robin Wonsley is running unopposed in Ward 2, other than a declared write-in candidate, we had a lengthy conversation with her for her perspectives on two of the primary concerns in the Minneapolis race: public safety and housing. She has been a strong voice advocating for major changes in both issues. As one of the state's few Socialist candidates elected to office, we also wanted to unpack ideology with her.

What are you proud of so far in your tenure on the Minneapolis City Council?

One of my proudest accomplishments is the substantial increase in funding that we've allocated to the city's public housing in this past year alone. Our city is facing a growing housing crisis caused by the lack of affordable housing and rising rents. Public housing offers the most affordable housing in the city, but due to underfunding, the Minneapolis Public Housing Authority (MPHA) has a 7,000+ person waitlist and hasn't had the resources needed to expand its housing portfolio. My office knew that if we wanted to seriously combat our city's worsening housing crisis, we had to champion investments into our public housing to both preserve and expand it.

Prior to my tenure, I believe the city averaged about a \$1 million dollar investment to our public housing authority annually. By collaborating with my colleagues last December, we secured funding to replace all the fire sprinklers in four of our public housing towers. I worked with statewide leader Rep. Esther Agbaje, as well as Board of Estimate & Taxation President Samantha Pree-Stinson, to get a first-time direct state allocation of \$5 million to the MPHA. We worked together to get a public housing levy passed at the municipal level, which will yield an additional annual allocation of \$5 million. This \$10 million increase in funding will ensure that thousands of residents will remain housed. It will also help with growing our public housing stock so that we can extend real affordable housing to thousands more.

I was also very proud to work with council members on a \$700,000 investment for economic development initiatives that have supported East Lake Street recovery efforts.

I was happy to champion the city's robust climate equity plan. Through collaboration with residents and local climate justice groups, the city now has one of the strongest climate equity policies in the country. However, a policy without funding renders it meaningless. This fall, the council passed the Climate Legacy Initiative Fund, which will annually dedicate \$10 million dollars towards advancing climate equity work. My office is taking legislative action to identify grants that the city can apply to at the local and federal level.

My office plans to advance a policy that will increase fees for corporate polluters. Resources generated from these fees could be used to support reparative climate work that needs to happen in BIPOC communities that have suffered horrible health outcomes due to concentrated pollution.

I am especially proud of our student outreach and engagement. Last year, we had students testify at the budget hearing, which made a big difference in helping us secure funding for increased street lighting around the University of Minnesota. I worked with State Senator Omar Fateh to advocate for the free tuition legislation that passed for students from families who earned less than \$80,000. I am excited to continue bringing students into our civic process.

My office is working with student leaders at the University of Minnesota and Augsburg University to address a multitude of issues, including housing conditions with predatory landlords. Many students have identified food insecurity, so we will look at how to bring fresh, affordable produce to students living off campus.

What is a frustration in terms of where you want to see the city and where it is currently?

We are not where we need to be when it comes to public safety. The city has primarily focused on traditional policing. Public safety does not start or end with our armed officers. There are a multitude of ways in which we can be responding to the crises our residents experience and we should be creating a workforce chain to be responsive to those diverse needs.

Focusing solely on MPD has resulted in alternative safety services being neglected — investments in programs like Behavioral Crisis Response (BCR) teams, violence interrupters, neighborhood safety, 911. They are accomplishing the impossible on shoestring budgets. My charge next year is to make sure that the city develops a plan for a comprehensive safety system, and to advocate for substantial investments into alternative safety programs.

One of the city's most successful programs has been the BCR program — our mental health responder program — which has been lauded by constituents, the federal Department of Justice, and the Minnesota Department of Human Rights. I'm proud to have worked with council members [Jeremiah] Ellison and [Elliott] Payne to renew the program's contract for at least another two years.

[Editor's Note: A MinnPost article in 2017 explored the results of a New York University research project that found that the rise in community-focused nonprofits in cities across the U.S., including the Twin Cities, might have contributed to the decline in violent crimes including murder, rape, robbery, and aggravated assaults since a peak in the 1990s. The story indicated that many external factors, such as tough-on-crime laws and regulations on lead paint — which can lead to aggressive and impulsive behavior — are theories for the drop in crime, but “ignore the role communities themselves played in tackling crime. ... In more than 20 years across 264 cities, for every 10 additional nonprofit organizations focused on things like reducing crime, mitigating violence, and building community per 100,000 residents, murder rates went down by 9 percent.”]

Two years ago, there was a ballot item in Minneapolis about creating a separate department about public safety, to increase accountability to help all residents who experience crisis. The measure did not pass.

In effect, do you feel like the city has accomplished some of the intention of that ballot question even

without passing that amendment to the city charter?

I was supportive of that ballot, and also was super excited, as were many of my constituents, to see the city move forward with a comprehensive public safety system. Our current policing system is not working, and having a racist, violent police department has been costly to our residents. There will be a substantial price tag coming along with consent decrees from the federal Department of Justice and the state's Department of Human Rights — tens of millions of dollars every year for at least the next four years to make sure we're in compliance with both legal agreements. [Editor' Note: See also the report on improving police responses to domestic violence.]

