



NOTICE AND AGENDA

December 20, 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 November 15, 2023

CHAIR'S UPDATE

RESIDENT ADVISORY BOARD – RAB Chairperson Comments

CONSENT:

1. Exterior Improvements at Glendale Townhomes (Laura Dykema, Director of Planning & Development)



PRESENTATION / DISCUSSION / PROPOSED RESOLUTION:

1. Proposed Resolution: 2024 MPHA Budget (Tim Durose, CFO)
 - Attached document: Resident Comments/Recommendations from Review of the MPHA FY 2024 Operating Budget Estimate

RECEIVE AND FILE:

- Executive Director's Update
- Monthly Performance Report for November 2023
- Community Updates and News Clippings

Next Regular Meeting:

**Wednesday, January 24, 2024 - 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
November 15, 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 November 15, 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
Elfric Porte	Vice Chair
Alyssa Erickson	Secretary
Mikkel Beckmen	Commissioner
Abdullahi Isse	Commissioner
Cara Letofsky	Commissioner
Tamir Mohamud	Commissioner
Hon. James Rosenbaum	Commissioner

The following members of the Board were absent:

Medaria Arradondo	Commissioner
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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 Mohamud. Upon a voice vote, the Chair declared the motion carried.

Approval of Minutes:

The Minutes of the Regular Meeting of November 15, 2023, were presented for approval. Commissioner Erickson moved the minutes be accepted as presented. The motion was seconded by Commissioner Isse. Upon a voice vote, the Chair declared the motion carried.



Chair's Update:

The executive committee met prior to the Board of Commissioners meeting and discussed the development team's capital plan and Heritage Park.

Resident Advisory Board (RAB) Update:

The RAB committee met prior to the Board of Commissioners meeting, there was a quorum and all items on the agenda were discussed and accepted.

The chair proposed that all staff wear gloves and a mask while dealing with trash disposal at the high-rise buildings as some residents were concerned about a possible health/safety issue. The chair also proposed that recycling bins be available at all high-rise buildings.

Item No. 1: Highrise Elevator Maintenance Services

After a brief presentation by staff and discussion, Commissioner Letofsky moved approval of the recommendation set forth in the Report. Commissioner Porte seconded the motion. Upon a voice vote, the Chair declared the motion carried. [See Document No. 2023 - 66]

Item No. 2: Mechanical Engineering Contract

After a brief presentation by staff and discussion, Commissioner Letofsky moved approval of the recommendation set forth in the Report. Commissioner Porte seconded the motion. Upon a voice vote, the Chair declared the motion carried. [See Document No. 2023 - 67]

Item No. 3: 2024 Proposed Payment Standards

After a brief presentation by staff and discussion, Commissioner Porte moved approval of the recommendation set forth in the Report. Commissioner Beckmen seconded the motion. Upon a voice vote, the Chair declared the motion carried. [See Document No. 2023 - 68]

Item No. 4: Proposed Resolution: Disposition of Excess Land Adjacent to 2728 East Franklin Avenue

After a presentation by staff and discussion, Commissioner Porte moved approval of the recommendation set forth in the Report along with the corresponding Resolution attached thereto. Commissioner Beckmen seconded the motion. Upon a roll call vote, Eight Commissioners voted "aye" (Commissioners Hoch, Beckmen, Erickson, Isse, Letofsky Mohamud, Porte, and Rosenbaum) and zero Commissioner voted "nay". One Commissioner was absent (Commissioner Arradondo). The Chair declared the motion carried. [See Document No. 2023 - 69] [See Resolution No. 2023-234]



Receive and File Items:

The following items were received and filed by the Board:

- Executive Director's Update [See Document No. 2023-70]
- HUD Disposition Approval [See Document No. 2023 – 71]
- The Monthly Performance Report for November 2023. [See Document No. 2023 – 72]
- Community Updates and News Clippings [See Document No. 2023 - 73]

Closed Session:

- **Discussion: Executive Director's Annual Performance Review 2023**

Open Session:

- **Summary: Executive Director/CEO annual Performance Appraisal**

Adjournment:

There being no further business to come before the meeting, and upon a motion duly made and seconded, the meeting was adjourned at 2:54 p.m.

Secretary of the Board of Commissioners

Date These Minutes Approved

December 20, 2023

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, Executive Director / CEO

SUBJECT: Exterior Improvements at Glendale Townhomes

Previous Directives: The Board has previously approved the Capital Fund Program (CFP) Plan for FY 2023 as part of the Agency's 2023 Moving to Work (MTW) Annual Plan.

Resident Council Review/Recommendation: This Report will be discussed with the Resident Advisory Board (RAB) immediately prior to the Board's December 20, 2023 meeting.

Budget Impact: Expenditures will be charged to the Capital Fund Program.

Affirmative Action Compliance: The contractor has signed an Equal Employment Opportunity / Affirmative Action Policy statement. Huot Construction is a 100% Section 3 Business and intends to subcontract approximately 85% of the work to a Minority Business Enterprise (MBE). MPHA will monitor compliance.

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

RECOMMENDATION: It is recommended that the Board of Commissioners authorize the Executive Director or his designee to execute a contract and all related documents in the amount of \$2,713,005.79 with Huot Construction for exterior building improvements at Glendale Townhomes.

Glendale Townhomes is a 28-building, 184-unit rowhouse development built in 1952. The scope of exterior improvements includes roof replacement at three buildings – as well as needed roof repairs at all others – and soffit/fascia and gutter/downspout replacement at all buildings. These

components are over 30 years old and have exceeded their useful life, and the improvements will help ensure buildings remain resistant to weather elements.

On October 4, 2023, an invitation for bids was publicly advertised with a bid due date of October 31, 2023. The following bids were received:

Action Construction Services	\$ 738,780.00 (<i>bid withdrawn</i>)
Huot Construction	\$2,713,005.79
JPMI Construction	\$3,200,100.00

The lowest responsive bidder, Huot Construction, has successfully completed similar projects and MPHA staff is confident they will perform well on this project.

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

December 20, 2023

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, Executive Director/ CEO

SUBJECT: Approval of the 2024 MPHA and 2024 Elliots LP and Family Housing Resources LP Budgets

Previous Directives: The Board approved the 2024 Moving to Work (MTW) Annual Plan on September 27, 2023.

Resident Association Notification: MPHA provided the Public Housing Operating Budget summaries to Resident Councils for comment on November 10, 2023. Staff presented this Public Housing Operating Budget to the residents at the Minneapolis High-rise Representative Council (MHRC) Executive Board Meeting on November 16, 2023.

The Budget is scheduled to be discussed with the Resident Advisory Board (RAB) immediately prior to the Board of Commissioners December 20, 2023 meeting.

Budget Impact: This 2024 Budget authorizes and allocates resources for 2024 expenditures.

Affirmative Action Compliance: Not applicable.

Procurement Review: Not applicable.

RECOMMENDATION: It is recommended that the Board of Commissioners:

1. Approve the 2024 MPHA Budget and adopt the attached resolution specifically approving the 2024 Public Housing Operating Budget.
2. Approve the 2024 Elliots LP and Family Housing Resources LP Budgets.

Staff requests the Board of Commissioners to approve the Minneapolis Public Housing Authority (MPHA) Fiscal Year 2024 (FY24) Budget. The Budget allocates resources to carry out the management, maintenance, and security functions in operating MPHA's public housing program, the administration and housing assistance for the Housing Choice Voucher and other Section 8 Programs, the operation of the central office, and other programs as identified in the attached 2024 Budget.

The Board of Commissioners, through the approval of the 2024 Moving to Work Annual Plan (MTW Plan), approved the 2024 Moving to Work (MTW) Budget and other program-specific budgets. Because the U.S. Department of Housing and Urban Development (HUD) requires MPHA to present an MTW Budget as part of the draft MTW Plan and make the draft MTW Plan available much earlier in the year, the budgets included in the MTW Plan are considered estimates based on the best available information at the time. This Budget provides updated and more precise funding forecasts and updated program-specific sub-budgets; identifies budgetary controls and spending policy; and details budgets for each asset management project (AMP), as required by HUD.

MPHA staff provided the Board an in-depth review of the 2024 Budget on November 7th and November 8th at the 2024 Budget Workshop sessions.

MPHA provided the budget summaries for the AMPs to the Resident Councils on November 10, 2023 and presented those Budgets to the Minneapolis Highrise Resident Council's Executive Board on November 16th. Residents were informed to submit any written comments by December 13, 2023. All written comments received will be provided to the Board.

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



Resident Comments/Recommendations from Review of the MPHA FY 2024 Operating Budget Estimate

**Report to the Minneapolis Public Housing Authority
December 13, 2023**

Residents have completed their review of the proposed MPHA Operating Budget Estimate for FY 2024. Copies of the proposed budget and comment forms were mailed to resident council presidents and distributed to MHRC board members at their November 16 meeting where MPHA Assistant Director of Finance Heather Pacheco presented the draft budget and responded to resident questions and comments. There were also discussions of the proposed budget at the November 17 Security Advisory Committee meeting. MPHA Operations Director Mary Boler attended the December 7 MHRC Executive Committee meeting and addressed resident questions and concerns raised at the MHRC Board and other meetings. The following comments and recommendations are offered:

- ◆ As you know, security continues to be the number one priority of residents especially in recent years where resident safety has been under greater threat, for a variety of reasons. Residents support the proposed higher security guard contract rates that we hope will result in Securitas being better able to fill guard posts with well-qualified guards. Residents also support the proposed hiring of an assistant security manager position. Residents have worked closely with MPHA to improve the quality of guard service and residents continue to believe that access control at our highrise entrances is the most effective crime prevention tool available. It is what makes residents feel safe.

We pledge to continue to work with MPHA towards securing the full property tax levy for MPHA so that capital needs and security hardware can have a more stable source of funding from the city.

- ◆ We support funds for the Self-Help program as it is mutually beneficial to residents and MPHA. With the continued strain on public housing operating funds, the program helps supplement the MPHA's already lean work force and helps to ensure that highrise buildings and grounds are well-maintained, important communications are delivered door-to-door, etc. Residents derive not only economic benefit from Self-Help, but also a great sense of community pride through their involvement in the Self-Help program. Some residents still report that there is no Self-Help program operating in their building. Others have reported being told by the property manager that their building had run out of funds. We urge

MPHA to continue to monitor the usage of these funds, per building, and reallocate from one building to another if necessary so the funds are fully expended each year. We also recommend wider publicity of the Self-Help program by building management and an ongoing effort to rotate the positions among interested residents.

- ◆ The increase in property management staff is supported and welcome. We trust that the 4 FTE increase will help ensure property management presence at all resident council meetings. Residents are especially supportive of the 9.5 FTE increase in maintenance staff, and glad to learn that this includes an increase in carpenters, painters and electricians. However, residents are still concerned that even with this increase, there may not be enough carpenters or electricians on staff to provide timely response to those particular needs.
- ◆ We support increased funding for VOAMN to add 1 FTE in the highrises to provide more social services. Residents from several highrises have expressed the need for the I'm OK program to be re-instated in their buildings, and would appreciate VOA's guidance.
- ◆ More and more residents have been prioritizing their health and would like to see hydration stations installed in their buildings. Residents could use these to refill bottles with filtered city water. In addition to saving money, residents would not be adding multiple single-use plastic bottles to the city's recycling/waste stream. Several years ago, the Mpls. Health Department received a \$25,000 grant from the City and used it to fund installation of five or six hydration stations at the Cedars. We have asked them to be on the lookout for other grant opportunities to fund hydration stations in additional highrises. We ask that MPHA consider using some of the \$1.1M budgeted for non-routine maintenance equipment replacement, and other needed building/site improvements to start adding hydration stations in the highrises.

Thank you for your ongoing support of Project Lookout and the Joint MHRC/MPHA Diversity Initiatives program. These partnerships are critical as we strive to maintain safe buildings and a sense of community in the highrises.

We strongly support the aggressive timeline for retrofitting highrises with sprinkler systems and applaud MPHA leadership's successful efforts to secure all the necessary funding commitments to carry it out.

PHA Board Resolution
Approving Operating Budget**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)OMB No. 2577-0026
(exp.06/30/2022)

Public reporting burden for this collection of information is estimated to average 136.2 minutes per response, including the time for reviewing instructions, searching existing data sources, , gathering, and maintaining the data needed, completing the operating budget and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information including suggestions for reducing this burden, to the Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410. When providing comments, please refer to OMB Approval No. 2577-0029. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

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

PHA Name: **and for the City of Minneapolis** PHA Code: **MN002**PHA Fiscal Year Beginning: **01/01/2024** Board Resolution Number: **2023-235**

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

DATE

- ☒ Operating Budget approved by Board Resolution on: **12/20/2023**
- ☐ Operating Budget submitted to HUD, if applicable, on:
- ☐ Operating Budget revision approved by Board Resolution on:
- ☐ Operating Budget revision submitted to HUD, if applicable, on:

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

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

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct.

WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Board Chairperson's Name:	Signature:	Date:
Tom Hoch		

Identification: MN002-and for the City of Minneapolis PHA Board Resolution form HUD-52574 (ID - 3161) for CY 2024 printed by Heather Pacheco in HUD Secure Systems/Public Housing Portal at 12/04/2023 02:24PM EST

2024 Minneapolis Public Housing Authority Budget

The Board of Commissioners, through the approval of the 2024 Moving to Work Annual Plan (MTW Plan), approved the 2024 Moving to Work (MTW) Budget and other program-specific budgets. Because the U.S. Department of Housing and Urban Development (HUD) requires MPHA to present an MTW Budget as part of the draft MTW Annual Plan and make the draft available in June, the budgets included in the MTW Annual Plan are developed with less precision than desirable. This document provides updated funding estimates and program budgets, restates current budgetary controls and spending policy, and details budgets for each asset management project (AMP) as required by HUD.

Funding Assumptions

Congress is funding Minneapolis Public Housing Authority (MPHA) programs through a short-term funding bill (a Continuing Resolution) that expires on January 19, 2024. This short-term appropriation provides funding at 2023 levels and the funding amounts for the rest of the 2024 federal fiscal year (October 2023-September 2024) are unknown in the development of this budget. Because appropriation amounts are unknown, the MPHA's 2024 Budget makes assumptions on program funding levels.

MPHA's 2024 Budget assumes HUD will provide 90% of the public housing operating subsidy formula; almost \$2.5 million less than the full formula amount. The Section 8 Programs housing assistance payment (HAP) subsidy is anticipated to be funded at 100% of the formula amount with a 10% formula inflation factor. The Section 8 Program administrative fees are estimated to be funded at only 92% of the formula amount; just over a \$480 thousand loss. These funding levels create greater stress on the resources MPHA has available to meet program needs. The Budget also assumes that the public housing Capital Fund award will be near the amount awarded in 2023 or approximately \$20 million. Funding from the City of Minneapolis is based upon the 2024 City Council Approved Budget.

Considering these assumptions MPHA estimates nearly \$3 million less of available federal subsidy due to insufficient Congressional appropriations for 2024. The breakdown by appropriation account is presented in the following schedule.

Program	Subsidy Formula Eligibility	2024 Budget	
		(Prorated Subsidy)	Subsidy Loss
Public Housing Operating Subsidy	24,978,424	22,480,500	2,497,924
Section 8 HAP Subsidy	87,269,300	87,269,300	-
Section 8 Admin. Subsidy	6,351,340	5,870,200	481,140
Total Subsidy Loss due to Proration			2,979,065

Federal appropriations are distributed to housing authorities based on prescribed funding formulas. The funding formulas include adjustments for inflation. It is not known whether the

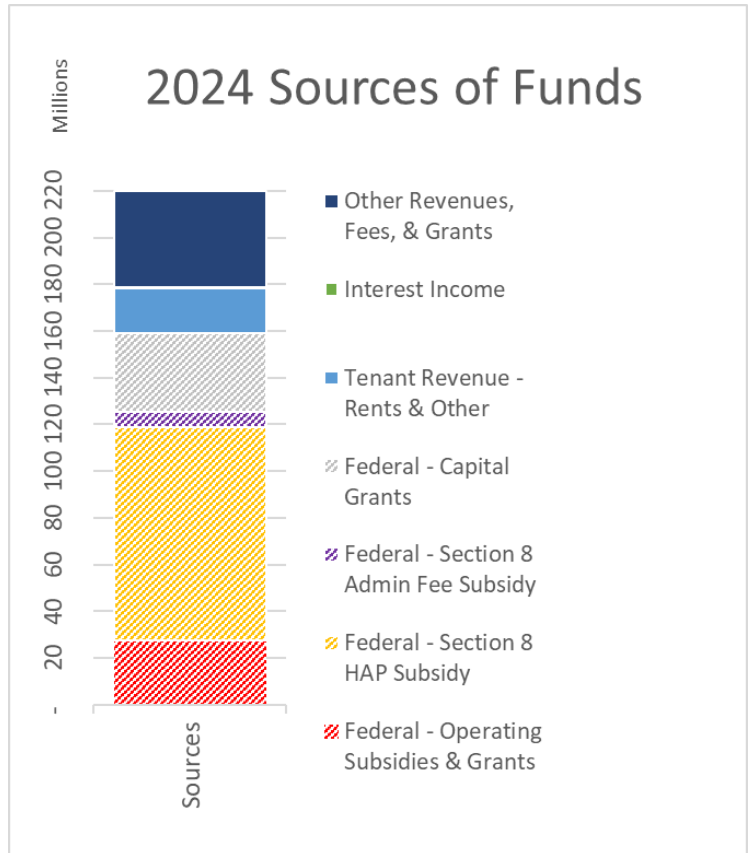
final appropriations bill will sufficiently account for historically high inflation. If the final appropriations bill fails to cover the increased funding needed due to inflation, MPHA's subsidies will be reduced from the estimates assumed in the budget.

Agency-wide Budget

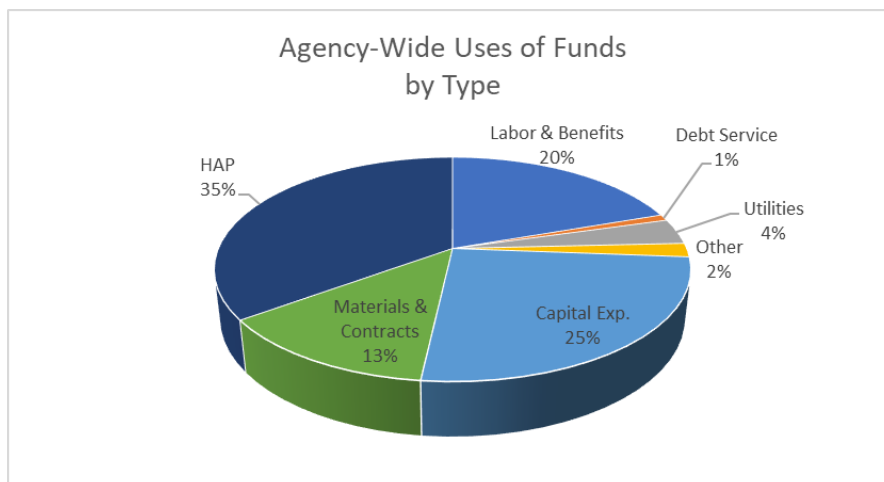
The schedule below presents the total 2024 Minneapolis Public Housing Authority (MPHA) budget with comparison to the 2023 budget.

	MPHA 2023 Budget	MPHA 2024 Budget	Change	% Change
Sources				
Tenant Revenue -Rents & Other	18,277,100	19,529,500	1,252,400	7%
Federal - Operating Subsidies & Grants	23,971,700	27,609,000	3,637,300	15%
Federal - Operating Subsidies & Grants (ARF)	1,337,700	-	(1,337,700)	-100%
Federal - Section 8 Admin Fee Subsidy	5,136,400	6,566,000	1,429,600	28%
Federal - Section 8 HAP Subsidy	82,368,000	91,272,200	8,904,200	11%
Federal - Capital Grants	31,893,400	33,627,500	1,734,100	5%
City Contribution	4,195,600	10,185,900	5,990,300	143%
Interest Income	72,400	292,200	219,800	304%
Managed Services Group Revenue	13,695,100	25,121,700	11,426,600	83%
Other Revenues, Fees, & Grants	5,550,000	5,516,200	(33,800)	-1%
Total Sources	186,497,400	219,720,200	33,222,800	18%
Uses				
Property Management and Program Admin	18,704,450	22,565,600	3,861,150	21%
Administration	11,065,800	11,895,300	829,500	7%
Development Administration	1,305,400	1,144,500	(160,900)	-12%
Tenant Services	1,662,600	3,215,800	1,553,200	93%
Utilities	9,016,300	9,862,400	846,100	9%
Maintenance	17,461,250	20,197,800	2,736,550	16%
Protective Services	4,552,000	5,376,500	824,500	18%
Insurance & Casualty Loss	2,493,900	2,884,000	390,100	16%
Other General	19,996,100	20,302,800	306,700	2%
Debt Service	1,863,300	1,905,200	41,900	2%
Housing Assistance Payments	70,457,800	75,303,700	4,845,900	7%
Capital Improvements & Equipment	31,665,000	40,138,100	8,473,100	27%
Total Uses	190,243,900	214,791,700	24,547,800	13%
Net Operating Sources/(Uses)	(3,746,500)	4,928,500	8,675,000	-232%
Transfer in/(Out) for Affiliates	1,631,800	(2,569,800)	(4,201,600)	-257%
Net Operating Sources/(Uses) after Transfers	(2,114,700)	2,358,700	4,473,400	-212%
Prior Years Lease to Own Sale Proceeds	1,460,800	-	(1,460,800)	-100%
Net Sources/(Uses)	(653,900)	2,358,700	3,012,600	461%

Total Sources of funds are expected to be \$219.7 million, an 18% increase. The most significant increase is in Managed Services Group Revenue which are resources paid to MPHA for performing property management and maintenance services at Community Housing Resources, Elliotts LP and Family Housing Resources LP. The growth in this revenue relates to the Family Housing Resources 84-unit project fully entering operations in 2024 and significant capital improvements work planned for the CHR properties that will be managed by MPHA. Federal Section 8 Housing Assistance Payments subsidy driven by inflationary increases in HAP costs and City of Minneapolis contributions for capital improvements account for the other larger revenue increases. Federal subsidies and grants comprise \$159 million, or 72% of all sources (depicted in the chart to the right as hatched) and when combined with tenant and space rent from the operation of federal public housing, 81% of MPHA sources of funds come from the operation of federal housing programs.



Total uses of funds are \$214.8 million, increased by 13% from the 2023 budget. The most significant ordinary use of funds (35%), at \$75.3 million, is for housing assistance payments to landlords. Labor and employee benefit costs are expected to be \$42.2 million (20%) of total ordinary uses of funds. Capital expenditures make up 26% of planned uses. The largest year-over-year increases are in capital improvements and HAP costs.



The 2024 Budget reflects the prioritization of resources in alignment with MPHA's emphasis on resident safety and security and housing preservation and production. The Budget funds protective services at nearly \$5.4 million and the Capital Improvements & Equipment line item includes over \$2 million in security cameras and other security-related physical improvements. Security service spending includes coverage hours at the same level as 2023 with increased contract rates needed to attract and fill security posts. Capital spending related to housing preservation includes \$4.5 million in boiler replacements, \$8.8 million in window replacements and façade repairs, \$5.2 million in electrical switch gear and generator replacements, and \$2.7 million in exterior repairs at Glendale. Additionally, \$2.8 million is budgeted for fire suppression system installations which will fund the completion of this safety improvement at all MPHA highrises. The budget includes over \$6 million in contributions for multi-unit housing construction and redevelopment (some of which is transferred to affiliates).

Resident services in public housing developments are increased in the 2024 Budget with added site staffing to address increasing property management and maintenance needs. Additionally, the budget includes increased services for case management and support for families experiencing or at risk of homelessness with school-age children in Minneapolis public schools.

Since half of the expected \$5 million in City of Minneapolis tax levy proceeds is not expected to be received by MPHA until December 2024, a \$2.3 million contribution to reserves is budgeted for these received but unspent funds. Total budgeted unrestricted reserves, which exclude amounts receivable on loans to related parties payable only if sufficient cash flow exists, are expected to be \$31.1 million at the end of 2024.

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

MPHA provides property management and maintenance services for units owned by related entities (Community Housing Resources, Elliotts LP, and Family Housing Resources LP). MPHA's budget does include the revenues and costs related to the services rendered under the property management agreement between MPHA and the other entities.

Budgetary Controls

Although MPHA presents budgetary data at a lower level on the accompanying schedules, MPHA's MTW Agreement eliminates any restriction to transfer funds among MTW program areas, among asset management projects, and between line items. The approval of the budget provides the Executive Director authorization to carry out business operations using no more than the net uses of funds identified in the Agency-wide Budget (excluding the temporary contribution to reserves of tax levy proceeds \$2.5 million) with full expenditure flexibility throughout all agency funds subject to all spending limitations imposed by the sources of the

funds. In 2024 the net use of funds is no more than \$141,300 when the expected reserve contribution resulting from tax levy proceeds is excluded.

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

	Uses Authorization Calculation
MTW Budgeted Reserve Level	15,936,100
Other Vouchers	2,147,700
Central Office Budgeted Reserve Level	4,716,400
Combined FYE 2024 Budgeted Reserve	22,800,200
Additional Use of Reserves Authorization w/o Further Board Approval	684,000

MPHA's manages its resources and planned activities within individual budgets for each Program area as required by HUD and other funders. The following information in this document provides Program area budgets that aggregate to the Agency-wide Budget.

