



NOTICE AND AGENDA

BOARD OF COMMISSIONERS ANNUAL MEETING

January 24, 2024

The annual meeting of the Minneapolis Public Housing Authority in and for the city of Minneapolis will be held at 1:30 PM at 1001 Washington Avenue North, Minneapolis, Minnesota.

The Executive Committee of the MPHA Board of Commissioners will meet at 12:00 noon at the same date and place. The Resident Advisory Board will meet at 12:00 noon at the same date and place.

COMMISSIONERS:

- | | |
|---------------------|--------------|
| • Tom Hoch | Chair |
| • Elfric Porte | Vice Chair |
| • Alyssa Erickson | Secretary |
| • Medaria Arradondo | Commissioner |
| • Gloria Freeman | Commissioner |
| • Abdullahi Isse | Commissioner |
| • Tamir Mohamud | Commissioner |
| • Tom Nordyke | Commissioner |
| • Danielle Werder | Commissioner |

GENERAL:

- Roll Call
- Approval of Agenda
- Minutes of Regular Meeting of December 20, 2023

CHAIR'S UPDATE:

- Election of Officers
- Appointment of Committee members

RESIDENT ADVISORY BOARD – CHAIRPERSON'S COMMENTS.



CONSENT:

1. *Meeting Schedule for 2024 Board Meetings* [Abdi Warsame, Executive Director/CEO]
2. *MPHA: Security Improvements at Multiple Highrises* [Laura Dykema, Director of Planning & Development]

PRESENTATION:

3. *MPHA 2024 Legislative Agenda* [Drew Halunen, Assistant Director of Administration and Policy]
4. *Q4 Strategic Plan Process Updates* [Rachel Almburg, Assistant Director of Policy and Strategic Initiative]

DISCUSSION:

PROPOSED RESOLUTIONS:

5. *Procurement Policy 2024* [Jake Gateman, Director of Procurement]

RECEIVE AND FILE:

- Executive Director's Update
- Audit Engagement Letter – Berman Hopkins
- 2024 State Legislature Advocacy Deck
- Monthly Performance Report for December, 2023
- Community Updates and News Clippings

NEXT REGULAR MEETING:

Wednesday, February 28, 2024 at 1:30 PM

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
December 20, 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 December 20, 2023, at 1001 Washington Avenue North, Minneapolis, Minnesota, the date, time, and place established for the holding of such meeting.

Roll Call:

The acting chair called the meeting to order, the following members of the Board being present:

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

The following members of the Board were absent:

Tom Hoch	Chair
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The following others were also present:

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

Approval of Agenda:

Commissioner Letofsky moved approval of the proposed agenda. The motion was seconded by Commissioner Isse. Upon a voice vote, the acting chair declared the motion carried.

Approval of Minutes:

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

Chair's Update:



The acting chair indicated that there was no Executive Committee Meeting prior to the Board of Commissioners meeting.

This being the last meeting that Commissioner Letofsky and Commissioner Rosenbaum will attend, the acting chair expressed his gratitude on behalf of the board for their years of commitment and service to the mission of MPHA.

Resident Advisory Board (RAB) Update:

The RAB chair, Lisa Anderson, indicated that all items on the agenda were discussed and approved by the RAB Committee.

The RAB chair expressed residents' concerns about safety in and near the high-rise buildings and that a homeless encampment continually creates disturbances and raises health and safety concerns. (Littering, broken glass, starting fires.)

Item No. 1: Proposed Resolution: 2024 MPHA Budget – Tim Durose, Chief Financial Officer

After a presentation by staff and discussion, Commissioner Letofsky moved approval of the recommendation set forth in the Report along with the corresponding Resolution attached thereto. Commissioner Mohamud seconded the motion. Upon a roll call vote, seven Commissioners voted “aye” (Commissioners Arradondo, Erickson, Isse, Letofsky, Mohamud Porte, and Rosenbaum) and zero Commissioner voted “nay”. Chair Hoch was absent. The acting chair declared the motion carried. [See Document No. 2023 - 74] [See Resolution No. 2023 - 235]

Receive and File Items:

The following items were received and filed by the Board:

- Executive Director's Update [See Document No. 2023 - 75]
- The Monthly Performance Report for November 2023. [See Document No. 2023 - 76]
- HUD Disposition Approval [See Document No. 2023 - 77]
- Community Updates and News Clippings [See Document No. 2023 - 78]

Adjournment:

There being no further business to come before the meeting, and upon a motion duly made and seconded, the meeting was adjourned at 2:02 p.m.

Secretary of the Board of Commissioners

Date These Minutes Approved



January 24, 2024

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, Executive Director/CEO
SUBJECT: Meeting Schedule for 2024 Board Meetings

Previous Directives: The Board of Commissioners adopt bylaws which provide that the Board adopts its annual meeting schedule at the first meeting held each year.

Resident Council Review/Recommendation: Not applicable.

Affirmative Action Compliance: Not applicable.

Procurement Review: Not applicable.

Recommendation: It is recommended that the Board of Commissioners approve the regular meeting schedule for 2024 as presented below.

The following is the proposed schedule for the regular meetings of the Minneapolis Public Housing Authority Board of Commissioners for the year 2024. Unless otherwise duly noticed all meetings will be held at 1001 Washington Avenue North, Minneapolis, MN at 1:30 PM.

- Wednesday, January 24, 2024 (annual meeting)
- Wednesday, February 28, 2024
- Wednesday, March 27, 2024
- Wednesday, April 24, 2024
- Wednesday, May 22, 2024
- Wednesday, June 26, 2024
- Wednesday, July 24, 2024
- Wednesday, August 28, 2024
- Wednesday, September 25, 2024
- Wednesday, October 23, 2024
- Wednesday, November 20, 2024
- Wednesday, December 18, 2024

Please note that the meetings are held on the fourth Wednesday of each month with the exception of November and December, which will be held on the third Wednesday of the month due to the holidays.



This Report was prepared by Jocelynne Satnik, Executive Assistant to the Executive Director/ CEO. For further information please contact Abdi Warsame, Executive Director/CEO at (612)-342-1495.



January 24, 2024

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, Executive Director / CEO

SUBJECT: Security Improvements at Multiple Sites

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 January 24, 2024 meeting.

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

Affirmative Action Compliance: The contractor has signed an Equal Employment Opportunity / Affirmative Action Policy statement. 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 contracts and all related documents with VTI Security/Paladin Technology for surveillance camera installations and upgrades at multiple sites, in the amount of \$516,953.15.

Resident and staff safety and security remains a high priority for MPHA, as reflected in the agency's Strategic Plan 2023-2027 and its 2023-2024 MTW Plans and annual budgets. Based on safety concerns, criminal activity and other factors, MPHA funded additional interior and exterior surveillance camera installations and upgrades at multiple sites in 2023, including five highrise sites and MPHA headquarters/1001 Washington Ave N. MPHA staff anticipates these installations will help deter criminal activity and also aid in criminal apprehension and prosecution.

On October 17, 2023, a Request For Proposals (RFP) was publicly advertised with a proposal due date of November 28, 2023. A single, responsive proposal was received from VTI Security/Paladin Technology. The proposal was reviewed and considered by staff based on four



measured categories including proposed fees, qualifications and experience, project approach, and Section 3 Business Preference.

Although only a single proposal was received, staff is confident the pricing received is fair and the contractor is capable of completing the work, as VTI Security/Paladin Technology has successfully completed several similar projects for MPHA and has extensive experience with the security software and hardware MPHA utilizes at all of its sites. In addition, staff feel necessary efforts were taken to ensure sufficient competition and re-soliciting would not yield greater competition or reduced cost but only delay the necessary work.

This Report was prepared by Laura Dykema, Director of Planning & Development. For further information, please contact Ms. Dykema at (612) 342-1428 or ldykema@mplspha.org.