We've had to spend more than \$100 million since May 2020 for PTSD claims and misconduct legal settlements for victims of police violence. All of these expenses are in addition to MPD's existing \$200 million budget.

In some respect, people were worried that ballot two would eradicate the police workforce. But in many ways, the department itself has self imploded. I've said this publicly a number of times.

Many officers saw the direction that our residents wanted the city to move towards, in the wake of George Floyd's murder — wanting to see something very transformative with our public safety system. Unfortunately, MPD had many officers not dissimilar from Derek Chauvin who I think recognized they would not be able to stay [in a new model] and decided to leave.

Many people who want to do good policing recognize that the Minneapolis Police Department is not the place to go. Good officers [will want to see] actual culture change within it before applying. Prospective officers do not want to work in a police department with a culture of racism and violence.

While the ballot measure did not pass, tens of thousands of residents made it clear that they wanted the city to move forward with a comprehensive public safety system. Many community members were most concerned about the city actually taking this work seriously. This means funding it so it has the foundation it needs to be successful, with investments in qualified leaders and staff. This also means doing consistent and authentic engagement with the community around co-building this new system. Residents will continue to push the council and the mayor to deliver on this need. I'm excited to advance this work in the next term.

Accountability wise, with the city charter as it stands, is it oversight from the mayor, the police chief, or the city council that can hold policing accountable?

In 2021, with the government restructure proposal, proponents claimed that it would streamline accountability and oversight over the police department. The number one argument for the restructuring was that the police shouldn't have 14 bosses, when in actuality the city charter has always mandated that authority lie between the mayor and the police. The council has never had operational authority over the police department.

The new government restructuring has actually further blurred those lanes because now people hear

about the Office of Community Safety Commissioner being a decider in how our police department is being managed — but in reality, nowhere in our city charter does it say that this person has any authority over the police department.

What the city council does is checks and balances over the city enterprise, making sure no corruption is happening, that bills are paid on time, money is being appropriately and legally accounted for and allocated. When we suspect things are not happening in the way they should, we can raise the concerns — but we're bringing that to the attention of the mayor's office. It is still the police chief and the mayor who have to execute on and reconcile those issues.

Some people think of socialism as a negative. Can you describe what socialism means to you?

Socialism is essentially a political ideology that has been around for centuries. As a Black socialist, I am keenly aware that I live in a society that revolves around profits for a few at the expense of the rest of us. This type of society is not conducive towards creating thriving and healthy communities.

Average people want to see their neighbors earning above livable wages to take care of themselves, and maybe even go on a vacation sometimes with their children. Everyday people want to see folks not going into debt for pursuing a dream of going to college, or having to pay off medical expenses.

In Minneapolis, something as simple as sidewalk snow removal is grounded in a Socialist politics. Neighbors have concerns that many of our residents during the winter aren't able to get around the city because of worsening climate conditions — our sidewalks become ice rinks. People are hurting themselves. Our current system of hoping that people will plow their sidewalks voluntarily is not working. A municipal sidewalk plowing program ensures via collective responsibility that our sidewalks are safe. That's part of public safety. The socialist approach is about recognizing that communities have many shared values — and that we want each other to be taken care of.

In understanding socialism, you quickly realize it is in conflict with a society that is organized around profit. You can't have health care for everyone because it's privately owned by a few companies. If something is not lucrative, or if it's too expensive, private health care executives are not investing in it.

We are in one of the wealthiest countries in the world, and Minnesota is one of the wealthiest states in the U.S. right now. We technically should not have any underfunded schools. But private school education is lucrative [and drawing resources away from public schools].

Socialism is about creating systems, policies, and infrastructures that supports our collective well being. It is about believing that no one should be able to get abundantly wealthy —like Jeff Bezos and Elon Musks — while the rest of us wait for their wealth to trickle down. Trickle-down capitalism is not working. So what can we do to reverse the effects of that? How can we fully fund our public infrastructure so no one loses their housing, or chooses between paying rent or paying a medical bill.

Minneapolis is a pretty wealthy city yet we have some of the grossest racial and economic disparities in the country. It's not a question of resources. Our residents shouldn't be priced out of housing and have

to live in tents on the streets. People shouldn't be forced to bus their kids all across the city in order to have access to quality schools. We should be able to fund our public infrastructures and make sure our streets are paved and our sidewalks are well lit, and cleared during the winter months.

That is literally the vision of what we're rooting for, where humanity is honored and everyone has what they need to have fulfilling, productive, and healthy lives. For some reason, there are a lot of folks who want to make that a scary vision.

We see that with what is happening with Palestine and Gaza, we saw that in the uprising. People band together in moments of crisis and do what they need to do in order to make sure their neighbors are taken care of. It shows we have a deep connection to one another and want the best for one another. That is what socialism is.

###



### **Third Precinct to be built in Seward (Minnesota Spokesman-Recorder)**

By H. Jiahong Pan  
November 6, 2023

Location once viewed as a temporary precinct site will be permanent

On November 2, the Minneapolis City Council voted to purchase and relocate the Third Precinct headquarters to 2633 Minnehaha Avenue, an industrial park in the southern part of the Seward neighborhood that could potentially include tenants and a community safety center.