Moving To Work (MTW) Programs Budget

Moving to Work (MTW) is a demonstration program for public housing authorities that provides them the opportunity to design and test innovative, locally designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. MTW allows PHAs exemptions from many existing public housing and voucher rules and provides funding flexibility with how they use their Federal funds. The MTW Budget for 2024 allocates resources to: (1) carry out the daily management and maintenance operations (Public Housing Operations); (2) within the funds available, provide for selected major building rehabilitation activities for MPHA's public housing stock (Capital Fund Program); (3) provide for the administration and housing assistance payments for the HCV Program (MTW Housing Choice Vouchers); and (4) set aside the funds needed for innovative, locally-designed strategies to meet the mission of MPHA (MTW Initiatives).

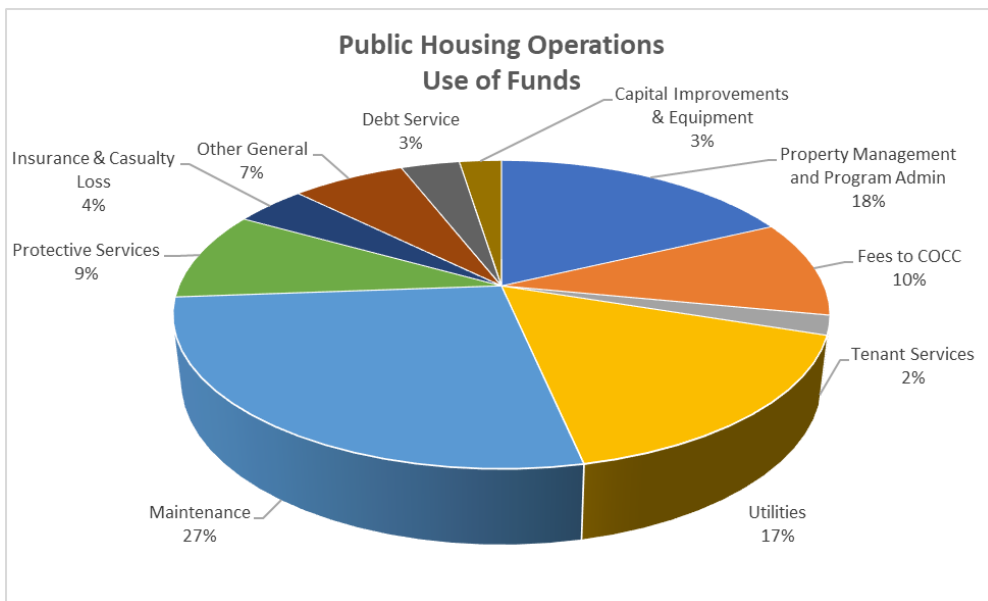
	2024 MTW Single Fund				Total MTW Programs
	Public Housing Operations	MTW Housing Choice Vouchers	Capital Fund Program	MTW Initiatives	
Sources					
Tenant Revenue - Rents & Other	19,529,500	-	-	-	19,529,500
Federal - Operating Subsidies & Grants	22,387,900	-	4,269,700	-	26,657,600
Federal - Section 8 Admin Fee Subsidy	-	4,367,100	-	-	4,367,100
Federal - Section 8 HAP Subsidy	-	70,042,700	-	-	70,042,700
Federal - Capital Grants	-	-	32,115,500	-	32,115,500
City Contribution	375,000	1,653,200	-	-	2,028,200
Interest Income	169,600	11,200	-	-	180,800
Other Revenues, Fees, & Grants	694,100	35,000	-	-	729,100
Total Sources	43,156,100	76,109,200	36,385,200	-	155,650,500
Uses					
Property Management and Program Admin	9,891,500	4,877,800	10,000	233,200	15,012,500
Fees to COCC	5,572,900	1,418,700	2,007,400	-	8,999,000
Tenant Services	1,117,300	-	-	5,000	1,122,300
Utilities	9,139,700	-	-	-	9,139,700
Maintenance	14,985,700	9,700	-	-	14,995,400
Protective Services	5,145,500	-	-	-	5,145,500
Insurance & Casualty Loss	2,332,000	44,400	-	-	2,376,400
Other General	3,685,700	10,000	392,300	-	4,088,000
Debt Service	1,905,200	-	-	-	1,905,200
Housing Assistance Payments	-	53,898,300	-	-	53,898,300
Capital Improvements & Equipment	1,364,100	-	35,491,000	-	36,855,100
Total Uses	55,139,600	60,258,900	37,900,700	238,200	153,537,400
Net Operating Sources/(Uses)	(11,983,500)	15,850,300	(1,515,500)	(238,200)	2,113,100
Transfer in/(Out) for MTW Single Fund	11,983,500	(15,597,200)	3,375,500	238,200	-
Transfer in/(Out) for Other Section 8 Programs	-	(175,900)	-	-	(175,900)
Transfer in/(Out) for Affiliates	-	(77,200)	(1,860,000)	-	(1,937,200)
Net Sources/(Uses)	-	-	-	-	-

The total 2024 MTW Budget is a balanced budget. The budget anticipates \$155.6 million in operating sources of funds and plans for \$153.5 million in uses of funds plus net transfers out to Other Section 8 Programs and Affiliates of \$2.1 million. The MTW Program reserve is budgeted to remain at \$15.9 million or 3.5 months of public housing routine operating costs and debt service.

Public Housing Operations

Over \$55.1 million is planned to be spent on the day-to-day operation of the public housing program, a 10% overall increase from 2023. Public housing properties have experienced an increase in the number of vacant units and those vacant units are in much worse condition than what staff have historically experienced on turnover thus requiring more work to make ready for occupancy. Additionally, increases in mental health issues and non-payment of rents have strained management staff with lease compliance matters. In response, this budget adds 9.5 maintenance positions, 4 property management positions, and 4 leasing/rent collection positions.

The Public Housing Operations program is primarily funded by HUD operating subsidy (\$22.4 million) and tenant rent (\$19.5 million). The largest budgeted expense is in maintenance expenses, which is 27% of the program's expenses. The maintenance budget is up 10% from 2023 mostly driven by increased labor costs resulting from an increase in maintenance personnel and higher salary rates needed to attract and retain qualified staff. MPHA pays the utility costs in all of the public housing properties and that cost is expected to be \$8.4 million; up 10% from 2023. Operating Maintenance Engineers make up the balance of the Utilities budget which is 17% of the program's expenses. The annual debt service payments to satisfy borrowing for the installation of energy saving measures totals \$1.9 million in 2024. Additionally, MPHA continues to place significant resources in protective services and funds \$5.1 million in this line item for 2024 to combat resident safety concerns. In particular, the 2024 security guard budget is 16% higher than it was in 2023 and includes increased security guard labor rates and advanced level security personnel. The budget also includes the addition of an Assistant Security Manager position.



Because of the need for a significant amount of spending to cover resident security needs, the expected shortfall in operating subsidy appropriations, improvements needed in operating conditions at Heritage Park, and the need to be competitive in attracting talent in a tight labor market, MPHA plans to supplement the public housing operating program resources with \$11.9 million of Housing Choice Voucher (HCV) subsidy.

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

2024 Public Housing Operations Budget by Asset Management Project (AMP)										
	Glendale	Scattered Sites	North	Northeast	Hiawatha	Cedars	Horn	Heritage Park	Suburban MHP	Total PH Operations
Sources										
Tenant Revenue - Rents & Other	1,101,500	333,000	5,231,600	3,758,400	3,295,400	2,478,400	3,331,200	-	-	19,529,500
Federal - Operating Subsidies & Grants	1,009,000	232,700	5,242,500	3,798,000	3,687,300	3,112,600	3,870,600	1,097,900	337,300	22,387,900
City Funds	13,900	3,800	102,900	76,900	65,200	49,200	63,100	-	-	375,000
Interest Income	6,200	39,700	20,200	30,200	26,400	25,900	21,000	-	-	169,600
Other Revenues, Fees, & Grants	7,700	1,900	343,500	114,600	108,600	24,300	93,500	-	-	694,100
Total Sources	2,138,300	611,100	10,940,700	7,778,100	7,182,900	5,690,400	7,379,400	1,097,900	337,300	43,156,100
Uses										
Property Management	429,800	177,200	2,688,600	1,697,000	1,842,600	1,308,700	1,747,600	-	-	9,891,500
Fees	202,100	51,400	1,459,200	1,058,000	952,000	795,800	1,054,400	-	-	5,572,900
Tenant Services	72,900	4,100	282,700	210,100	195,500	148,000	198,600	3,800	1,600	1,117,300
Utilities	663,900	221,100	2,498,400	1,558,400	1,453,800	1,287,100	1,457,000	-	-	9,139,700
Maintenance	1,112,800	272,300	4,267,200	2,447,300	2,480,300	1,987,700	2,418,100	-	-	14,985,700
Protective Services	85,700	-	1,491,800	667,900	1,296,500	776,900	826,700	-	-	5,145,500
Insurance & Casualty Loss	133,000	51,000	620,000	386,100	395,500	349,700	396,700	-	-	2,332,000
Other General	33,500	27,100	330,300	304,000	207,800	140,500	205,200	2,101,600	335,700	3,685,700
Debt Service	12,100	600	507,200	529,900	348,800	147,300	359,300	-	-	1,905,200
Capital Improvements & Equipment	19,800	6,000	449,400	97,400	153,700	116,000	521,800	-	-	1,364,100
Total Uses	2,765,600	810,800	14,594,800	8,956,100	9,326,500	7,057,700	9,185,400	2,105,400	337,300	55,139,600
Net Operating Sources/(Uses)	(627,300)	(199,700)	(3,654,100)	(1,178,000)	(2,143,600)	(1,367,300)	(1,806,000)	(1,007,500)	-	(11,983,500)
Transfer in/(Out) for MTW Single Fund	627,300	199,700	3,654,100	1,178,000	2,143,600	1,367,300	1,806,000	1,007,500	-	11,983,500
Net Operating Sources/(Uses) after Transfers	-	-	-	-	-	-	-	-	-	-
Budgeted Reserves as of Dec. 2024										15,166,100

MTW Housing Choice Voucher Program

The MTW budget funds an average of 4,620 participants each month with MTW Housing Choice Vouchers (HCV) and continues MPHA's rent reform initiative. The budgeted utilization is planned at just slightly higher than the MTW baseline. The HCV budget utilizes MPHA's 2024 payment standards approved by the Board of Commissioners in November 2023. The 2024 HCV Program anticipates \$53.9 million will be needed for housing assistance payments (HAP).

The Budget estimates that HUD will provide \$70 million in HCV HAP Subsidy (\$4 million available from 2023) and the City of Minneapolis will provide \$1.7 million for HAP costs needed for its

Stable Homes, Stable Schools Initiative. HUD is expected to provide \$4.4 million in administrative fees to partially cover the cost needed to administer the program. Since the program sources of funds are greater than the planned need for HAP and program administrative costs, it is expected that \$15.9 million of net sources will be available for MTW Single Fund transfers.

Capital Fund Program

MPHA, and its affiliate CHR, have existing physical needs data that indicates it has a current unmet need of \$229 million that will grow to over \$665 million over the next 20 years. These figures do not take into account applied capital funding, as it is difficult to predict future funding levels and availability. This estimate of unmet need represents building components that have reached or exceeded their estimated useful life. When formulating its annual capital plan, MPHA is forced to make difficult decisions between competing needs due to continual insufficient funding. To aid in capital planning with limited resources MPHA considers several factors including:

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

A large portion of MPHA's immediate capital needs are infrastructure/building systems. Aging systems and infrastructure at many of the properties have exceeded their life expectancy and have started to fail. MPHA deems a portion of these items as high or urgent needs that could become life/safety needs if left unaddressed. Additionally, as building codes have evolved, MPHA needs to address increased life/safety requirements such as retrofitting the highrise buildings with fire suppression systems; it is the MPHA's goal to retrofit all highrise properties with this

critical life-safety system by 2025. MPHA has made infrastructure/building systems a priority and will target these types of improvements with its limited Capital Fund resources until major reinvestment opportunities materialize.

In addition to the costs for the day-to-day public housing operation, \$44.3 million is planned for implementing major building rehabilitation projects including the following:

- \$4.5 million for Cedars Community Boiler replacement
- \$2.7 million for Glendale soffits, gutters, partial roofing & site paving replacements
- \$8.8 million for Window replacement and Façade repairs at multiple sites
- \$5.2 million in Electrical Switch gear and Generator replacements
- \$2.8 million to finalize fire suppression system installation projects
- \$2 million in security camera replacements and additions, entry system replacements, and site security fencing projects
- Development projects and Contributions to Affiliates for Improvements
 - Includes final contribution for the Family Housing Expansion new construction project
 - \$2.7 million for MPHA's contribution to redeveloping a duplex and triplex at CHR sites (Faircloth-RAD pilot)
 - \$3 million for RAD/LIHTC Highrise Preservation pre-development and potential acquisition
 - \$400k contribution to Elliots LP for site security fence and parking lot gates

The capital spending is anticipated to be funded by \$12.9 million from the 2024 HUD Capital Fund Grant and a portion of anticipated available 2022 and 2023 HUD Capital Grant funds; \$3.3 million and \$20.1 million respectively. Capital spending is enhanced by a \$3.4 million transfer in of HCV HAP subsidy bringing the total MTW Capital Fund spending to \$39.7 million. Resources from the City of Minneapolis (\$5 million in tax levy and \$569 thousand in CDBG) and \$1.5 million from a direct federal appropriation round out the \$46.8 million of planned sources.