2024 Legislative Agenda

Prepared for MPHA Board of Commissioners

Overview

2023 Agency Accomplishments

Capital Backlog

Overview of 2023 Capital Awards

- Deployment Snapshot of Recent Grants

2024 Legislative Agenda

- Federal & Hennepin County
- State Legislature
- City of Minneapolis

MPHA Mission Statement

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

26,000+
people served by
MPHA every day



5,000+
public housing units

6,500+
public housing residents



700+
deeply affordable
family homes

3,100+
deeply affordable family
housing residents



7,200
Housing Choice
Vouchers administered

18,500+
residents benefiting from
MPHA vouchers

2023 Agency Accomplishments

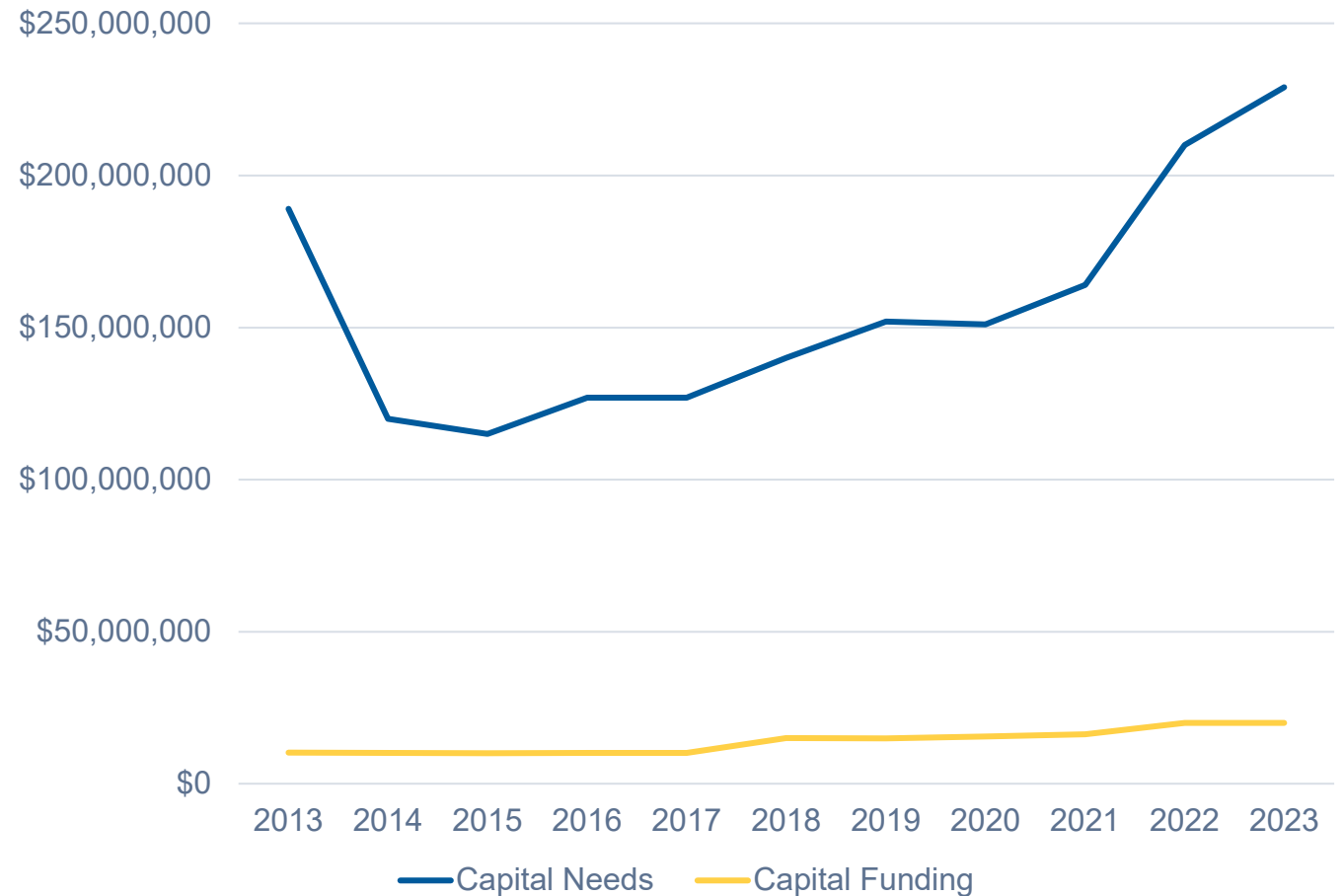
- \$5M Capital Grant from Legislature to Repair MPHA's Deeply Affordable Family Homes
- Scored a 98.5% Physical Inspection in HUD's Annual Public Housing Assessment System (An Agency All-Time High)
- \$4M in New Funding from City of Minneapolis and Hennepin County to Expand Stable Homes Stable Schools
- \$1.3M from MN Housing's SHORP to Repair MPHA's Deeply Affordable Family Homes
- \$5M/Year Through the City Of Minneapolis' Housing Levy to Support the Agency's Preservation and Production Activities
- Celebrated Grand Opening of 84 New 2- & 3-Bedroom Deeply Affordable Family Homes
- Helped ~400 MPHA Families Receive >\$700k in Rent Relief Through Hennepin County's Emergency Assistance Funds



MPHA Capital Backlog

- MPHA's housing stock is comprised of nearly 6,000 units located in 42 high-rise buildings, 736 scattered site homes, 184 rowhouse units, and a 16-unit townhome development.
- Forty of the 42 high-rise buildings in MPHA's inventory were built in the 1960s and early 1970s.
- The age range of MPHA's single-family homes is 10 – 100+ years old, and our 184-townhouse development (Glendale) is more than 70 years old.
- MPHA projects its current unmet needs for these properties at approximately \$229M. Left unaddressed, this number is likely to surpass \$380M over the next 20 years.
- Historically, HUD has only provided funding for 10% or less of the actual need.

Recent Capital Needs vs Capital Funding



Addressing Challenge Through Partnership

- In 2023, MPHA secured more than \$11 million in one-time and ongoing state and local assistance to support the agency's preservation and production activities.
- This supplements the \$20M in capital funds the agency received from HUD in 2023.
- Additionally, the agency leveraged various financial tools to accomplish its preservation and production work.
- Despite these expanding partnerships and use of tools, the capital backlog greatly exceeds MPHA's capital funding.
- The single largest threat to MPHA is its capital backlog that continues to grow.



Sprinkler funding now secured for all public housing high-rises in Minneapolis

Minneapolis City Councilmember Robin Wonsley announced an additional \$1.2 million will fund the last four buildings.



Mayor Frey announces funding boost for Minneapolis public housing

City and housing officials say the additional \$4 million in funding would help the cash-strapped Minneapolis Public Housing Authority to complete much-needed repairs and plan ahead.

Deployment Snapshot

- \$3.7M from Minneapolis for CHR Repairs
 - Work scoped and bidding beginning. Work includes:
 - \$1.27M to bring four South Minneapolis family homes online, including a 2-, 3-, 4-, and 5-bedroom home.
 - \$1.07M in exterior enveloping (roof, windows, siding, etc.) at 19 homes across the city.
 - \$1.17M for construction, professional, permitting, and various construction-related administrative costs.
 - ~200k to support redevelopment of SFH in Windom neighborhood to triplex, TBD on 2040 lawsuit
- \$5M from MN Legislature for CHR Repairs
 - Working closely with MN Housing to develop work plan, cost estimates, and grant contract agreement.
 - Tentatively, funds will be directed to exterior enveloping, foundation repairs, and fire detection systems.
- \$1.3M from MN Housing for CHR Repairs
 - As with legislative grant, working with MN Housing to develop work plan and grant contract agreement.
 - Tentatively, funds will be used to increase the number of “deep turns” MPHA does in 2024. Work includes interior renovations (kitchen, bath, etc) and mechanical repairs.
- \$5M Annual Minneapolis Housing Levy
 - In 2024, MPHA is planning:
 - \$2.5M on a major high-rise RAD rehab.
 - \$1.25M to create five new deeply affordable family units across two lots where offline SFHs currently reside.
 - \$1.25M on high-rise elevator modernization projects.

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 (Comp Rehab)	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 3rd 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 2nd 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 3rd St NE	32	\$410,000	MPHA Capital/City	Contract Awarded	Dec '23-Feb '24
3205 E 37th 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
2415 N 3rd St	62	\$505,000	MPHA Capital/EDI Grant	Under Construction	Nov '23-Feb'24

*As of November 30, 2023

Minneapolis Public Housing Authority

Federal Legislative Priorities

- Continue to pursue federal earmarks for agency priorities like the \$2 million earmark secured in 2022 to support fire suppression system installations.
 - Federal earmark opportunities are inconsistent, and it is challenging to predict what earmark opportunity will arise at what time throughout the year.
 - In 2023, MPHA sought an earmark to support the Stable Homes Stable Schools expansion to align with the jurisdiction of congressional committees soliciting earmarks. We were not awarded this request.
 - Ideally, in 2024, one of the housing committees in both chambers will solicit requests, allowing MPHA to seek a federal earmark to support its ongoing preservation and production activities.
- Where applicable, amplify the Council of Large Public Housing Authorities (CLPHA) and the National Association of Housing and Redevelopment Officials (NAHRO) federal legislative priorities.
 - Continue to be an active participant in CLPHA's legislative committee.
 - Monitor possible reform of LIHTC and ACC agreements.

State Legislative Priorities

- Continue to seek and secure application-based resources from Minnesota Housing to support MPHA's preservation and production activities.
 - This will build on the agency's recent \$1.3 million grant from Minnesota Housing's Stable Housing Organization Relief Program (SHORP).
- Seek a one-time Publicly Owned Housing Program (POHP) cash grant of \$35M to make capital improvements to the agency's deeply affordable family housing portfolio, CHR.
 - This funding would be deployed over a four-year window.
 - This will build on the \$5 million direct appropriation secured in last year's legislative session.
- Seek a legislative fix to codify definition of "publicly owned housing" enabling POHP bond eligibility for housing that is wholly controlled and operated by public housing authorities and housing redevelopment agencies but exists in a separate legal nonprofit entity.
 - Because of current Minnesota Management and Budget interpretation of "publicly owned," MPHA (along with other PHAs and HRAs across the state) cannot accept POHP bonds funding for any of properties that have been repositioned (or are intended to be) outside of Section 9 public housing.
- Work closely with Intergovernmental Relations team at Hennepin County and the City of Minneapolis to elevate agency priorities at the state legislature.
- Where applicable, amplify Minnesota NAHRO's state legislative priorities.
 - Continue to be an active participant in Minnesota NAHRO's legislative committee.
 - Continue monitoring changes to landlord-tenant legislation and enacted laws.