In an October 27 letter to council members, the site was touted by Mayor Jacob Frey as “cheaper to purchase, quicker to occupy, and has the space to accommodate the future community safety center.” The vote, which went along political lines, had the blessing of council members Michael Rainville, Latrisha Vetaw, Jamal Osman, Lisa Goodman, Andrea Jenkins, Emily Koski, Andrew Johnson and Linea Palmisano. The five dissenting council members were Elliot Payne, Robin Wonsley, Jeremiah Ellison, Jason Chavez and Aisha Chughtai.

The approval came just days before all city council members face the polls, with some in tight races. It culminates two months of back-and-forth over potential sites that could house the Third Precinct, including a lot earmarked for a Somali mall, a former vocational school, as well as an existing bowling alley and grain silos.

Some council members at the meeting were concerned about the lack of engagement around selecting and programming for the site. “It’s clear the new name is nothing more than a rebrand and the administration has zero intention of doing anything differently from the status quo of policing that brought us Derek Chauvin and many more,” said Wonsley before voting against the proposal at the November 2 meeting.

The community safety center concept came about as a result of community distrust of police officers and the desire to see other services that provide a holistic approach to public safety. In an October 13 memorandum written by City Coordinator Heather Johnston and Interim Community Safety Commissioner Lee Sheehy, the community safety center could include “violence interrupters,” social workers, and community attorneys.

Today, the 2633 Minnehaha site has a 78,000-square-foot warehouse building that was built in 1994. The site was last sold in 2014, for \$4 million. The city believes the site is the best for co-locating the precinct headquarters and a community safety center because of the large amount of space that’s available, even after the Third precinct headquarters opens.

The city estimates it would cost \$10 million to acquire and \$4 million to renovate the facility to turn it into the Third Precinct headquarters. The city says the precinct will be ready to move into its new headquarters sometime next year. They also believe it would cost an additional \$4 million to renovate the remaining space in the building for a community safety center.

This is not the first time the city has considered locating the Third Precinct headquarters at the 2633

Minnehaha site. The city considered leasing the site as a temporary precinct in 2020. The owner ultimately backed out because protestors vandalized the site, as well as the owner's Lake Minnetonka home.

The site is located next to an Ethiopian Church called Re'ese Adbarat Tserha Aryam Kidist Selassie Ethiopian Orthodox Tewahedo Cathedral. A representative from the church did not respond to requests for comment on the proposal.

However, there are no specifics about the community safety center. That's by design, insisted Community Safety Commissioner Todd Barnette at a Committee of the Whole meeting on October 31. "The reason why I haven't been specific about the services is because I think it'd be important to engage the community on that," said Barnette. "A partnership with Second Harvest could be there. We can look at whether there should be some health services there, you know. What is it that the community really needs?"

Councilmember Chughtai wants to see the community safety center's services available the same day as the Third Precinct headquarters opens, but is skeptical because of the lack of engagement. "I don't have a ton of hope for that," said Chughtai at the November 2 meeting. "We are more concerned right now with having some sort of finality to this issue than with making smart and right and thoughtful decisions that we are going to have to live with for decades."

Wonsley said the city's Capital Long-Range Improvement Committee (CLIC) has criticized the city for not having a public safety plan and making investments without strategic direction and engagement. "Former and current members of the city's Capital Long-Range Improvement Committee have emphasized that the city should have a public safety plan in place before making multimillion-dollar investments into building infrastructure," said Wonsley.

Other council members want to move forward with building out a Third Precinct headquarters, with some citing the conditions they are working in now. "I can't imagine waking up, going to work knowing that I might be entering into a full workday of trauma, and not having somewhere to go and decompress after," said Councilmember Vetaw. "Our officers deserve a shower. Our officers deserve somewhere to go. Our community deserves for our officers to be well when they show up every day to serve."

The city also considered other sites, but they were ruled out for different reasons. The site at 2600 Minnehaha is no longer being considered because moving forward with the site would be more expensive compared to moving forward with the 2633 Minnehaha site. The site was also once earmarked as a site for a Somali community center.

A motion by Councilmember Jason Chavez to direct the city to study purchasing and building a Third Precinct headquarters at 3716 Cheatham Avenue, the grain silos at the corner of 38th and Hiawatha, did not pass at the November 2 council meeting. The site is also earmarked for 98 units of housing, with the Minneapolis Public Housing Authority awarding 32 affordable housing vouchers to the site in August of this year.

The site was supported by Councilmember Andrew Johnson because it is centrally located and accessible by transit. But he voted against it because the 2633 Minnehaha site was a more attractive option.

Another site the city considered was 2520 26th Avenue South, which is the home of the Memory Lanes bowling alley. The managers of the bowling alley and the owners of the building were unaware of the proposals when contacted by the MSR in mid-October and said they opposed the plan. "There is no interest in selling Memory Lanes to the city," said general manager Greg Peterson.

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