2024 Planned Capital Projects

SOURCES	MTW				Total
	Capital Fund	EDI CPF	CDBG	Levy	
2022 Capital Fund Grant ¹	3,302,957	-	-	-	3,302,957
2023 Capital Fund Grant	20,137,253	-	-	-	20,137,253
2024 Capital Fund Grant ²	12,944,990	-	-	-	12,944,990
HCV HAP Funds	3,375,500	-	-	-	3,375,500
City of Mpls Funds (CDBG) ³	-	-	569,600	-	569,600
2024 Levy	-	-	-	5,000,000	5,000,000
Community Project Funding Grant ⁴	-	1,512,000	-	-	1,512,000
TOTAL SOURCES	39,760,700	1,512,000	569,600	5,000,000	46,842,300

¹Estimated 2022 Capital Fund Grant award remaining as of 1/1/24

²Estimated spending from the 2024 Capital Fund Grant - not the entire estimated grant award amount

³The amount of City of Minneapolis CDBG funds included in this schedule are funds estimated to be remaining from the total awards for Phase III sprinkler projects (1900 3rd, 8205 37th, 3755 Snelling, and 809 Spring) as of 1/1/24. All awarded CDBG funds for these projects are planned to be spent by the end of 2024.

⁴The total award of the Community Project Funding Grant is \$2M, with partial spending starting in 2023, and anticipating to be complete by the end of 2024.

2024 Planned Capital Projects

		MTW				
USES		Capital Fund	EDI CPF	CDBG	Levy	Total
ADDRESS	WORK					
N/A	2024 Administrative Fee	2,007,400	-	-	113,600	2,121,000
N/A	2024 Audit fee	10,000	-	-	-	10,000
DEVELOPMENT INITIATIVES AND CONTRIBUTIONS TO AFFILIATES						
Family Housing Expansion Project	MPHA Contribution - Construction of 84 new PBV units	392,300	-	-	-	392,300
4516 Portland Avenue South	MPHA Contribution - Redevelopment/construction of 2-unit deve	515,000	-	-	500,000	1,015,000
5656 Blaisdell Avenue South	MPHA Contribution - Redevelopment/construction of 3-unit deve	945,000	-	-	750,000	1,695,000
RAD/UHTC Highrise Preservator	Pre-development & potential acquisition	3,035,000	-	-	-	3,035,000
Elliot Twins	Site security fencing & gates	400,000	-	-	-	400,000
CAPITAL IMPROVEMENTS						
Glendale Townhomes	Soffits/gutters & partial roofing & site paving replacement	2,741,000	-	-	-	2,741,000
1015 North 4th Street	Generator upgrades	317,000	-	-	-	317,000
1015 North 4th Street	Pool liner replacement	105,000	-	-	-	105,000
1314 44th Avenue North	Elevator modernization	11,800	-	-	500,000	511,800
1314 44th Avenue North	Window replacement	100,000	-	-	-	100,000
1415 East 22nd Street	Roof replacement	498,900	-	-	-	498,900
1415 East 22nd Street	Façade repairs	47,700	-	-	-	47,700
1515 Park Avenue South	Main electrical switch gear & generator replacement	581,700	-	-	-	581,700
1515 Park Avenue South	Fire alarm panel replacement	594,200	-	-	-	594,200
1515 Park Avenue South	Roof replacement	500,000	-	-	-	500,000
1707 3rd Avenue South	Façade repairs & window replacement	1,730,200	-	-	-	1,730,200
1707 3rd Avenue South	Ventilation/cooling system upgrades - PILOT	500,000	-	-	-	500,000
1710 Plymouth Avenue	Main electrical switch gear replacement	138,500	-	-	-	138,500
1710 Plymouth Avenue	Fire suppression system installation	70,000	617,500	-	-	687,500
1710 Plymouth Avenue	Elevator modernization	100,000	-	-	-	100,000
1717 Washington Street NE	Main electrical switch gear & generator replacement	100,000	-	-	-	100,000
1717 Washington Street NE	Window replacement	100,000	-	-	-	100,000
1717 Washington Street NE	Roof replacement	500,000	-	-	-	500,000
1900 3rd Street NE	Fire suppression system installation	109,200	-	246,500	-	355,700
1920 4th Avenue South	Site security	27,100	-	-	-	27,100
1920 4th Avenue South	Main electrical switch gear & generator replacement	466,200	-	-	-	466,200
2121 Minnehaha Avenue	Façade repairs	36,200	-	-	-	36,200
2121 Minnehaha Avenue	Replace Entry Door	193,500	-	-	-	193,500
2121 Minnehaha Avenue	Window replacement	1,917,600	-	-	-	1,917,600
2415 North 3rd Street	Entry guard system replacement	185,000	-	-	-	185,000
2415 North 3rd Street	Fire suppression system installation	30,000	307,100	-	-	337,100
2533 1st Avenue South	Main electrical switch gear & generator replacement	100,000	-	-	-	100,000
2728 East Franklin Avenue	Roof replacement	800,000	-	-	-	800,000
3116 Oliver Avenue North	Elevator modernization	205,600	-	-	-	205,600
3116 Oliver Avenue North	Fire suppression system installation	120,000	52,900	-	-	172,900
3116 Oliver Avenue North	Main electrical switch gear replacement	100,000	-	-	-	100,000
314 Hennepin Avenue	Façade repairs	716,800	-	-	-	716,800
314 Hennepin Avenue	Main electrical switch gear & generator replacement	1,664,200	-	-	-	1,664,200
3205 East 37th Street	Fire suppression system installation	54,500	-	251,100	-	305,600
350 Van White Memorial Blvd	Exterior façade/balcony repairs, parking lot replacement	500,000	-	-	-	500,000
3755 Snelling Avenue	Fire suppression system installation	54,500	-	36,000	-	90,500
600 18th Avenue North	Elevator modernization	34,700	-	-	636,400	671,100
616 Washington Avenue NE	Fire suppression system installation	100,000	267,400	-	-	367,400
616 Washington Avenue NE	Elevator modernization	207,100	-	-	-	207,100
710 2nd Street NE	Fire suppression system installation	75,000	267,100	-	-	342,100
800 5th Avenue North	Façade repairs	1,106,200	-	-	-	1,106,200
800 5th Avenue North	Window replacement	1,075,000	-	-	-	1,075,000
800 5th Avenue North	Main electrical switch gear & generator replacement	100,000	-	-	-	100,000
809 Spring Street NE	Fire suppression system installation	75,600	-	36,000	-	111,600
809 Spring Street NE	Elevator modernization	50,000	-	-	-	50,000
828 Spring Street	Window Sealant Replacement	58,000	-	-	-	58,000
Cedars Community	Boiler replacement	4,500,000	-	-	-	4,500,000
Cedars Community	Site fencing replacement	200,000	-	-	-	200,000
Cedars Lowrises	Corridor floor tile abatement & replacement	600,000	-	-	-	600,000
Cedars Lowrises	Façade restoration & window replacement	904,200	-	-	-	904,200
Cedars Lowrises	Fireman Hose Connections	62,000	-	-	-	62,000
Fifth Avenue Towers	Apartment entry door replacement	529,800	-	-	-	529,800
Hiawatha Towers	Main electrical switch gear replacement	1,667,400	-	-	-	1,667,400
Hiawatha Towers	Façade repairs	500,000	-	-	-	500,000
Snellings	Façade restoration	11,800	-	-	-	11,800
Multiple highrises	2023 priority security cameras	449,000	-	-	-	449,000
Multiple highrises	2024 priority security cameras	500,000	-	-	-	500,000
Multiple highrises	2023 HVAC equipment replacements	406,500	-	-	-	406,500
Multiple highrises	2024 HVAC & electrical equipment replacements	500,000	-	-	-	500,000
Multiple highrises	Physical needs assessment - highrise envelopes & MEP systems	250,000	-	-	-	250,000
Multiple highrises	2023 pavement/parking lot replacements	677,300	-	-	-	677,300
Multiple highrises	Entry guard system upgrade & replacement	100,000	-	-	-	100,000
All facilities (AMPs 1-7)	Smoke detectors and fire stop cans replacement	700,000	-	-	-	700,000
All facilities	Card access system replacement	500,000	-	-	-	500,000
TBD	CFP Contingency Job	500,000	-	-	-	500,000
TOTAL USES		39,760,700	1,512,000	569,600	2,500,000	44,342,300

MTW Single Fund Flexibility

The MTW Agreement provides MPHA financial flexibility to expend HUD public housing operating and capital resources and Housing Choice Voucher (HCV) Program resources interchangeably among these programs rather than limited within the program “silos” from which the funds were derived. The combination of the three programs create an MTW Block Grant with an expanded allowable use of funds beyond what traditional PHA’s are permitted. The term used in the MTW Agreement for this ability is “Single Fund Flexibility”. The expanded use of funds provides MPHA the opportunity to design and test innovative, locally-designed strategies that use Federal dollars more efficiently and provide opportunities for program creativity and innovation. The 2024 use of Single Fund Flexibility is presented on the MTW Single Fund Flexibility Transfer Schedule. The financial flexibility utilizes \$15.9 million of HCV Program resources to fund increased public housing operating costs and capital improvements as described in the Public Housing Operations and Capital Fund Program sections of the document. The financial flexibility also utilizes \$238,200 for MTW administration and outside legal counsel on MTW matters. It is expected that \$175,900 will be needed to fund increased voucher utilization costs in non-MTW voucher programs and \$77,200 for operating assistance for Elliotts LP where utility costs have surpassed projected amounts.

MTW Single Fund Flexibility Transfer Schedule

Transfer (Out) for MTW Single Fund Details:

HCV Net Income	15,850,300
Total MTW Single Fund Transfers (Out)	(15,850,300)

Transfer In for MTW Single Fund Details:

Operating Fund Program	11,983,500
Capital Fund Improvements	3,375,500
MTW Admin Support and Legal	238,200
Other Section 8 Programs HAP	175,900
Elliots Operating Expenses	77,200
Total MTW Single Fund Transfers In	15,850,300

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

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

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

The 2024 Central Office budget is balanced. It includes \$12.6 million in routine uses; a 6% increase from 2023. The uses are supported by \$12.3 million in fees charged to other HUD programs and managed services properties combined with \$123,600 in investment and other income. The budget is balanced with a \$97,400 transfer in from MPHA's Insurance Fund to cover the equivalent amount of budgeted insurance premiums.

Central Office	
Sources	
Interest Income	87,400
Central Office Fee Revenue	12,340,900
Other Revenues, Fees, & Grants	36,200
Total Sources	12,464,500
Uses	
Administration	11,895,300
Utilities	180,500
Maintenance	228,800
Protective Services	92,900
Insurance & Casualty Loss	97,400
Other General	2,000
Capital Improvements & Equipment	65,000
Total Uses	12,561,900
Net Operating Sources/(Uses)	(97,400)
Transfer in/(Out) for Insurance Premiums	97,400
Net Sources/(Uses)	-

Development Administration

MPHA staff and consulting services performing functions related to administering MPHA's development services are accounted for within the Development Administration budget. The intent of separating out development administrative services from other MPHA administration is to ensure that developer fees and other contractor fees, when self-performing construction, are sufficient to support the costs needed to execute the development work. Development work planned in 2024 includes the close-out of the new Family Housing Resources development and pre-development work for a potential RAD conversion and recapitalization at Franklin Towers or Spring Manor(s) site.

The Development Administration budget requires \$1.4 million in uses of funds and is supported by fees paid for developer services provided to, and transfers in from, MPHA Dev Co.

Development Administration	
Sources	
Other Revenues, Fees, & Grants	813,200
Total Sources	813,200
Uses	
Fees to Central Office	286,100
Development Administration	1,144,500
Total Uses	1,430,600
Net Ordinary Sources/(Uses)	(617,400)
Transfer in/(Out) for Affiliates	617,400
Net Operating Sources/(Uses)	-

Other Program Budgets

Other Vouchers

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

The Section 8 moderate rehabilitation program and Section 8 single room occupancy program provides project-based rental assistance to cover rent plus property rehabilitation costs to private owners that rent to low-income families. The HUD-funded VASH program provides rental assistance for homeless veterans. The FUP program provides rental assistance to families where inadequate housing is a primary factor preventing the placement of a child or the return of a child from out-of-home care. Mainstream vouchers provide housing assistance to non-elderly persons with disabilities. The Emergency Housing Voucher (EHV) program is available through the American Rescue Plan Act (ARPA) and provides housing vouchers and other resources to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee,

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

In total, these programs are planned to provide housing assistance to 1,826 families per month. To fund program administrative costs due to an expected 92% proration of administrative fee funding, the Other Voucher Programs intend to use of \$17,900 in reserves.