County Legislative Priorities

- Continue to build on new and existing partnerships with the county, including Stable Homes Stable Schools (SHSS), Coordinated Entry, Volunteers of America (VOA) contract funding, and project-based financial supports.
 - Continue work with VOA to increase its Housing Stabilization Services (HSS) Medicaid billing capacities.
- Explore opportunities to secure new capital funding supports from the Local Affordable Housing Aid (metro housing sales tax).

City Legislative Priorities

- Continue to seek and secure application-based resources from the City of Minneapolis to support MPHA's preservation and production activities (ex. Affordable Housing Trust Fund).
- Continue to build on new and existing partnerships with the city, including Stable Homes Stable Schools (SHSS) and the Highrise Health Alliance (HHA).
- Continue to work closely with the Mayor, City Council, and Board of Estimate and Taxation (BET) to elevate MPHA's achievements and ongoing capital needs.
 - As a part of the new housing tax levy in the city, MPHA will provide quarterly updates the Mayor, City Council, and BET on how the agency is deploying levy resources against its projected plan. This quarterly report will also be provided to the MPHA Board of Commissioners.
- Continue discussions with elected leaders about right-sizing annual housing levy resources against agency needs, deployment capacity, and city priorities.
- Continue to participate in Mayor Frey's *Public Housing Preservation and Expansion Convening* to identify new and expanding local partnership opportunities.



Questions





MEMORANDUM TO: MPHA Board of Commissioners

FROM: Abdi Warsame, Executive Director/CEO

SUBJECT: Q4 2023 Strategic Plan Quarterly Update

As 2023 came to an end, staff reflected on both the successes and challenges the year brought. While taking the time to celebrate the achievements made in year one of the 2023-2027 strategic plan, the team also began to envision how to build momentum in year two. In 2024, MPHA remains committed to these six strategic goals:

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

In the final month of the year, the agency finalized labor agreements, received board approval on the proposed 2024 budget and saw City Council pass a budget that restored the city's housing levy at a historic \$5 million. The following list details some of the accomplishments MPHA made in the final quarter. In addition, the full strategic plan follows to serve as a reminder of where we're headed in the years to come.

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- (1.1.1) ***Complete fire suppression at all non-sprinkled properties within the next 3 years.*** In 2020, MPHA committed to installing fire suppression systems in all highrises within five years. After securing the funding necessary from city, state, and federal partners, we now project MPHA will complete this ahead of schedule.
- (1.4.0) ***Identify, develop, and implement strategies to support the unique needs of residents.*** MPHA continues to collaborate with the Minneapolis Highrise Representative Council (MHRC), who was pivotal in advocating for the restoration of the tax levy and securing the funds to add sprinklers in all buildings.
- (2.4.3) ***Payment Standard Review to Increase Utilization, and support Moves to Opportunity.*** In November, the Housing Choice Voucher program announced 2024's payment standards. Annual review in relation to market standards within HUD guidelines is vital to ensure participants have success in finding a home and limit their cost burden. This commitment to housing stability is an increased investment from \$5 to \$7 million annually.

- (2.5.1) ***Have MPHA representative join the steering committee to further move services up stream to reduce the number of emergencies.*** MPHA staff, and resident leader together with two city health department staff won the Public Health Regenerative Leadership Synergy (PHEARLESS) grant. The goal of this nine-month program is to leverage a \$100,000 award toward sustainable solutions to advance health equity and well-being for all.
- (2.5.2) ***Promote Health Equity by aligning resources across HHA partners.*** On-site fall vaccination clinics at each of the highrise buildings provided nearly 500 residents with flu and COVID boosters. This service is vital for those who cannot make it to a primary care physician for this type of preventative treatment.
- (2.5.3) ***Work with established neighborhood organizations and other local groups to create space for community collaboration to reduce isolation and stigma of MPHA residents.*** The Highrise Health Alliance (HHA) began an anti-stigma campaign around substance use disorders. Neighborhood HealthSource, MN Recovery Connection, and VOA collaborate with the Health Department on this grant funded work to meet resident request for tools to prevent crisis.
- (3.1.0) ***In partnership with other entities, finalize and implement approach for stabilizing existing units located in Heritage Park.*** The mayor's convening work group continues to meet with McCormack Baron Salatar and other government partners regularly. The agency is focused on identifying and supporting a solution that prioritizes residents and ensures uninterrupted access to quality, well-managed homes for residents.
- (3.2.2) ***With other levels of government and foundations, identify and capture additional revenue to address capital needs backlog across inventory.*** The Minnesota Housing Board of Directors approved a \$1.3 million grant to rehab units in the Community Housing Resources (CHR) portfolio through the Stable Housing Organization Relief Program (SHORP).
- (3.2.3) ***Advocate for a fully funded annual tax levy or equivalent resources from the City.*** The Minneapolis City Council officially passed a \$5 million annual tax levy in December. The long-term funding agreement will target both preservation and new-unit production, along with resident-centric needs.
- (3.2.5) ***Maintain a financial position that leads lenders, funders, and other partners to trust MPHA can fulfill its commitments in a responsible manner.*** After months of effort from every department, developing projections for allocations, and strategizing priorities for the new year, the board officially approved the agency's fiscal year 2024 budget in December.
- (4.2.1) ***Deliver 84 new units of scattered site housing on time and within budget.*** Families continue to move in as Certificates of Occupancy have been received for each site. All should be complete by the end of January.
- (4.3.0) ***Issue project-based vouchers (PBV) to increase deeply affordable housing opportunities across the city.*** In 2023, MPHA awarded 126 PBV's. This work as well as the completion of the 84 new units helped MPHA reach its goal of increasing the supply of deeply affordable housing.

- (5.1.0) ***Negotiate Labor Agreements.*** The fifth contract in 2023 was unanimously approved by the American Federation of State, County and Municipal Employees (AFSCME) in November. More than 80% of MPHA staff received pay increases and expanded benefits packages. This investment in talent contributes to retention and the agency's goal of being an employer of choice.
- (5.2.1) ***Audit HR policies and practices to ensure alignment with DEI strategies.*** Focus groups were held in October across all levels of the agency to understand staff experiences at MPHA regarding diversity, equity, and inclusion. The consulting firm, MGT, presented initial results from the survey, and policy audit to the leadership team with a commitment to provide an action plan in Q1 of 2024.
- (6.4.6) ***Implement content management systems across the PHA.*** MPHA's website will receive an overhaul in 2024. A website work group has been established to execute this redesign that focuses on content management, accessibility, and user experience.

The Appendix

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

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

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

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

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

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



STRATEGIC PLAN

2023 - 2027

Introduction / Message from the Chair & Executive Director



Tom Hoch
Chair

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



Abdi Warsame
Executive Director

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

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

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

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



INTRODUCTION

Executive Message	1
Our Plan - Overview	3
Who We Are	4

THE PLAN

Takeaways & Innovation	6
Our Plan Build on MPHA's Strengths	7
Our Mission	8
Goals & Strategies	9

HOW WE'LL GET THERE

Implementation	12
Board of Commissioners & Leadership Executive Staff	13

APPENDIX



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

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

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

Strategic Plan Overview

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

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

Next Five Years

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

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

Who We Are / Agency Values

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

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

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

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

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

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

Social Determinants of Health



Economic
Stability



Education



Neighborhood &
Physical
Environment



Social &
Community
Context



HealthCare
System

Housing is Foundational to a Healthy Life.

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

Who We Are: People Centric

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

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

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

Resident Voices

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

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



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

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

People

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

Preservation

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

Production

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

Partnership

MPHA wants to grow upon its successes with this Strategic Plan

Test New Innovations

MPHA was selected to be one of nine agencies to pilot the HCV Community Choice Demonstration (CCD). The CCD builds upon research supporting housing choice and up to \$50 million is available to participating PHAs to provide over 10,000 families with children better access to neighborhoods with high-performing schools and strong community resources. MPHA and Metro HRA launched the pilot in September 2022 to recruit and enroll eligible families for mobility-related services. As the program administrator, Metro HRA will provide families with children the following services: pre-move counseling, housing search assistance and post-move support to allow for integration into the community.

Convene Partners

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

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

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


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

MPHA Staff

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

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

Our Plan | *Continue Our Mission*

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

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

GOAL ONE

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

Strategies

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

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

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

GOAL TWO

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

Strategies

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

GOAL THREE

Provide and preserve deeply affordable, high-quality family housing

Strategies

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

Family Housing Demographics

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

GOAL FOUR

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

Strategies

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

GOAL FIVE

Position MPHA an employer of choice.

Strategies

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



GOAL SIX

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

Strategies

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

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

How We'll Get There | Implementation

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

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

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



How We Measure Impact

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

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

Board of Commissioners & Leadership Executive Team

Board of Commissioners

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

Tom Hoch
Chair

Andrea Brennan
Vice Chair

Mikkel Beckman
Board Member

Abdullahi Isse
Board Member

Cara Letofsky
Board Member

Faith Xiong
Board Member

Tamir Mahmoud
Board Member

Tessa Wetjen
Board Member

Hon. James Rosenbaum
Board Member

Executive Team

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

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

Abdi Warsame
Executive Director

Lisa Griebel
General Counsel

Tim Durose
Chief Financial Officer

Mary Boler
Managing Director
Public Housing
Operations

Brandon Crow
Director of Housing
Choice Vouchers

Eric Staupe
Senior Manager
Information Systems

Rashid Issack
Director of Affordable
Housing Property
Operations

Maria Alvarez
Director of Human
Resources

Laura Dykema
Director of Planning
and Development

Jake Gateman
Director of
Procurement

Rachel Almburg
Assistant Director of
Policy & Strategic
Initiatives

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

The Appendix

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

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

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

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

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

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



January 24, 2024

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, Executive Director / CEO

SUBJECT: Updates to MPHA Procurement Policy

Previous Directives: The Board of Commissioners previously approved MPHA's revised Procurement Policy on December 16, 2020.

Resident Council Review/Recommendation: This Report will be discussed with the Resident Advisory Board (RAB) immediately prior to the Board's January 24, 2024, meeting.

Budget Impact: None

Affirmative Action Compliance: Not applicable

Procurement Review: Not applicable

RECOMMENDATION: It is recommended that the Board of Commissioners approve the attached resolution adopting certain technical updates to the MPHA Procurement Policy.

In its purchasing practices, MPHA endeavors to fully comply with all applicable laws and regulations and to maintain the highest ethical standards. To this end, MPHA regularly updates its Procurement Policy.

We are bringing forward for board approval a set of minor updates, the primary purpose of which is to adapt our policy to changes in procurement regulations. These include minor updates throughout, the micro purchase threshold, and the conditions related to this Policy's applicability.

The MPHA Board previously approved MPHA's Procurement Policy in December 2020, and this updated policy is otherwise fundamentally unchanged from that version.

This Report was prepared by Jake Gateman, Director of Procurement. For further information, please contact Mr. Gateman at (612) 342-1423 or JGateman@mplspha.org.



January 24, 2024

RESOLUTION No. 24 – 236

WHEREAS, the Minneapolis Public Housing Authority (MPHA) endeavors to provide for a procurement system of quality and integrity; and

WHEREAS, MPHA seeks to provide for the fair and equitable treatment of all persons or firms involved in purchasing by the MPHA; and

WHEREAS, MPHA intends to ensure that supplies and services are procured efficiently, effectively, and at favorable and valuable prices to the MPHA; and

WHEREAS, MPHA seeks to promote competition in contracting; and

WHEREAS, MPHA intends to ensure that MPHA purchasing actions are compliant with applicable federal standards, HUD regulations, and state and local laws; and

WHEREAS, MPHA endeavors to encourage new opportunities, resident employment, resident owned businesses, and/or MBE/WBE firms, and create partnerships with other non-profits operating in the city that advance educational and other economic opportunities for MPHA families;

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of MPHA that MPHA shall adopt the proposed updates to the attached MPHA Procurement Policy, thereby facilitating MPHA's continued commitment to the highest standards of compliance and ethics in its procurement practices.



PROCUREMENT POLICY

Revision dated January 24, 2024

Table of Contents

1.0	Introduction and Scope	1
1.1	General	1
1.2	Scope	1
2.0	General Provisions	1
2.1	General	1
2.2	Application	1
2.3	Definition	2
2.4	Changes in Laws and Regulations	2
2.5	Public Access to Procurement Information	2
3.0	Ethics in Public Contracting	2
3.1	General	2
3.2	Conflict of Interest	2
3.3	Gratuities, Kickbacks, Use of Confidential Information	2
3.4	Prohibition Against Contingent Fees	3
4.0	Procurement Planning	3
4.1	General	3
5.0	Procurement Methods	3
5.1	Petty Cash Purchases	3
5.2	Small Purchase Procedures	3
5.3	Sealed Bids	4
5.4	Competitive Proposals	5
5.5	Noncompetitive Proposals	7
5.6	Cooperative Purchasing/Intergovernmental Agreements	8
6.0	Independent Cost Estimate (ICE)	9
6.1	General	9
7.0	Cost and Price Analysis (CPA)	9
7.1	General	9
8.0	Solicitation and Advertising	10
8.1	Method of Solicitation	10
8.2	Time Frame	11
8.3	Form	11
8.4	Time Period for Submission of Bids	11
8.5	Cancellation of Solicitations	11
8.6	Credit (or Purchasing) Cards	12
9.0	Bonding Requirements	12
9.1	General	12
9.0	Bonding Requirements	12
9.1	General	12

10.0	Contractor Qualifications and Duties	12
10.1	Contractor Responsibility	12
10.2	Suspension and Debarment	13
10.3	Vendor Lists	14
11.0	Contract Pricing Arrangements	14
11.1	Contract Types	14
11.2	Options	14
12.0	Contract Clauses	15
12.1	Contract Pricing Arrangements	15
12.2	Required Forms	15
12.3	Required Contract Clauses	15
13.0	Contract Administration	15
13.1	General	15
14.0	Specifications	15
14.1	General	15
14.2	Limitation	15
15.0	Appeals and Remedies	16
15.1	General	16
15.2	Appeals Procedure	16
16.0	Assistance to Small and Other Businesses	16
16.1	Required Efforts	16
16.2	Goals	17
16.3	Definitions	17
17.0	Board Approval of Procurement Actions	18
17.1	Authority	18
18.0	Delegation of Contracting Authority	18
18.1	Delegation	18
18.2	Procedures	18
19.0	Documentation	18
19.1	Required Records	19
19.2	Level of Documentation	19
19.3	Record Retention	19
20.0	Disposition of Surplus Property	19
20.1	General	19
21.0	Funding Availability	19
21.1	General	19
22.0	Revision History	19
22.1	Current Version	19
22.2	History	19
22.3	Technical Updates	19
Appendix A	HUD Required Contract Forms and Certifications	20

1.0 INTRODUCTION AND SCOPE

- 1.1 General.** Established for the Minneapolis Public Housing Authority (MPHA) by Action of the MPHA Board of Commissioners (Board), this Procurement Policy (Policy) complies with the MPHA's MTW Agreement, to the extent required and as modified by the MTW Agreement, the Annual Contributions Contract (ACC) between the MPHA and the United States Department of Housing and Urban Development (HUD), and as applicable the Federal Regulations at 2 CFR § 200.317 through § 200.327, and applicable state and local laws.
- 1.2 Scope.** This Policy does not enlarge the MPHA's duty under any law, regulation or ordinance. If this Policy conflicts with applicable law, regulation or ordinance, the applicable law, regulation or ordinance shall prevail.

2.0 GENERAL PROVISIONS

- 2.1 General.** The MPHA shall:
- 2.1.1** Provide for a procurement system of quality and integrity;
 - 2.1.2** Provide for the fair and equitable treatment of all persons or firms involved in purchasing by the MPHA;
 - 2.1.3** Ensure that supplies and services (including construction) are procured efficiently, effectively, and at favorable and valuable prices to the MPHA;
 - 2.1.4** Promote competition in contracting;
 - 2.1.5** Ensure that MPHA purchasing actions are compliant with applicable federal standards, HUD regulations, and state and local laws; and
 - 2.1.6** Encourage new opportunities, other economic approaches for residents, resident employment, resident owned businesses, and/or MBE/WBE firms, and create partnerships with other non-profits operating in the city that advance educational and other economic opportunities for MPHA families.
- 2.2 Application.** This Policy applies to all MPHA procurement actions, funded in whole or in part from Federal sources. However, nothing in this Policy shall prevent the MPHA from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with the law. When both HUD and non-Federal grant funds are used for a project, the work to be accomplished with the funds should be separately

identified prior to procurement so that appropriate requirements can be applied, if necessary. If it is not possible to separate the funds, HUD procurement regulations should be applied to the total project. If funds and work can be separated and work can be completed by a new contract, then regulations or requirements applicable to the source of funding may be followed.

- 2.3 Changes in Laws and Regulations.** In the event an applicable ordinance, law or regulation is modified, eliminated or adopted, the revised ordinance, law or regulation shall, to the extent inconsistent with these Policies, automatically supersede these Policies.
- 2.4 Public Access to Procurement Information.** Most procurement information shall be available to the public to the extent provided by applicable federal law and in the Minnesota Government Data Practices Act, Minn. Stat. § 13, et. al.

3.0 ETHICS IN PUBLIC CONTRACTING

- 3.1 General.** The MPHA hereby establishes this code of conduct regarding procurement issues and actions. This code of conduct is consistent with applicable Federal, State, or local law.
- 3.2 Conflicts of Interest.** No employee, officer, Board member, or agent of the MPHA shall participate in the selection, award, or administration of any contract if a conflict of interest, either real or apparent, would be involved. This type of conflict would be when one of the persons listed below has a financial or other type of interest in a firm competing for the award:
- 3.2.1** An employee, officer, Board member, or agent involved in making the award;
 - 3.2.2** His/her immediate family;
 - 3.2.3** His/her partner; or
 - 3.2.4** An organization which employs or is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

Other conflict of interest laws may also apply.

- 3.3 Gratuities, Kickbacks, and Use of Confidential Information.** No officer, employee, Board member, or agent of the MPHA shall ask for or accept gratuities, favors, or items of more than nominal value (i.e. inexpensive hat with logo) from any contractor,

potential contractor, or party to any subcontract, and shall not knowingly use confidential information for actual or anticipated personal gain.