	Other Vouchers	Insurance Fund	Managed Services Group	Other Non- Federal Funds
Sources				
Federal - Operating Subsidies & Grants	951,400	-	-	-
Federal - Section 8 Admin Fee Subsidy	2,198,900	-	-	-
Federal - Section 8 HAP Subsidy	21,229,500	-	-	-
City Contribution	-	-	-	2,588,100
Interest Income	-	24,000	-	-
Managed Services Group Revenue	-	-	25,121,700	-
Other Revenues, Fees, & Grants	-	-	1,677,700	2,260,000
Total Sources	24,379,800	24,000	26,799,400	4,848,100
Uses				
Property Management and Program Admin	2,365,300	10,000	2,199,700	2,978,100
Fees to COCC	435,300	-	2,286,900	220,000
Tenant Services	346,300	-	97,200	1,650,000
Utilities	-	-	542,200	-
Maintenance	3,800	-	4,969,800	-
Protective Services	-	-	138,100	-
Insurance & Casualty Loss	17,500	40,000	352,700	-
Other General	-	-	16,212,800	-
Housing Assistance Payments	21,405,400	-	-	-
Capital Improvements & Equipment	-	-	-	-
Total Uses	24,573,600	50,000	26,799,400	4,848,100
Net Operating Sources/(Uses)	(193,800)	(26,000)	-	-
Transfer in/(Out) for Other Section 8 Programs	175,900	-	-	-
Transfer in/(Out) for Insurance Premiums	-	(97,400)	-	-
Net Sources/(Uses)	(17,900)	(123,400)	-	-

Insurance Fund

MPHA has traditionally been self-insured for general liability (tort) claims and other claims not covered by purchased insurance for property, auto, workers compensation, crime, and cyber exposures. The Insurance Fund was created to cover this liability. Self-insurance for this exposure was used for the public housing program at the City of Minneapolis and continued upon MPHA's separation from the City. In 2019 MPHA purchased insurance to cover comprehensive general liability, directors and officers omissions and errors, and employment practices liability insurance. The budget anticipates \$24,000 in interest earnings, \$50,000 in claim costs, and \$97,400 transferred to the Central Office for insurance coverage. The budget calls for a \$123,400 use of this reserve.

Managed Services Group

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

Other Non-Federal Funds

The Other Non-federal funds includes City of Minneapolis, Local Homeless Prevention Aid and Pohlad Foundation contributions for the non-housing costs for the Stable Homes, Stable Schools initiative and associated program costs. It also includes funds awarded as a settlement from HUD regarding the offset of 2012 operating subsidy. Significant additional investments from the City and County to expand the program provides the resources for additional program administration and tenant services costs above 2023 spending.

Reserve Accounts

Prudent fiscal management and HUD oversight dictate that MPHA maintain adequate reserves. MPHA manages multiple reserve accounts under various guidelines and restrictions. All agency reserves must be spent on public purposes, and some are further limited by the grant. Unless otherwise described as restricted, the reserves referred to in this report are referencing unrestricted reserves. Unrestricted reserves are presented on MPHA's financial statements as Unrestricted Net Position less any loans due from related entities that are only payable if sufficient operating cash flow is obtained by the related entity. Restricted reserves are those that the funder places restrictions on their use beyond the overall program areas general activities.

Typical affordable housing underwriting standards require six months of operating and debt service costs in reserves. HUD also evaluates the adequacy of a public housing project's reserves by comparing the reserve balance to the number of months of operating expenses it could cover. To receive the highest evaluation score, a public housing project must have at least four months of operating costs in its reserves. The MTW reserves are budgeted for fiscal year end 2024 at \$15.9 million; the equivalent of 3.5 months of routine public housing operating and debt service costs.

The Central Office reserve is projected to end 2024 at \$4.7 million reserve. This reserve has the least amount of program restrictions and can be used as needed across all MPHA programs.

MPHA's Insurance Fund and Other Non-Federal Funds are budgeted to have \$3.7 million and \$2.2 million respectively in reserves at year-end. The Other Voucher programs are expected to have \$2.1 million in reserves in 2024. Because \$2.5 million of tax levy funding will not be available until December 2024, \$2.5 million of tax levy funds will flow into reserves at year-end 2024 to be spent in the following year. In total, MPHA reserves are budgeted at \$31.1 million. Because MPHA is the guarantor for financing for the redevelopment of Elliot Twins, MPHA must maintain \$5 million of uncommitted reserves until the guaranteed obligations have been met.

Program	2023 Estimated Reserve Amount	2024 Budgeted Reserve Amount
Moving To Work	\$ 15.9 million	\$ 15.9 million
Central Office Cost Center	\$ 4.7 million	\$ 4.7 million
Other Vouchers	\$ 2.2 million	\$ 2.1 million
General Liability Self Insurance	\$ 3.8 million	\$ 3.7 million
Tax Levy	\$. million	\$ 2.5 million
Other	\$ 2.2 million	\$ 2.2 million
Overall	\$ 28.7 million	\$ 31.1 million

As MPHA implements affordable housing redevelopment transactions that involve third-party financing, financiers will often require reserve commitments, and MPHA reserves will be needed for these commitments. Furthermore, financing requirements may likely require the commitments to come from non-federal reserves. Because of the uncertainty on the amount and the nature of commitments that might be required, the 2024 MPHA budget does not include a use of reserves for these commitments, but they should be considered in evaluating the MPHA reserve level.

Elliot's Limited Partnership

As the Contract Administrator of the RAD HAP contract with Elliot's LP, HUD requires that the MPHA Board of Commissioners must confirm that the Elliot's LP budget is making deposits into the Reserve for Replacement account in accordance with the RAD Conversion Commitment. The RAD Conversion Commitment requires monthly deposits of \$4,600 into the Reserve for Replacement commencing at substantial completion of the project and increasing 3% per annum. Substantial completion of the project was in September 2021, and the replacement reserve deposits started in October 2021. As such, the budget calls for \$58,600 in replacement reserve deposits to be made in 2024. The equity partner, RBC-Elliot's Twins LLC, has been provided this budget for their approval.

		Elliot's LP
Sources		
Tenant Revenue -Rents & Other	2,182,400	
City Contribution	-	
Interest Income	8,700	
Other Revenues, Fees, & Grants	-	
Developer Fees	-	
Total Sources	2,191,100	
Uses		
Property Management and Program Admin	362,000	
Fees	157,500	
Tenant Services	35,800	
Utilities	342,800	
Maintenance	294,500	
Protective Services	120,100	
Insurance & Casualty Loss	127,700	
Other General	34,400	
Debt Service	633,600	
Capital Improvements & Equipment	426,300	
Total Uses	2,534,700	
Net Ordinary Sources/(Uses)	(343,600)	
Replacement Reserve Deposits	58,600	
Net Operating Sources/(Uses)	(402,200)	
Transfer in/(Out) for Affiliates	477,200	
Net Sources/(Uses)	75,000	
Budgeted Reserves¹ as of Dec. 2024	560,000	

Family Housing Limited Partnership

This is the first full year of operations for this 84-unit development. The general partner, Family Housing Resources Management, LLC is required to prepare the annual operating budget for this development. The equity partner, US Bank Community Development Corporation, can request to review this budget and require changes. The budget meets the debt service coverage requirements in the Limited Partnership Agreement.

	FHR LP
Sources	
Tenant Revenue -Rents & Other	1,653,200
City Contribution	-
Interest Income	-
Other Revenues, Fees, & Grants	-
Developer Fees	-
Total Sources	1,653,200
Uses	
Property Management and Program Admin	184,700
Fees	73,100
Tenant Services	6,600
Utilities	284,100
Maintenance	260,500
Protective Services	8,900
Insurance & Casualty Loss	82,600
Other General	36,100
Debt Service	594,600
Capital Improvements & Equipment	-
Total Uses	1,531,200
Net Ordinary Sources/(Uses)	122,000
Replacement Reserve Deposits	37,800
Net Operating Sources/(Uses)	84,200
Transfer in/(Out) for Affiliates	-
Net Sources/(Uses)	84,200
Budgeted Reserves¹ as of Dec. 2024	852,791

2023 Sub-Fund Budget Summary

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

Sources	MTW Single Fund					Total MTW Programs	Other Vouchers	ED-CPF	CDBG & Low	Insurance Fund	Development Services	Central Office	Managed Services Division	Other Non-Federal Funds	Inter-Program Eliminations	Total MPHA
	Public Housing Operations	MTW Housing Choice Vouchers	Capital Fund Program	MTW Initiatives												
Tenant Revenue - Rents & Other	19,529,500	-	-	-	19,529,500	-	-	-	-	-	-	-	-	-	-	19,529,500
Federal - Operating Subsidies & Grants	22,387,900	-	-	-	26,657,600	-	951,400	-	-	-	-	-	-	-	-	27,609,000
Federal - Section 8 Admin Fee Subsidy	-	4,367,100	-	-	4,367,100	-	2,198,900	-	-	-	-	-	-	-	-	6,566,000
Federal - Section 8 HAP Subsidy	-	70,042,700	-	-	70,042,700	-	21,229,500	-	-	-	-	-	-	-	-	91,272,200
Federal - Capital Grants	-	-	32,115,500	-	32,115,500	-	-	1,512,000	-	-	-	-	-	-	-	33,627,500
City Contribution	375,000	1,653,200	-	-	2,028,200	-	-	-	5,569,600	-	-	-	-	2,588,100	-	10,185,900
Interest Income	169,600	11,200	-	-	180,800	-	-	-	-	24,000	-	87,400	-	-	-	292,200
Central Office Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	12,340,900	-	-	(12,340,900)	-
Property Management Services Revenue	-	-	-	-	-	-	-	-	-	-	-	25,121,700	-	-	-	25,121,700
Other Revenues, Fees, & Grants	694,100	35,000	-	-	729,100	-	-	-	-	-	813,200	36,200	1,677,700	2,260,000	-	5,516,200
Total Sources	43,156,100	76,109,200	36,385,200	-	155,650,500	24,379,800	1,512,000	5,569,600	24,000	24,000	813,200	12,464,500	26,799,400	4,848,100	(12,340,900)	219,720,200
Uses																
Property Management and Program Admin	9,891,500	4,877,800	10,000	233,200	15,012,500	2,365,300	-	-	-	10,000	-	-	2,099,700	2,978,100	-	22,565,600
Administration	-	-	-	-	-	-	-	-	-	-	-	11,895,300	-	-	-	11,895,300
Development Administration	-	-	-	-	-	-	-	-	-	-	1,144,500	-	-	-	-	1,144,500
Fees to COCC	5,572,900	1,418,700	2,007,400	-	8,999,000	435,300	-	-	113,600	-	286,100	-	2,286,900	220,000	(12,340,900)	-
Tenant Services	1,117,300	-	-	5,000	1,122,300	346,300	-	-	-	-	-	-	97,200	1,650,000	-	3,215,800
Utilities	9,139,700	-	-	-	9,139,700	-	-	-	-	-	-	-	542,200	-	-	9,682,400
Maintenance	14,985,700	9,700	-	-	14,995,400	3,800	-	-	-	-	-	228,800	4,969,800	-	-	20,197,800
Protective Services	5,145,500	-	-	-	5,145,500	-	-	-	-	-	-	92,900	138,100	-	-	5,376,500
Insurance & Casualty Loss	2,332,000	44,400	-	-	2,376,400	17,500	-	-	-	40,000	-	97,400	352,700	-	-	2,884,000
Other General	3,685,700	10,000	392,300	-	4,088,000	-	-	-	-	-	-	2,000	16,212,800	-	-	20,302,800
Debt Service	1,905,200	-	-	-	1,905,200	-	-	-	-	-	-	-	-	-	-	1,905,200
Housing Assistance Payments	-	53,898,300	-	-	53,898,300	21,405,400	-	-	-	-	-	-	-	-	-	75,303,700
Capital Improvements & Equipment	1,364,100	-	35,491,000	-	36,855,100	-	1,512,000	1,706,000	-	-	-	65,000	-	-	-	40,138,100
Total Uses	55,139,600	60,258,900	37,900,700	238,200	153,537,400	24,573,600	1,512,000	1,813,600	50,000	1,430,600	12,561,900	26,799,400	4,848,100	(12,340,900)	-	214,791,200
Net Operating Sources/(Uses)	(11,983,500)	15,850,300	(1,515,500)	(238,200)	2,113,100	(193,800)	-	3,750,000	(26,000)	(617,400)	(97,400)	-	-	-	-	4,928,500
Transfer in/(Out) for MTW Single Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in/(Out) for Other Section 8 Programs	11,983,500	(15,597,200)	3,375,500	238,200	(175,900)	-	-	-	-	-	-	-	-	-	-	-
Transfer in/(Out) for Stable Homes/Stable Schools	-	(175,900)	-	-	(175,900)	-	-	-	-	-	-	97,400	-	-	-	-
Transfer in/(Out) for Insurance Premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in/(Out) for Affiliates	-	(777,200)	(1,860,000)	-	(1,937,200)	-	-	(1,250,000)	-	-	617,400	-	-	-	-	(2,569,800)
Net Sources/(Uses)	-	-	-	-	-	(17,900)	-	2,500,000	(123,400)	-	-	-	-	-	-	2,358,700
Budgeted Reserves¹ as of Dec. 2023	15,166,100	770,000	-	-	15,936,100	2,165,600	-	2,500,000	3,777,400	(123,400)	-	4,716,400	275,800	1,877,900	-	28,749,200
Budgeted Changes in Reserves	-	-	-	-	-	(17,900)	-	2,500,000	(123,400)	-	-	-	-	-	-	2,358,700
Budgeted Reserves² as of Dec. 2024	15,166,100	770,000	-	-	15,936,100	2,147,700	-	2,500,000	3,654,000	-	-	4,716,400	275,800	1,877,900	-	31,107,900
Budgeted Restricted HAP Reserves as of Dec. 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budgeted Change in HAP Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budgeted Restricted HAP Reserves as of Dec. 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ Reserves are defined as Unrestricted Net Position
² Prior Years Lease to Own Sale Proceeds are currently held as Restricted Net Position

2024 Budget Summary

MPHA Affiliate Organizations

The bylaws for Community Housing Resources (CHR), MPHA Hold Co. and MPHA Dev. Co. make the Executive Director responsible for the fiscal affairs and the budgets of these organizations. The MPHA Board of Commissioners is provided the Executive Director's 2024 budget for CHR, MPHA Hold Co. and MPHA Dev. Co. below.