- 3.4 Prohibition against Contingent Fees.** Contractors who wish to do business with the MPHA may not hire a person to solicit or secure a contract for a commission, percentage, brokerage, or contingent fee, except for bona fide established commercial selling agencies.

4.0 PROCUREMENT PLANNING

- 4.1 General.** The MPHA will periodically review its record of prior purchases, as well as future needs, to:

- 4.1.1** Find patterns of procurement actions that may be performed more efficiently or economically;
- 4.1.2** Maximize competition and competitive pricing among contracts and decrease the MPHA's procurement costs;
- 4.1.3** Reduce MPHA administrative costs;
- 4.1.4** Ensure that supplies and services are obtained without any need for re-procurement (i.e., resolving bid protests); and
- 4.1.5** Minimize errors that occur when there is inadequate lead time.

The MPHA may consider storage, security, handling requirements and other factors when planning the most appropriate purchasing actions.

5.0 PROCUREMENT METHODS

- 5.1 Petty Cash Purchases.** Purchases under \$75 may be handled through the use of a petty cash account. Petty Cash Accounts may be established in an amount sufficient to cover small purchases made during a reasonable period, e.g., one month. For all Petty Cash Accounts, the MPHA shall ensure that security is maintained and only authorized individuals have access to the account. These accounts shall be reconciled and replenished periodically.
- 5.2 Small Purchase Procedures.** For any amounts above the Petty Cash ceiling, but not exceeding \$175,000 (except for procurements for services, which are set at the higher

ceiling of \$250,000), the MPHA may use small purchase procedures. Thus, any contract for the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property, is subject to the \$175,000 ceiling unless otherwise amended by applicable law or regulation.

Under small purchase procedures, the MPHA shall obtain a reasonable number of quotes (at least two) for amounts between \$25,000 and \$175,000; however, for purchases of less than \$25,000, only one quote is required provided the quote is reasonable and MPHA has established on an annual basis a justification for the increased (from \$10,000) Micro Purchase limit; a clear identification of the threshold; and an establishment as being a low risk auditee in accordance with 2 CFR § 200.520. If any of those conditions are not met, the lower threshold of \$10,000 applies unless that limit is otherwise amended by applicable law or regulation. This type of small purchase is also known as a Micro Purchase. Quotations for Small Purchases (QSP), or quotes, may be obtained orally (either in person or by phone), electronically, in writing, or through e-procurement. Award shall be made to the responsive and responsible vendor that submits the lowest cost to the MPHA. If award is to be made for reasons other than lowest price, documentation shall be provided in the contract file. The MPHA shall not break down requirements aggregating more than the small purchase threshold (or the Micro Purchase threshold) into several purchases that are less than the applicable threshold merely to: (1) permit use of the small purchase procedures or (2) avoid any requirements that apply to purchases that exceed the Micro Purchase threshold.

- 5.3 Sealed Bids.** Sealed bidding, also known as Invitation for Bids (IFB), shall be used for all contracts that exceed the small purchase threshold and that are not competitive proposals or non-competitive proposals, as these terms are defined in this Policy. Under sealed bids, the MPHA publicly solicits bids and awards a contract (lump sum or unit price) to the responsive and responsible bidder whose bid, conforming with all the material terms and conditions of the IFB, is the lowest in price. Sealed bidding is the preferred method for procuring construction or supply contracts that are expected to exceed \$175,000, or non-complex service contracts that are expected to exceed \$250,000, unless these amounts are amended by applicable law or regulation.

- 5.3.1 Conditions for Using Sealed Bids.** The MPHA may use the sealed bid method if the following conditions are present: a complete, adequate, and realistic statement of work, specification, or purchase description is available; two or more responsible bidders are willing and able to compete effectively for the work; the contract can be awarded based on a firm fixed price; and the selection of the successful bidder can be made principally on the lowest price.

- 5.3.2 Solicitation and Receipt of Bids.** An IFB is issued which includes the specifications and all contractual terms and conditions applicable to the procurement, and a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the solicitation. The IFB must state the time and place for both receiving the bids and the public bid opening. All bids received will be date- and time-stamped and stored unopened in a secure place until the public bid opening. A bidder may withdraw the bid at any time prior to the bid opening.
- 5.3.3 Bid Opening and Award.** Bids shall be opened publicly. All bids received shall be recorded on an abstract (tabulation) of bids, which shall then be made available for public inspection. If equal low bids are received from responsible bidders, selection shall be made by drawing lots or other similar random method. The method for doing this shall be stated in the IFB. If only one responsive bid is received from a responsible bidder, the award can be made when the price can be determined to be reasonable, based on a cost or price analysis, conducted by MPHA or a third party not associated with the bid
- 5.3.4 Mistakes in Bids.** Correction or withdrawal of bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the IFB prior to the time set for bid opening. After bid opening, changes in bid prices or other provisions of bids prejudicial to the interest of the MPHA or fair competition shall not be permitted.
- 5.4 Competitive Proposals.** Unlike sealed bidding, the competitive proposal method, also known as Request for Proposals (RFP), permits: consideration of technical factors other than price; discussion with offerors concerning offers submitted; negotiation of contract price or estimated cost and other contract terms and conditions; revision of proposals before the final contractor selection; and the withdrawal of an offer at any time up until the point of award. Award is normally made on the basis of the proposal that represents the best overall value to the MPHA, considering price and other factors, e.g., technical expertise, past experience, quality of proposed staffing, etc., set forth in the solicitation and not solely the lowest price.
- 5.4.1 Conditions for Use.** Where conditions are not appropriate for the use of sealed bidding, competitive proposals may be used. Competitive proposals are the preferred method for procuring professional services that will exceed the small purchase threshold.

- 5.4.2 Form of Solicitation.** Other than A/E services, developer-related services and energy performance contracting, competitive proposals shall be solicited through the issuance of an RFP. The RFP shall identify the importance and relative value of each of the evaluation factors as well as any sub-factors and price. A mechanism for fairly and thoroughly evaluating the technical and price proposals shall be established before the solicitation is issued. Proposals shall be handled so as to prevent disclosure of the number of offerors and the identity of offerors until the time and date specified in the solicitation that proposals are due. Proposals shall be handled so as to prevent disclosure of the contents of the proposals until completion of the evaluation process. "Completion of the evaluation process" means that the MPHA has completed negotiating the contract with the selected vendor. Trade secret data as defined by Minnesota Statutes shall be private and not disclosed. The MPHA may assign price a specific weight in the evaluation factors or the MPHA may consider price in conjunction with technical factors; in either case, the method for evaluating price shall be established in the RFP.
- 5.4.3 Evaluation.** The proposals shall be evaluated on the factors stated in the RFP. Where not apparent from the evaluation factors, the MPHA shall establish an Evaluation Plan for each RFP. Generally, all RFPs are evaluated by an appropriately appointed Evaluation Committee. An Evaluation Report, summarizing the results of the evaluation, shall be prepared prior to award of a contract.
- 5.4.4 Discussions.** Discussions may be conducted with all offerors who submit a proposal determined to have a reasonable chance of being selected for award. This determination is based on the relative score of the proposals as they are evaluated and rated in accordance with the technical and price factors specified in the RFP. No offeror shall be given any information about any other offeror's proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal. A common deadline shall be established for receipt of proposal revisions. Discussions are tailored to each offeror's proposal, and shall be conducted by the Contracting Officer with each offeror within the competitive range. The primary objective of discussions is to maximize the MPHA's ability to obtain best value, based on the requirements and the evaluation factors set forth in the solicitation. The MPHA may discuss with each offeror significant weaknesses, deficiencies, and other aspects of its proposal that could be altered or explained to enhance the proposer's potential for award. The scope and extent of discussions are a matter of the Contracting Officer's judgment. The MPHA may inform an offeror that its price is considered by the MPHA to be too high

or too low, and reveal the results of the analysis supporting that conclusion. It is also permissible to indicate to all offerors the cost or price that the MPHA's price analysis, market research, and other reviews have identified as reasonable. "Auctioning" (revealing one offeror's price in an attempt to get another offeror to lower their price) is prohibited.

5.4.5 Award. After evaluation of the revised proposals, if any, the contract shall be awarded to the responsible firm whose technical approach to the project, qualifications, price and/or any other factors considered, are most advantageous to the MPHA provided that the price is within the maximum total project budgeted amount established for the specific property or activity. Either a fixed-price contract or cost-reimbursement contract will be awarded.

5.4.6 A/E, Developer, Energy Performance and related services. The MPHA may contract for A/E services using Qualifications-based Selection (QBS) procedures, utilizing a Request for Qualifications (RFQ). Sealed bidding is not used for A/E solicitations. Under QBS procedures, an evaluation of qualifications is conducted and the award is made to the most qualified vendor, subject to negotiation of fair and reasonable compensation. Price is not a selection factor under this method.