	CHR	Hold Co	MPHA Dev Co
Sources			
Tenant Revenue -Rents & Other	15,726,700	-	-
City Contribution	3,720,000	-	-
Interest Income	-	-	-
Other Revenues, Fees, & Grants	6,340,100	10,100	-
Developer Fees	-	-	1,626,400
Total Sources	25,786,800	10,100	1,626,400
Uses			
Property Management and Program Admin	1,767,900	6,500	813,200
Fees	2,089,000	-	-
Tenant Services	59,400	-	-
Utilities	3,172,100	-	-
Maintenance	4,713,600	-	-
Protective Services	-	-	-
Insurance & Casualty Loss	766,600	-	-
Other General	210,500	-	-
Debt Service	-	-	-
Capital Improvements & Equipment	15,782,200	-	-
Total Uses	28,561,300	6,500	813,200
Net Ordinary Sources/(Uses)	(2,774,500)	3,600	813,200
Replacement Reserve Deposits	-	-	-
Net Operating Sources/(Uses)	(2,774,500)	3,600	813,200
Transfer in/(Out) for Affiliates	2,710,000	-	(617,400)
Net Sources/(Uses)	(64,500)	3,600	195,800
Budgeted Reserves¹ as of Dec. 2024	1,662,400	19,000	3,158,700

CHR Capital Improvements								
		MPHA						
		Contribution -	MPHA					
SOURCES		Capital	Contribution -	CHR	State	SHORP		Total
		Funds	Levy funds	Revenues	Funds	funds	CDBG	Other
MPHA Contribution - Capital Funds		1,460,000	-	-	-	-	-	-
MPHA Contribution - Levy funds		-	1,250,000	-	-	-	-	-
CHR Revenues		-	-	3,521,300	-	-	-	-
State Funds		-	-	-	5,000,000	-	-	-
SHORP funds		-	-	-	-	1,340,100	-	-
CDBG		-	-	-	-	-	3,595,000	-
Other		-	-	-	-	-	-	125,000
TOTAL SOURCES		1,460,000	1,250,000	3,521,300	5,000,000	1,340,100	3,595,000	125,000
16,291,400								
USES								
Administrative Fee for Construction Services		-	-	609,200	-	-	-	-
4516 Portland Avenue South	Redevelopment/construction of 2-unit development	515,000	500,000	100,000	-	-	-	50,000
5656 Blaisdell Avenue South	Redevelopment/construction of 3-unit development	945,000	750,000	-	-	-	200,000	75,000
Multiple Sites	Bring 4 units online & Exterior Work Ext Rehab (Siding, Windows, Roofs)	-	-	-	-	-	3,395,000	-
Multiple Sites	State Funds - detailed uses TBD	-	-	-	5,000,000	-	-	-
Multiple Sites	SHORP Funds - detailed uses TBD	-	-	-	-	1,340,100	-	-
Multiple Sites	Deep Turns - Kitchen and Bathroom Rehab	-	-	2,527,900	-	-	-	-
Multiple Sites	Furnaces and Hot Water Heaters	-	-	162,000	-	-	-	-
Multiple Sites	Cement and Asphalt repair	-	-	80,000	-	-	-	-
Multiple Sites	Appliances	-	-	44,200	-	-	-	-
Multiple Sites	Vehicles	-	-	98,000	-	-	-	-
TOTAL USES		1,460,000	1,250,000	3,621,300	5,000,000	1,340,100	3,595,000	125,000
16,391,400								

Acronyms

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



MEMORANDUM TO: MPHA Board of Commissioners

FROM: Abdi Warsame, Executive Director/CEO

SUBJECT: Executive Director's Report, December Board Meeting

Agency staff have been working tirelessly to finish out 2023, which has included closing out work on securing the unprecedented \$5 million housing tax levy approved by the Minneapolis City Council earlier this month to support the agency's preservation and production activities. It has also included readying the proposed 2024 agency budget, led by CFO Tim Durose and his team, who continue to build budgets that balance a never-ending list of competing needs against the agency's limited funding. It never ceases to amaze me how much our team can accomplish despite chronic federal underfunding.

As we close out these final projects to end the year, I also want to reflect on some of the agency's incredible accomplishments this year:

\$5 Million for CHR Repairs from the Minnesota Legislature: When the Minneapolis City Council passed the City's 2023 budget that included \$4.9 million in capital funding support for MPHA, it marked the largest one-time non-federal capital contribution in the agency's history. However, in only a few short months, we were able to beat our own record. Following a months-long campaign of meetings, testimony, advocacy, education, and negotiations, MPHA secured a direct one-time appropriation of \$5 million from the state's historic budget surplus to make repairs and improvements to the agency's CHR portfolio – the only PHA/HRA in the state to do so. Additionally, MPHA's work resulted in legislators creating a \$10 million fund dedicated to providing grants to rehabilitate public housing across the state.

Highest PHAS Physical Inspection Scores in Agency History: Earlier this year, MPHA received a near-perfect 98.5 percent in the physical inspection segment of HUD's annual Public Housing Assessment System (PHAS). This marks the highest PHAS physical inspection scores in MPHA's history and builds on the agency's record of achieving "high performer" status with HUD, a designation earned by scoring 90 or above (out of 100) in HUD's annual PHAS inspections that MPHA has maintained since the late 1990s. This designation earns the agency additional capital funding and priority status for a variety of application-based federal supports. In 2023, MPHA was awarded an additional \$955,000 in capital funding for its "high performer" status.

\$4 Million Expansion of Stable Homes Stable Schools: In July, leaders from the City of Minneapolis, Hennepin County, Minneapolis Public Schools (MPS), and the YMCA of the North were joined by MPHA leaders and families to announce the expansion of the nationally recognized Stable Homes Stable Schools (SHSS) program for the 2023-2024 school year. With a new infusion of more than \$4 million from the City of Minneapolis and Hennepin County, SHSS emergency assistance will be offered to all 43 MPS elementary schools and multi-year rental assistance will be expanded from 19 to 24 schools. Additionally, in the coming years, SHSS will aim to double the number of families served per year and increase program staff across the partner organizations.



\$5 Million Annual Housing Levy Passed: Following another months-long campaign in tandem with MHRC, Mayor Frey proposed restoring the city's annual housing tax levy in his 2024 budget (and has since been approved by the City Council). Restoring the housing levy has been a top priority of MPHA and its residents for more than a decade. At \$5 million annually, this is the largest MPHA levy in the city's history. And with the mayor's long-term commitment, the agency was able to develop and will execute a five-year capital plan for the funding. To put in context how significant this new funding is, MPHA received about \$20 million from HUD in 2022 to support the agency's capital improvement work. This new, annual funding proposed by Mayor Frey and now approved by the BET, provides the agency with a 25 percent boost to annual capital funding.

\$1.3 Million Grant from Minnesota Housing for CHR Repairs: As a part of the agency's efforts at the state legislature this year, MPHA was a coalition partner among affordable housing providers across the state who helped craft the 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. In late October, the Minnesota Housing Board of Director's approved CHR's application for funding, awarding the agency a \$1.3 million grant to support capital improvements – one of the only non-tribal housing authorities in Minnesota to receive an allocation.

Near Completion of Family Housing Expansion Project: The agency has closed, broke ground, and is nearing completion and lease-up of the nation-leading Family Housing Expansion Project (FHEP). From its financing to its modular construction, the FHEP is innovative and the first-of-its-kind for public housing authorities across the country. The project has already drawn local and national attention, including welcoming HUD Principal Deputy Assistant Secretary, Richard Monocchio and Great Lakes Regional Administrator, Diane Shelley, for tours. This project creates a blueprint for MPHA and housing authorities across the country to deliver quality, cost-effective, deeply affordable family housing.

Project-Based Vouchers (PBVs): In 2023, MPHA awarded 126 new PBVs across seven affordable housing development projects in Minneapolis.

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

Housing Stability & Emergency Housing Assistance: Agency staff assisted more than 400 families apply and receive rent relief payments from Hennepin County's emergency assistance funds. Through this work, MPHA residents secured more than \$700,000 in rental assistance.



Monthly Performance Report

Minneapolis Public Housing Authority

Board of Commissioners

For the month ending November 30, 2023

Contents

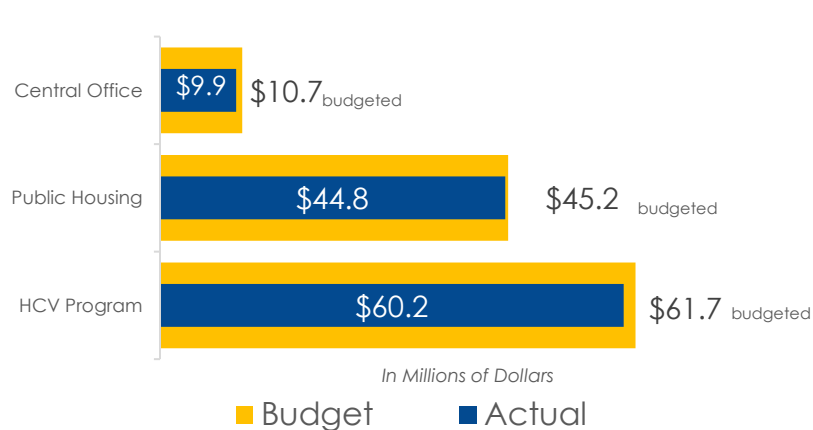
1. Financials
2. Performance of Operations
 - Public Housing Programs
 - Housing Choice Voucher Programs
3. Building Improvement and Development Projects
4. Inquiry Response and Social Media

Operating Sources and Uses

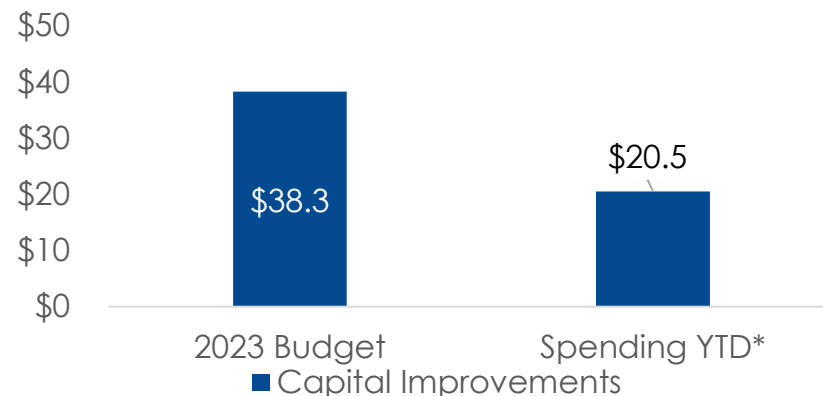
MTW Public Housing and Housing Choice Voucher (HCV) Program

Sources	YTD Budget	YTD Actual	Favorable (Unfavorable)	Variance %
			Variance	
Tenant Revenue -Rents & Other	\$ 16,786,151	\$ 17,520,452	\$ 734,301	4%
Public Housing Operating Subsidy	\$ 21,353,079	\$ 21,311,585	\$ (41,494)	0%
HCV HAP Subsidy & Admin Fees	\$ 60,451,056	\$ 58,580,921	\$ (1,870,135)	-3%
Other Revenues, Fees, & Grants	\$ 2,040,940	\$ 2,392,071	\$ 351,131	17%
Transfers-In	\$ 270,413	\$ 324,176	\$ 53,763	20%
Total Sources	\$ 100,901,639	\$ 100,129,205	\$ (772,434)	-1%
Uses				
Public Housing Operations	\$ 45,181,011	\$ 44,761,909	\$ 419,102	1%
Housing Choice Vouchers	\$ 55,445,267	\$ 55,271,827	\$ 173,440	0%
MTW Initiatives and Other Services	\$ 275,361	\$ 71,654	\$ 203,707	74%
Total Uses	\$ 100,901,639	\$ 100,105,390	\$ 796,249	1%
Net Sources/(Uses)	\$ -	\$ 23,815	\$ 23,815	n/a