5.5 Noncompetitive Proposals and Use of Non-Federal Funds.

5.5.1 Conditions for Use. Procurement by noncompetitive proposals (sole- or single-source) may be used when the award of a contract is not feasible using small purchase procedures, sealed bids, cooperative purchasing, or competitive proposals, and if one of the following applies:

5.5.1.1 The item is available only from a single source, based on a good faith review of available sources;

5.5.1.2 A public emergency or exigency exists. These are events that seriously threaten the public health, welfare, or safety, or endanger property, or would otherwise cause serious injury to the MPHA, by reason of a flood, tornado, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any of the other procurement methods, and the emergency procurement

shall be limited to those supplies, services, or construction necessary to meet the emergency;

5.5.1.3 HUD authorizes the use of noncompetitive proposals; or

5.5.1.4 After solicitation of a number of sources, competition is determined inadequate.

5.5.2 **Justification.** Each procurement based on noncompetitive proposals shall be supported by a written justification for the selection of this method. The justification shall be approved in writing by the Contracting Officer. Poor planning or lack of planning is not justification for emergency or sole-source procurements. The justification, to be included in the procurement file, should include the following information:

5.5.2.1 Description of the requirement;

5.5.2.2 History of prior purchases and their nature (competitive vs. noncompetitive);

5.5.2.3 The specific exception in 2 CFR § 200.320(f)(1)-(4) which applies;

5.5.2.4 Statement as to the unique circumstances that require award by noncompetitive proposals;

5.5.2.5 Description of the efforts made to find competitive sources (advertisement in trade journals or local publications, phone calls to local suppliers, issuance of a written solicitation, etc.);

5.5.2.6 Statement as to efforts that will be taken in the future to promote competition for the requirement;

5.5.2.7 Signature by the Contracting Officer; and

5.5.2.8 Price Reasonableness. The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing an analysis, as described in this Policy.

5.6 Cooperative Purchasing/Intergovernmental Agreements. The MPHA may enter into State and/or local cooperative or intergovernmental agreements to purchase or use common supplies, equipment, or services. The decision to use an interagency

agreement instead of conducting a direct procurement shall be based on economy and efficiency. If used, the interagency agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment, and other relevant terms and conditions. The MPHA may use Federal or State excess and surplus property instead of purchasing new equipment and property if feasible and if it will result in a reduction of project costs. The goods and services obtained under a cooperative purchasing agreement must have been procured in accordance with 2 CFR § 200.317 through § 200.327.

6.0 INDEPENDENT COST ESTIMATE (ICE)

- 6.1 General.** For all purchases above the Simplified Acquisition Threshold or \$175,000, the MPHA shall prepare an ICE prior to solicitation. The level of detail shall be commensurate with the cost and complexity of the item to be purchased.

7.0 COST AND PRICE ANALYSIS (CPA)

- 7.1 General.** The MPHA shall require assurance that, before entering into a contract, the price is reasonable, in accordance with the following instructions.
- 7.1.1 Petty Cash and Micro Purchases.** No formal cost or price analysis is required. Rather, the execution of a contract by the MPHA through a Purchase Order or other means shall serve as the determination that the price obtained is reasonable, which may be based on prior experience or other factors.
- 7.1.2 Small Purchases.** A comparison with other offers shall generally be sufficient determination of the reasonableness of price and no further analysis is required. If a reasonable number of quotes are not obtained to establish reasonableness through price competition, the MPHA shall document price reasonableness through other means, such as prior purchases of this nature, catalog prices, the MPHA's personal knowledge at the time of purchase, or any other reasonable basis.
- 7.1.3 Sealed Bids.** The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient bids are not received, and when the bid received is substantially more than the ICE, and where the MPHA cannot reasonably determine price reasonableness, the MPHA must conduct a cost analysis, consistent with federal guidelines, to ensure that the price paid is reasonable.

- 7.1.4 Competitive Proposals.** The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient proposals are not received, the MPHA must compare the price with the ICE. For competitive proposals where prices cannot be easily compared among offerors, where there is not adequate competition, or where the price is substantially greater than the ICE, the MPHA must conduct a cost analysis, consistent with Federal guidelines, to ensure that the price paid is reasonable.
- 7.1.5 Contract Modifications.** A cost analysis, consistent with federal guidelines, shall be conducted for all contract modifications for projects that were procured through Sealed Bids, Competitive Proposals, or Non-Competitive Proposals, or for projects originally procured through Small Purchase procedures and the amount of the contract modification will result in a total contract price greater than the Simplified Acquisition Threshold or an amount amended by applicable law or regulation.

8.0 SOLICITATION AND ADVERTISING

8.1 Method of Solicitation.

- 8.1.1 Petty Cash and Micro Purchases.** The MPHA may contact only one source if the price is reasonable.
- 8.1.2 Small Purchases.** Quotes may be solicited orally, electronically, through an e-procurement system, or by any other reasonable method.
- 8.1.3 Sealed Bids and Competitive Proposals.** Solicitation must be done publicly in accordance with HUD requirements. The MPHA must use one or more of the following solicitation methods, provided that the method employed provides for meaningful competition.
- 8.1.3.1** Advertising in newspapers or other print mediums of local or general circulations.
 - 8.1.3.2** Advertising in various trade journals or publications (for construction).
 - 8.1.3.3** E-Procurement. The MPHA may conduct its public procurements through the internet using e-procurement systems. However, all e-procurements must comply with 2 CFR § 200.317 through §

200.327, State and local requirements, and the MPHA's procurement policy.

- 8.2 Time Frame.** For purchases of more than \$175,000 (or \$250,000 for services), or an amount amended by applicable law or regulation, the public notice should run once per week for two consecutive weeks.
- 8.3 Form.** Notices/advertisements should state, at a minimum, the place, date, and time that the bids or proposals are due, the solicitation number, a contact who can provide a copy of, and information about, the solicitation, and a brief description of the needed items(s).
- 8.4 Time Period for Submission of Bids.** A minimum of 21 days shall generally be provided for preparation and submission of sealed bids and 15 days for competitive proposals. However, the Contracting Officer may allow for a shorter period.
- 8.5 Cancellation of Solicitations.**
 - 8.5.1** A solicitation may be cancelled if:
 - 8.5.1.1** The supplies, services or construction are no longer required;
 - 8.5.1.2** The funds are no longer available;
 - 8.5.1.3** Proposed amendments to the solicitation are of such magnitude that a new solicitation would be best;
 - 8.5.1.4** Ambiguous or otherwise inadequate specifications were part of the solicitation;
 - 8.5.1.5** All factors of significance to the MPHA were not considered;
 - 8.5.1.6** Prices exceed available funds;
 - 8.5.1.7** There is reason to believe that bids or proposals may not have been independently determined in open competition, may have been collusive, or may have been submitted in bad faith; or
 - 8.5.1.8** For good cause.

8.5.3 The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request.

8.5.4 A notice of cancellation shall be sent to all bidders/offerors solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any re-solicitation or future procurement of similar items.

8.6 Purchasing Cards and Credit Cards. The MPHA may establish a purchasing card program to provide a more efficient, cost-effective alternative for departments and sites to make qualified purchases. Any such program shall be administered according to written purchasing card procedures and usage should follow the rules for small purchases as outlined in this policy. The MPHA may also permit the use of agency credit cards, following the same rules for other small purchases as outlined herein. The MPHA shall adopt reasonable safeguards to assure that purchasing cards and credit cards are used only as intended.

9.0 BONDING REQUIREMENTS

9.1 General. The standards under this section apply to construction contracts that exceed \$100,000, or as amended by applicable law or regulation. There are no bonding requirements for small purchases or for competitive proposals. The MPHA may require bonds in these latter circumstances when deemed appropriate; however, non-construction contracts should generally not require bid bonds. Bid bonds and payment bonds must be separate.

9.1.1 Bid Bonds. For construction contracts exceeding \$100,000, or as amended by applicable law or regulation, bidders shall be required to submit a bid guarantee equivalent to 5% of the bid price. (See 2 CFR § 200.326.)

9.1.2 Performance and Payment Bonds. For construction contracts exceeding \$100,000, or as amended by applicable law or regulation, the successful bidder shall furnish performance and payment bonds; each equal to the total value of the contract.

10.0 CONTRACTOR QUALIFICATIONS AND DUTIES

10.1 Contractor Responsibility

10.1.1 The MPHA shall not award any contract until the prospective contractor, i.e., low responsive bidder, or successful offeror, has been determined to be responsible. A responsible bidder/offeror must:

10.1.1.1 Have adequate financial resources to perform the contract, or the ability to obtain them;

10.1.1.2 Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all of the bidder's/offeror's existing commercial and governmental business commitments;

10.1.1.3 Have a satisfactory performance record;

10.1.1.4 Have a satisfactory record of integrity and business ethics;

10.1.1.5 Comply with Minn. Stat. § 16C.285 Responsible Construction Contractor Requirement and sign a Responsible Construction Contractor Verification Form;

10.1.1.6 Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;

10.1.1.7 Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and

10.1.1.8 Be otherwise qualified and eligible to receive an award under applicable laws and regulations, including not be suspended, debarred or under a HUD-imposed Limited Denial of Participation (LDP).

10.1.2 If a prospective contractor is non-responsible, a written determination of non-responsibility shall be prepared and included in the contract file, and the prospective contractor shall be advised of the reasons for the determination.

10.2 Suspension and Debarment. Contracts shall not be awarded to debarred, suspended, or ineligible contractors or contractors who have not complied with Minn. Stat. § 16C.285. Contractors may be suspended, debarred, or determined to be ineligible by HUD in accordance with HUD regulations (2 CFR § 200.317 through § 200.327) or by other Federal agencies, e.g., the Department of Labor for violation of labor regulations.

Prior to issuance of a contract, the MPHA shall conduct the required searches in the HUD LDP system and the U.S. General Services Administration System for Award Management (SAM) and document the search in the contract file.

- 10.3 Vendor Lists.** All interested businesses shall be given the opportunity to be included on vendor solicitation lists. Any lists of persons, firms, or products which are used in the purchase of supplies, services and construction shall be updated and include enough sources to ensure competition, if available.

11.0 CONTRACT PRICING ARRANGEMENTS

- 11.1 Contract Types.** Any type of contract which is appropriate to the procurement, and which will promote the best interests of the MPHA, may be used, provided the cost-plus-a-percentage-of-cost and percentage-of-construction-cost methods are not used. All solicitations and contracts shall include the clauses and provisions necessary to define the rights and responsibilities of both the contractor and the MPHA. The MPHA may use time and material contracts only after the MPHA determines no other contract type is suitable. Further, the contract must include a ceiling price that the contractor exceeds at its own risk. The cost is the sum of actual cost of materials and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses and profit. See 2 CFR § 200.318(j).

- 11.2 Options.** Options for additional quantities or performance periods may be included in contracts, provided that:

- 11.2.1** The option is contained in the solicitation;
- 11.2.2** The option is a unilateral right of the MPHA;
- 11.2.3** The contract states a limit on the additional quantities and the overall term of the contract;
- 11.2.4** The options are evaluated as part of the initial competition;
- 11.2.5** The contract states the period in which the options may be exercised;
- 11.2.6** The options may be exercised only at the price specified in or reasonably determinable from the contract; and
- 11.2.7** The options may be exercised only if determined to be more advantageous to the MPHA than conducting a new procurement.

12.0 CONTRACT CLAUSES

- 12.1 Contract Pricing Arrangements.** All contracts shall identify the contract pricing arrangement and other terms and conditions, as determined by the MPHA.
- 12.2 Required Forms.** HUD-funded contracts issued by MPHA must include the applicable HUD forms and certifications listed in Appendix A. Copies of the forms shall also be made available on the MPHA Website.
- 12.3 Required Contract Clauses.** The MPHA shall ensure that each contract executed by the MPHA contains the applicable required contract clauses in 2 CFR § 200.327 and 2 CFR § 200 Appendix II.

13.0 CONTRACT ADMINISTRATION

- 13.1 General.** The MPHA shall maintain a system of contract administration designed to ensure that contractors perform in accordance with their contracts. These systems shall provide for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on major projects including construction contracts, and similar matters.

14.0 SPECIFICATIONS

- 14.1 General.** All specifications shall be drafted with the intent to promote economy and to encourage competition. Specifications shall be reviewed prior to issuing any solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Function or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase.
- 14.2 Limitation.** The following types of specifications shall be avoided:
 - 14.2.1** Geographic restrictions not mandated or encouraged by applicable Federal law (except for A/E contracts, which may include geographic location as a selection factor if adequate competition is available);
 - 14.2.2** Brand name specifications (unless the specifications list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use).

Nothing in this procurement policy shall preempt any State licensing laws.

15.0 APPEALS AND REMEDIES

15.1 General. It is MPHA policy to resolve all contractual issues informally and without litigation. When appropriate, a mediator may be used to help resolve differences.

15.2 Appeals Procedure. The MPHA shall adopt a bid protest/appeal procedure for all contracts.

15.2.1 Bid Protest. Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Policy. The Contracting Officer must receive any protest against a solicitation before the due date for the receipt of bids or proposals, and any protest against the award of a contract within ten calendar days after the contractor receives notice of the contract award, or the protest will not be considered. All bid protests shall be in writing, submitted to the Contracting Officer who shall issue a written decision on the matter. The Contracting Officer may suspend the procurement pending resolution of the protest.

15.2.2 Contractor Claims. All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer for a written decision. The contractor may request a conference on the claim. Contractor claims shall comply with the Changes clause in the relevant form HUD-5370.

16.0 ASSISTANCE TO SMALL AND OTHER BUSINESSES

16.1 Required Efforts. Consistent with Presidential Executive Orders 11625, 12138, and 12432, and Section 3 of the HUD Act of 1968, MPHA will take all necessary affirmative steps to ensure that small and minority-owned businesses, women's business enterprises, and labor surplus area firms are used when possible. Such efforts shall include:

16.1.1 Including such firms, when qualified, on solicitation mailing lists;

16.1.2 Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;

16.1.3 Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;

- 16.1.4** Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
 - 16.1.5** Using the services and assistance of the Small Business Administration, and the Minority Business Development MPHA of the Department of Commerce;
 - 16.1.6** Including in contracts the Section 3 Clause in 24 CFR § 75, or other applicable federal regulations; and
 - 16.1.7** Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.
- 16.2 Goals.** May be established periodically for participation by small businesses, minority-owned businesses, women-owned business enterprises, labor surplus area businesses, and Section 3 business concerns in MPHA prime contracts and subcontracting opportunities, and in accordance with 24 CFR §75. In addition to contracting and subcontracting opportunities, MPHA may undertake efforts to provide low-income persons with other economic opportunities in addition to training, employment and contract awards. Other opportunities may include other business-related economic opportunities, including but not limited to the formation of section 3 joint ventures and financial support for affiliating with franchise development. MPHA may also provide incentives to non-section 3 businesses to utilize such methods to provide other economic opportunities to low-income persons. All such goals shall have a reasonable basis.
- 16.3 Definitions.**
- 16.3.1** A small business is defined as a business that is: independently owned; not dominant in its field of operation; and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR § 121 should be used to determine business size.
 - 16.3.2** A minority-owned business is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans, and Hasidic Jewish Americans.

- 16.3.3** A women's business enterprise is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who control and operate the business.
- 16.3.4** A "Section 3 business concern" is as defined under 24 CFR § 75.
- 16.3.5** A labor surplus area business is defined as a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment. A list of counties in Minnesota that qualify as "labor surplus areas," in other words, areas of high unemployment (as defined by federal law), can be found at <http://www.mmd.admin.state.mn.us/lalist.htm> or by contacting the Minnesota Office of Management and Budget.

17.0 BOARD APPROVAL OF PROCUREMENT ACTIONS

- 17.1 Authority.** The MPHA Board of Commissioners appoints and delegates procurement authority to the Executive Director (ED) in the amount not to exceed \$500,000 per contract in any twelve-month period, or \$1 million over the life of the contract. The ED must also receive Board approval for change orders to a contract that will increase the amount to more than \$500,000 in any twelve-month period, or more than \$1 million over the life thereof.

18.0 DELEGATION OF CONTRACTING AUTHORITY

- 18.1 Delegation.** While the ED is responsible for ensuring that the MPHA's procurements comply with this Policy, the ED may delegate in writing all procurement authority as is necessary and appropriate to conduct the MPHA's procurement activity.
- 18.2 Procedures.** Further, and in accordance with this delegation of authority, the ED may designate contracting officers and establish operational procedures (such as a procurement manual or standard operating procedures) to implement this Policy.

19.0 DOCUMENTATION

- 19.1 Required Records.** The MPHA must maintain records sufficient to detail the significant history of each procurement action. These records shall include the following:

- 19.1.1** Rationale for the method of procurement (if not self-evident);
- 19.1.2** Rationale of contract pricing arrangement (if not self-evident);
- 19.1.3** Reason for accepting or rejecting the bids or offers;
- 19.1.4** Basis for the contract price;
- 19.1.5** A copy of the contract documents awarded or issued and signed by the Contracting Officer;
- 19.1.6** Basis for contract modifications; and
- 19.1.7** Related contract administration actions.

19.2 Level of Documentation. The level of documentation should be commensurate with the value of the procurement.

19.3 Record Retention. The MPHA shall retain records for a period of three years after final payment and all matters regarding the contract are closed, or in compliance with the MPHA's Record Retention Policy, whichever is longer.

20.0 DISPOSITION OF SURPLUS PROPERTY

20.1 General. Property no longer necessary for the MPHA's purposes (non-real property) shall be transferred, sold, or disposed of in accordance with applicable federal, state, and local laws, regulations and ordinances.

21.0 FUNDING AVAILABILITY

21.1 General. Before initiating any contract, the MPHA shall ensure that sufficient funds are available to cover the anticipated cost of the contract or modification.

22.0 REVISION HISTORY

22.1 Current Version. Adopted by the MPHA Board of Commissioners: 1/24/2024
Minor updates throughout, including updating the micro purchase thresholds and the conditions related to this Policy's applicability.

22.2 History. This policy supersedes the prior version of the MPHA Procurement Policy dated 12/16/2020.

- 22.3 **Technical Updates.** MPHA staff may make interim updates to this policy to comply with changes in law or for other technical changes as necessary.