Year to Date (YTD) Expenses



MTW Capital Fund Program

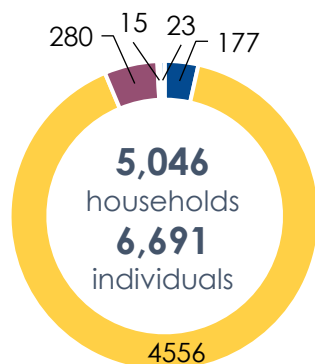


*An additional \$16 million is under obligation for capital projects YTD

Public Housing Programs



Occupied Units*

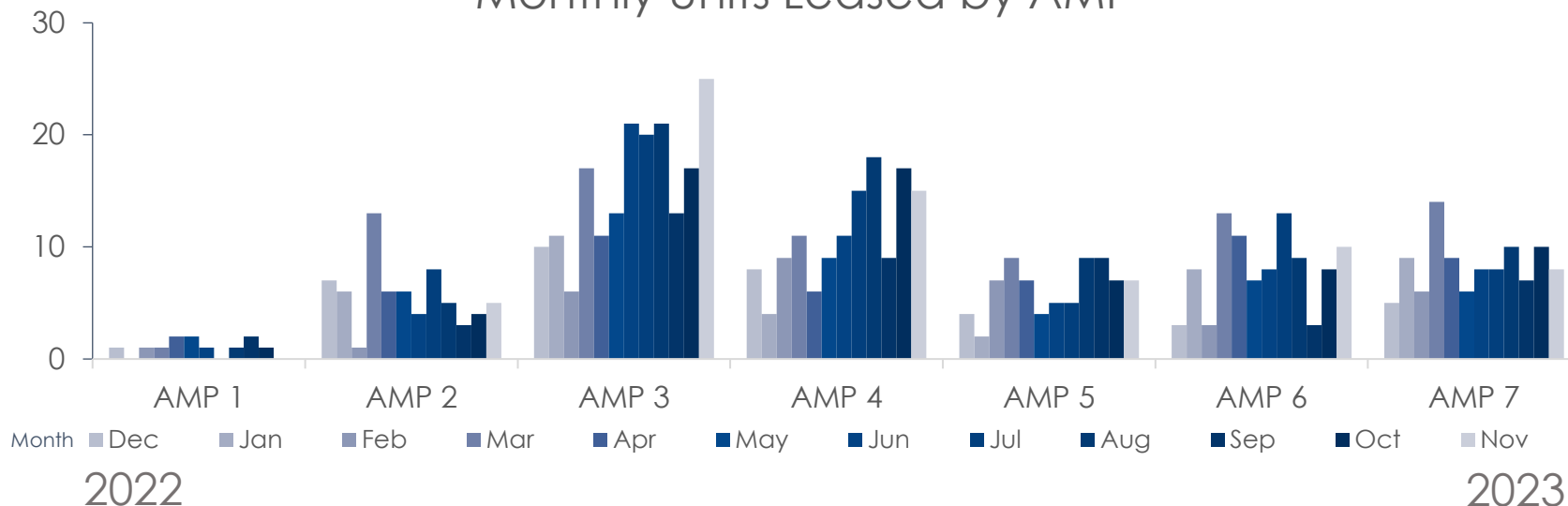


- Glendale
- MHOP
- Scattered Sites
- Highrise
- Minnehaha Townhomes

70
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

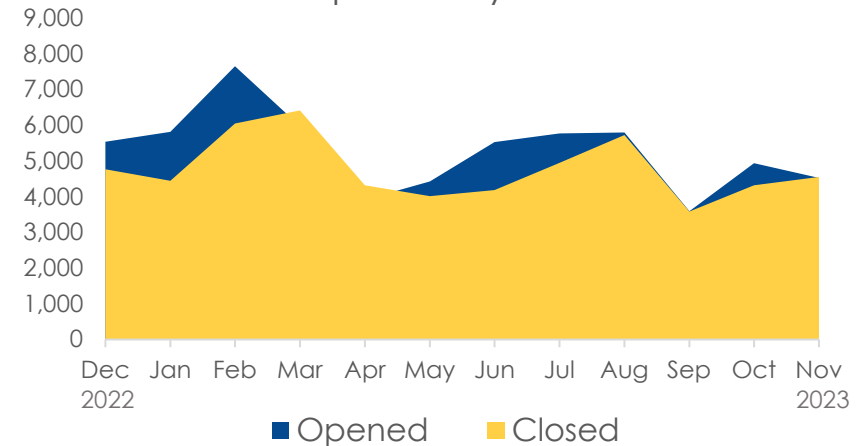


Reason for Vacating Unit	Count
Death	11
Moving in with or closer to Family	7
Found Alternative Housing	6
Other	5
Moving Out of Town	3
Illness	2
Left Country	2
Evicted - Non Payment	2
Received S8 Voucher	2
Skip	1
Purchased Home	1
Evicted - Other	1
Dislike Unit	1
Evicted - Disturbing Neighbors	1
Mutual Agreement	1

Applicants on Waiting List

Family 2021	2006
Family	656
Disabled (18 - 49)	1714
Near Elderly (50-61)	2159
Elderly (62+)	472

Work Orders Opened and Completed by Month

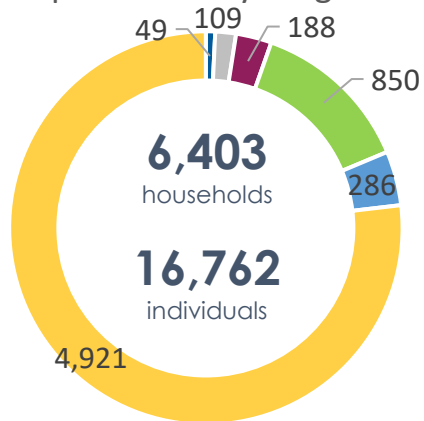


Goal	Total Completed	% Completed within Goal	Average Days Open
Emergency: 24 Hours	93	83%	0
Urgent: 1 Day	993	86%	0
After Hours Non-Emergency: 2 Days	7	71%	2
Important: 3 Days	967	77%	2
Routine: 10 Days	362	77%	6
Non-Routine: 20 Days	32	100%	5
Pest Control	643	100%	11

Housing Choice Voucher Programs



People Served by Program*



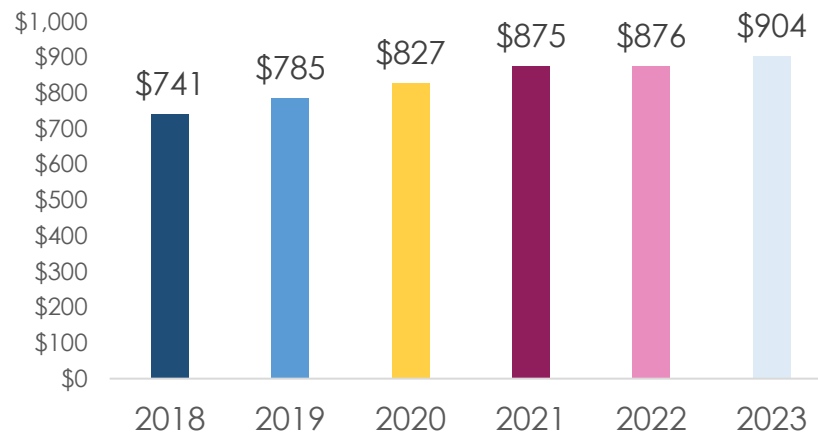
- Sponsor-Based
- Mod Rehab
- FUP and VASH

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

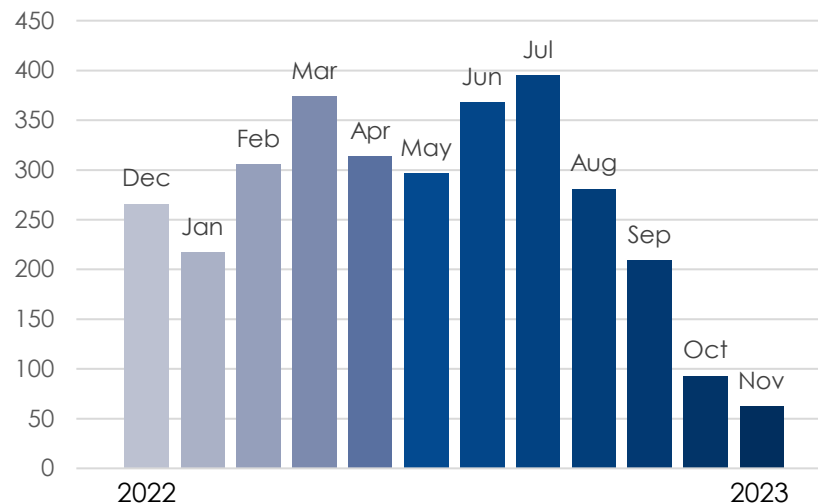
Family Unification Program and Veterans Affairs Supportive Housing

*Including port-ins and port-outs

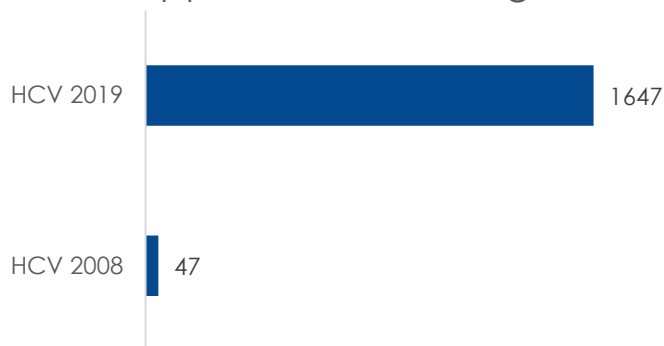
Average Housing Assistance Payment per Unit, Year to Date



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	Bidding
CHR scattered site units	State-funded improvements	Planning
800 5 th 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	Awarding contract
Multiple highrises	Priority camera installations	Bidding
2415 N 3 rd Street	Entry guard system upgrade - pilot project	Bidding
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 th /1415 E 22 nd St	Façade repairs	Underway
Fifth Avenues & 2121 Minnehaha	Apartment entry door replacement	Under contract; late 2023 start
1415 East 22 nd Street	Roof replacement	Under contract; spring start
1515 Park Avenue South	Fire alarm system replacement	Underway
1314 44 th Avenue N & 600 18 th Avenue N	Elevator modernization	March 2024 start
3116 Oliver & 616 Washington St NE	Elevator modernization	January 2024 start
1015 N 4 th Street	Generator upgrades	January 2024 start
1710 Plymouth Avenue North	Shower replacement	Underway
1627 South 6 th Street	Apartment bathroom flooring replacement	Underway
1707 3 rd 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	Completed
1515 Park/1920 4 th /1710 Plymouth/710 2 nd	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 nd St NE	57	\$620,000	MPHA Capital	Complete	Jan-Apr 2022
1717 Washington St NE	182	\$1,570,000	MPHA Capital	Complete	Apr-Nov 2022
2728 E Franklin St	151	\$1,200,000	MPHA Capital	Complete	Sept '22-Jan '23
Horn Towers	491	\$3,445,000	MPHA Capital	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 th St	116	\$868,000	MPHA Capital/City/State	Complete	Dec '22-Sept '23
600 18 th Ave N	239	\$2,450,000	MPHA Capital/City/State	Complete	Nov '22-Oct '23
1314 44 th 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 rd St	62	\$505,000	MPHA Capital/EDI Grant	Under Construction	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 nd 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 rd St NE	32	\$410,000	MPHA Capital/City	Contract Awarded	Dec '23-Feb '24
3205 E 37 th 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
- Bidding underway for \$3.5M City of Minneapolis funds
- Developing work plans & scopes for \$5M & \$1.3M State grants

Timeline (subject to change)

Conversion
to project-
based
vouchers

Exploring/Pursuing
Funding Options

2023 City-
Funded
Construction
Begins

State-
Funded
Construction
Begins

Oct
2020

Ongoing
2022-24

Winter
2023/24

TBD

Family Housing Expansion Project

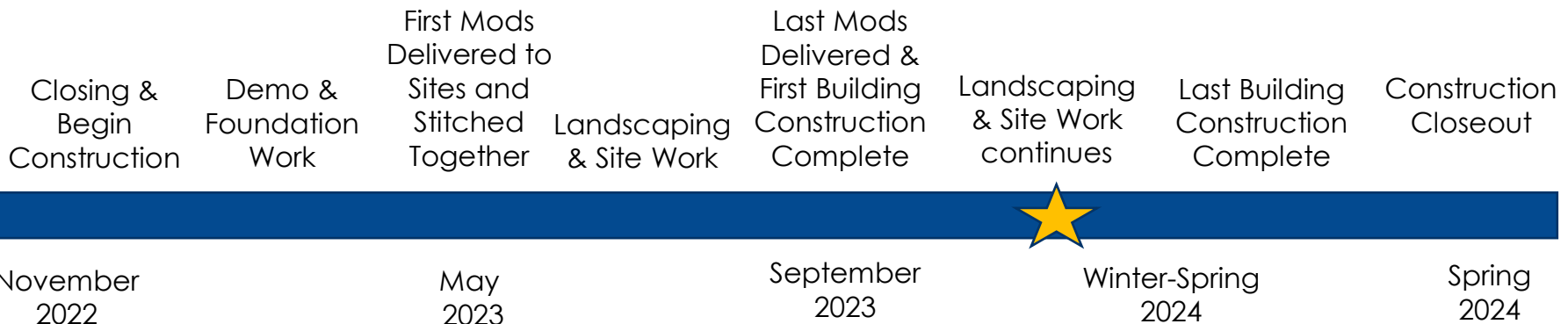


84-unit new scattered site construction



- 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 10 of 16 sites**
- **First family move ins in October; two buildings fully occupied**

Construction Timeline (subject to change)



Inquiry Response and Social Media



MPHA on Facebook

Top Performing Post (1,449 views)

Last month, MPHA resident Airreyonna and staff celebrated her being among the first to sign a lease for one of MPHA's new 84 family units! As units are completed, MPHA staff are working with residents to sign leases and get families moved into their new homes. More: bit.ly/CelebrateFHEP



5

Posts for the Month

13

New Followers



MPHA on Twitter

Top Tweet (138 views)

MPHA resident Airreyonna and staff celebrated her being among the first to sign a lease for one of MPHA's new 84 family units! As units are completed, MPHA staff are working with residents to sign leases and get families moved into their new homes. More: bit.ly/CelebrateFHEP



5

Tweets for the Month

0

New Followers

November 2023

Resident and Staff Member Receive Grant to Join National Cohort



As a part of their work with the Highrise Health Alliance, MPHA resident leader Shirley Brown and Assistant Director of Policy and Strategic Initiatives, Rachel Almburg, were recently among 15 community leaders from across the country selected to join the Public Health Regenerative Leadership Synergy (PHEARLESS) initiative. Shirley and Rachel will participate in a nine-month leadership development program, along with receive a \$100,000 grant to support Highrise Health Alliance's work to improve health outcomes of high-rise residents.

Cora McCorvey Center Hosts Reception for Art Exhibit Featuring Senior Artists

Celebrating the opening of "Inspired By A Lifetime" art exhibit, the Cora McCorvey Center held a reception on December 9. Chats with the featured artists, treats, and live musical performance by the Alive & Kickin crew marked the occasion.

The "Inspired By A Lifetime" exhibit showcases local artists ages 50+ and will be on display around the walking track of the Cora McCorvey center through April.



MPHA News Clips – December Board of Commissioners Meeting

Minneapolis City Council and Mayor Jacob Frey unify around \$1.8 billion budget (Star Tribune)

By Dave Orrick

December 1, 2023

The Minneapolis City Council and Mayor Jacob Frey unified Friday around a \$1.8 billion spending plan for 2024 that would dedicate funding to replenish the ranks of police officers — and also to police reform and alternative public safety strategies.

The council's Budget Committee spent two days making changes to Frey's proposed 2024 budget, which faces a public hearing and final council vote Tuesday evening before going back to the mayor for his signature. Frey, who negotiated with council members publicly and privately, said he was "optimistic" that he'll sign it.

While the council has frequently been divided over major policy issues, members worked past differences Thursday and Friday, compromising among themselves and with Frey's administration to reach overwhelming agreement on dozens of changes without acrimonious debate. The final vote was 12 to 0; Council President Andrea Jenkins was absent.

Among the nearly 50 changes council members agreed on: funding for the popular Open Streets community events; sidewalk snow removal pilot programs; and more money to pay and recruit 911 dispatchers, improve safety at intersections and assist those experiencing domestic abuse.

"Today is not about what we're most divided on," Budget Committee Chair Emily Koski said during a high-five-filled news conference after the vote. "This is where we come together." Koski emphasized that the vast majority of Frey's proposed budget was agreeable to council members, with changes affecting some \$30 million of the larger \$1.8 billion budget.

That relative harmony was buoyed by the fact that the city has additional money to spend, from higher post-pandemic local tax revenue and a boost in state funding for public safety initiatives.

That, and the part residents and businesses will chip in: a proposed 6.2% increase in the total amount of money raised by property taxes. The owner of a \$331,000 home in Minneapolis would see an increase ranging from \$150 to \$160 in property taxes.

In addition to significant new spending on public safety, the budget aims to increase money to fix city streets and fill a slew of staff positions that have become vacant during a torrent of turnover seen across sectors since the pandemic.

Public safety

The budget funds a police force of 731 sworn officers — the amount required by the city's charter. Officer ranks have continued to shrink, with roughly 580 on the force as of mid-November.

The plan also allots \$16 million next year for dozens of hires to comply with a state-court settlement and anticipated federal consent decree to change the culture of the Police Department, including rooting out its history of racist practices.

And the budget funds a number of public safety measures that fall outside traditional policing, ranging from unarmed neighborhood "safety ambassadors" to expanding the city's behavioral crisis response teams — specialists tasked with emergency calls better suited for a mental health worker than an armed police officer.

Other highlights

Some other highlights of the budget proposed by Frey and amended by council members:

- Climate: A hike in electric and natural gas bills will generate an estimated \$10 million annually to pay for responding to climate change, starting with weatherizing buildings.
- Public housing: The resurrection of a property tax by the Minneapolis Public Housing Authority would add \$4 million annually to that agency, which is grappling with a \$229 million backlog of repairs.
- Witch's Hat Tower: \$350,000 would be set aside to repair the water tower at Prospect Park.
- Refugees: \$180,000 would be spent to hire additional workers to respond to the influx in refugees arriving and in need of assistance.
- Snow storage: \$500,000 would be allocated for the city to find a secure site to store snow removed from downtown and elsewhere.

###

[Minneapolis City Council approves \\$1.8 billion budget for 2024 \(Star Tribune\)](#)

By Dave Orrick

December 5, 2023

The Minneapolis City Council on Tuesday unanimously approved a roughly \$1.8 billion taxing-and-spending plan for next year that prioritizes public safety — both traditional policing and alternatives — as well as responses to climate change.

Despite frequently splitting on controversial matters, all 13 council members last week coalesced behind the budget after making dozens of changes around the edges in consultation with Mayor Jacob Frey, who has said he was "optimistic" about signing it.

Under the plan, the city would increase the total amount of money raised from property taxes by 6.2%. The owner of a \$331,000 home in Minneapolis would see an increase ranging from \$150 to \$160 in property taxes.

That figure would include a resurrected tax by the Minneapolis Public Housing Authority that would cost the owner of the same home about \$21 a year. That money would add \$4 million annually to the MPHA, which is grappling with a \$229 million backlog of repairs.

City residents and businesses would pay in other ways for some aspects of the plan. A hike in electricity and natural gas fees, to pay for parts of the city's climate response plan, would cost residents and businesses an estimated \$8 to \$12 annually. That would generate an estimated \$10 million annually, with about half of that money in the first year targeted at weatherizing buildings, starting with insulating attics and walls, and plugging drafts in homes.

And water bills would increase about 16 cents a month to evaluate the state of stormwater systems on park district land.

Other taxing bodies, such as Hennepin County and Minneapolis Public Schools, set their property-tax-and-spending plans independently of the city.

The council's vote was expected to follow Tuesday's final public hearing on the budget proposal. Inside the third floor of City Hall, scores of people packed an overflow room and snaked through the hallways, with many signing up to speak publicly on a panoply of issues.

Laborers' International Union of North America members waited for the start of a public hearing on the 2024 budget.

Among them were perhaps 60 unionized city public works employees who carried a refrain that they were underpaid and understaffed. Dozens of people carried signs against a potential clearing of a homeless encampment that one speaker described as a "healing space" to help Indigenous people with addiction. A group of American Indian activists sang to a beating drum outside the packed council chambers later chanting "Let us in!" One woman put her phone on speaker while she called a homeless

hotline to illustrate the shortage of beds in shelters.

Some spoke in favor of spending more money to recruit police officers, drawing both cheers and jeers from those outside. One man who said he was mugged and beaten by a group of men called alternatives to traditional policing "naive."

A woman spoke out against infrastructure that favors bicycles over parking, while a man spoke in favor of that idea. One man praised council members for coming together over the budget.

Laborers' International Union of North America members waited for the start of a public hearing on the 2024 budget.

Public safety

The budget funds a police force of 731 sworn officers — the amount required by the city's charter. Officer ranks have continued to shrink, with roughly 580 on the force as of mid-November. It's hardly assured that those empty slots will be filled; the current budget also funded those positions.

The plan also allots \$16 million next year for dozens of hires to comply with a state court settlement and anticipated federal consent decree to change the culture of the Police Department, including rooting out its history of racist practices.

The budget also funds a number of public safety measures that fall outside traditional policing, including \$3 million to pilot unarmed neighborhood "safety ambassadors" in a number of cultural districts and expanding the city's behavioral crisis response teams — specialists tasked with emergency calls better suited for mental health workers than armed police officers.

Among other budget highlights:

- \$595,000 will fund several sidewalk-shoveling pilot programs that aim to clear snow from priority pedestrian areas and focus on property owners who repeatedly fail to shovel their sidewalks, starting next fall.
- The city's Office of Immigrant and Refugee Affairs would receive \$150,000 for an additional employee to focus on needs of refugees newly arriving in Minneapolis.
- The Racial Equity, Inclusion and Belonging Department would get a \$500,000 boost for the city's truth and reconciliation process.

###

[Minneapolis City Council adopts 2024 budget \(FOX 9\)](#)

By FOX 9 Staff

December 5, 2023

In a vote Tuesday evening, the Minneapolis City Council adopted the city's 2024 budget.

In recent days, the council has debated amendments to Mayor Jacob Frey's \$1.8 billion spending package, including investments in community safety, climate change, and housing.

In a news release Tuesday night, Frey's office touted victories.

"Through this budget, we're positioning Minneapolis for progress on both courageous, new work and bedrock government service," reads a statement from Frey. "Our residents want a safe community, thriving small and local businesses, actionable progress on the climate crisis, and an affordable place to call home. These are things we can and will deliver on. This budget lays out generational investments in the city we love – for residents who call Minneapolis home today and for those who will call it home years from now. I want to thank our entire budget team for their work on this, especially Chief Financial Officer Dushani Dye and Budget Director Jayne Discenza."

Among the investments in the budget, Frey highlighted:

- \$16 million to help implement the city's federal consent decree, including funds to help bolster the police staff
- \$150,000 to update computer systems for Minneapolis Fire
- \$4 million increase for Minneapolis Public Housing Authority
- \$2 million toward increasing affordable homeownership opportunities and tackling racial disparities in homeownership
- \$10 million for the Minneapolis Climate Legacy Initiative, \$4.7 million towards weatherizing all homes in Minneapolis
- \$730,000 to add new electric vehicle charging stations
- \$1.3 million for planning and development of George Floyd Square
- \$2.7 million to the Minneapolis Park and Recreation Board to repair the parkway system

###

[Minneapolis City Council approves 2024 budget totaling nearly \\$1.8 billion \(WCCO\)](#)

By Mark Freie

December 5, 2023

Minneapolis Mayor Jacob Frey is touting several victories after the Minneapolis City Council adopted the city's 2024 budget on Tuesday evening.

Included in the budget is funding for the Minneapolis Police Department. It funds a police force of 731 sworn officers, which is the amount required by the city's charter. \$16 million is included to help the city increase its police staff and implement the city's federal consent decree.

"Through this budget, we're positioning Minneapolis for progress on both courageous, new work and bedrock government service," said Frey in a press release. "Our residents want a safe community, thriving small and local businesses, actionable progress on the climate crisis, and an affordable place to call home. These are things we can and will deliver on. This budget lays out generational investments in the city we love – for residents who call Minneapolis home today and for those who will call it home years from now. I want to thank our entire budget team for their work on this, especially Chief Financial Officer Dushani Dye and Budget Director Jayne Discenza."

The city is raising its property tax levy for homeowners by 6.2 percent through the 2024 budget.

Frey's office pointed out what it believes are several other key victories through the budget including an additional \$4 million in the Minneapolis Public Housing Authority, investing \$10 million annually into the Minneapolis Climate Legacy Initiative to support the City's climate goals, and investing an additional \$3 million to the Ownership and Opportunity Fund to provide ownership opportunities to local BIPOC small business owners.

"This budget is a product of a lot of collaboration and hard work on behalf of our Minneapolis residents. I am grateful to our budget team, City staff, the mayor, and council members for their continued partnership," wrote Dushani Dye, Chief Financial Officer of the City of Minneapolis. "With this budget, we are making innovative and strategic investments that are fiscally responsible – improving the lives of those who call Minneapolis home. This is a budget that supports new ideas and exciting visions and is something we can all be proud of."

###