Appendix A: HUD-Required Contract Forms and Certifications

1. HUD 5369 Instructions to Bidders
2. HUD 5369-A Representations, Certifications, and Other Statements of Bidders
3. HUD 5369-B Instructions to Offerors Non-Construction
4. HUD 5370 General Conditions of the Contract for Construction
5. HUD 5370-C General Contract Conditions Non-Construction (Sections I and II)
6. HUD 5370-EZ General Contract Conditions Small Construction/Development
7. HUD 51915 and 51915A Agreement Between Owner and Design Professional
8. HUD 52158 Maintenance Wage Decision
9. Davis-Bacon and Related Acts Wage Determination
10. HUD 50071 Certification of Payments to Influence Federal Transactions
11. SF-LLL Disclosure of Lobbying Activities



MEMORANDUM TO: MPHA Board of Commissioners

FROM: Abdi Warsame, Executive Director/CEO

SUBJECT: Executive Director's Report, January Board Meeting

The agency is off to an incredible start in 2024, including the appointment of three new commissioners to the MPHA board. The new board members bring a wide range of expertise that will be invaluable to the board's consideration of policy and governing documents, and I look forward to working closely with Gloria Freeman, Tom Nordyke, and Danielle Werder in service to MPHA residents and voucher-holders.

This is a good meeting for new board members, with the fourth quarter strategic plan update included in this month's board packet to bring new board members up to date on the agency's recent activities. This update details where staff are advancing the agency's strategic plan in the previous quarter. Staff continue to be focused on bringing the plan to life, and we are driving numerous goals and strategies forward in meaningful ways.

Also included in this month's meeting is an overview of the agency's 2024 legislative agenda, which outlines the agency's recent legislative successes and a capital deployment snapshot of recently appropriated grant funding.

Finally, earlier this month, the agency hosted a listening session with developer partners to discuss how MPHA's project-based vouchers (PBVs) program could be improved in 2024 and beyond. With the agency's strategic plan goal of helping produce at least 150 new deeply affordable homes in Minneapolis through 2027, MPHA is committed to strengthening these partnerships to deliver the affordable housing Minneapolis needs.

Since 2019, MPHA PBVs have accounted for more than half of all deeply affordable housing built in Minneapolis. That success is enabled, in part, by strong partnerships with housing developers. This recent listening session provides agency staff an opportunity to understand what opportunities might exist to better align agency processes, resources, and timelines with the needs of partners.



MEMORANDUM TO: MPHA Audit Committee

FROM: Abdi Warsame, Executive Director

DATE: January 24, 2024

SUBJECT: MPHA/CHR Audit Services

The attached Audit Engagement Letter 2023 describes the scope of audit services that will be provided by Berman Hopkins, CPAs for MPHA and CHR for the fiscal year ending December 31, 2023. MPHA staff are preparing closing entries and unaudited financial statements are expected to be completed and submitted to HUD by the end of February. The audit is expected to begin in March 2024 and be completed by the summer.

Finance staff will provide a 2023 financial report to the Board at the March or April 2024 Board of Commissioner's meeting. Please contact Tim Durose at 612-342-1410, if you have questions regarding this memorandum.

Attachment



January 17, 2024

Tom Hoch, Chairperson, Board of Commissioners and
Abdi Warsame, Chief Executive Officer and
Tim Durose, Chief Financial Officer
Minneapolis Public Housing Authority
1001 N Washington Ave,
Minneapolis, MN 55401

RE: Audit Engagement Letter 2023

We are pleased to confirm our understanding of the services we are to provide the Minneapolis Public Housing Authority (the "Authority") for the year ended December 31, 2023.

Audit Scope and Objectives

We will audit the financial statements of the business-type activities including the disclosures, which collectively comprise the basic financial statements of the Authority as of and for the year ended December 31, 2023. In addition, we will also audit and provide separate financial statements for the Community Housing Resources, Inc ("CHR"). The separate audit for CHR will not be subject to Uniform Guidance. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited.

- 1) Management's Discussion and Analysis.
- 2) Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios.

We have also been engaged to report on supplementary information other than RSI that accompanies the Authority's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and will provide an opinion on it in relation to the Authority's financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Expenditures of Federal Awards.
- 2) Financial Data Schedule.
- 3) Schedule of Program Costs and Advances.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. The audit for CHR will also comply with the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in the financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We have identified the following significant risks of material misstatement for the Authority as part of our audit planning:

- Management override of controls
- Revenue recognition
- Restricted net position
- FDS reporting in accordance with U.S. Department of Housing and Urban Development's prescribed guidelines
- Compliance with grant requirements
- Improper eligibility determination for the Housing Voucher Cluster and Low Rent Public Housing Programs

We have identified the following significant risks of material misstatement for CHR:

- Management override of controls
- Revenue recognition

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures - Internal Controls

We will obtain an understanding of the Authority and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority and CHR's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Authority's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will prepare the federal and state income tax returns for the CHR for the year ended December 31, 2023, based on information provided by you. We will also assist in preparing the financial statements and related notes of CHR in conformity with U.S. generally accepted accounting principles based on information provided by you. In addition, we will also assist in preparing financial statements, schedule of expenditures of federal awards, and related notes of the Authority in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. We will assist in recommending reclassifying journal entries to conform to GAAP basis and HUD presentations based on information and support provided by you. We will also perform the REAC agreed upon procedures as outlined in "**Attachment B**". These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

We will perform the services in accordance with applicable professional standards, including the Statement on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the preparation of the financial statements (for all entities), schedule of expenditures of federal awards (for the Authority), and related notes, the assistance in recommending reclassifications for HUD presentation, REAC agreed upon procedures, and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide.

You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Agreed-upon Procedures - REAC Online Submission (for the Authority)

We will apply the agreed-upon procedure and prepare the associated report which the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), has specified to the electronic submission and related hard copy documents, as listed in "**Attachment B**", of the Authority as of and for the year ended December 31, 2023. This procedure is solely to assist the Authority and the U.S. Department of Housing and Urban Development, REAC, in determining whether the electronic submission of certain information agrees with the related hard copy documents.

Our engagement to apply the agreed-upon procedure will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Those standards require that we obtain your written agreement to the procedures to be applied and your acknowledgment that those procedures are appropriate for the intended purpose of the engagement, as described in this letter. The sufficiency of the procedure is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedure described in the attached schedule either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedure, we will describe any restrictions on the performance of the procedure in our report, or we will not issue a report as a result of this engagement.

Because the agreed-upon procedure listed in that attached schedule do not constitute an examination or review, we will not express an opinion or conclusion on whether the electronic submission of the items listed in the "UFRS Rule Information" column agrees with the related hard copy documents within the audit reporting package. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule to which you agree.

Our report will include a statement indicating we were not engaged to and did not conduct an examination or review. Our report will also include a statement indicating that we have not performed any additional auditing procedures after the date of our reports on the audited financial statements and supplemental information and a statement indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Further, we take no responsibility for the security of the information transmitted electronically to REAC.

You are responsible for the electronic submission of the items listed in the "UFRS Rule Information" listed in the attached schedule of the Authority as of and for the year ended December 31, 2023 and that it is in accordance with the hard copy documents also listed in the attached schedule; and for selecting the criteria and determining that such criteria are appropriate for your purposes.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedure on the subject matter, (2) additional information that we may request for the purpose of performing the agreed-upon procedure, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing the procedure.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Authority complies with applicable laws, regulations, contracts, agreements, and grants.

You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan, if applicable. The summary schedule of prior audit findings should be available for our review prior to audit fieldwork, if applicable.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon.

Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Berman Hopkins Wright & LaHam, CPAs and Associates, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the U.S. Department of Housing and Urban Development or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Berman Hopkins Wright & LaHam, CPAs and Associates, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the U.S. Department of Housing and Urban Development. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

Laura Anne Pray, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit during March 2024.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$117,500 in total, including \$7,500 for additional Stable Housing Organization Relief Program ("SHORP") testing requirements for CHR. The fee associated with the additional SHORP testing is an estimate that is subject to change based on final requirements established by the State of Minnesota. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered according to the terms outlined in the request for proposal and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full.

If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2021 peer review report accompanies this letter as "**Attachment A**".

To ensure that our independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Berman Hopkins' accepted policy is to use a secure client portal for the electronic transfer of documents. The electronic transfer of documents by any other means is a risk to the security of your confidential information. If you, as the client, choose to transfer documents outside of our client portal, you agree to remove all file security liability from Berman Hopkins.

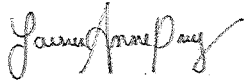
Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Commissioners of the Minneapolis Public Housing Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to the Minneapolis Public Housing Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,



Laura Anne Pray, CPA, Partner
Berman Hopkins Wright & LaHam, CPAs and Associates, LLP

RESPONSE:

This letter correctly sets forth the understanding of Minneapolis Public Housing Authority

Signature: _____

Name (printed): _____

Tom Hoch

Title: _____

Chairperson

Date: _____

Signature: _____

Name (printed): _____

Abdi Warsame

Title: _____

Chief Executive Officer

Date: _____

RESPONSE (continued) :

Signature:

Name (printed):

Tim Durose

Title:

Chief Financial Officer

Date:

Report on the Firm's System of Quality Control

To the Owners of Berman Hopkins Wright & LaHam, CPAs and Associates, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Berman Hopkins Wright & LaHam, CPAs and Associates, LLP (the firm) in effect for the year ended June 30, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and audits of employee benefit plans.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Berman Hopkins Wright & LaHam, CPAs and Associates, LLP in effect for the year ended June 30, 2021 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Berman Hopkins Wright & LaHam, CPAs and Associates, LLP has received a peer review rating of *pass*.

Flaherty Salmin LLP

Rochester, New York
December 17, 2021

ATTACHMENT B - SAMPLE

Independent Accountant's Report on Applying Agreed-Upon Procedure

We have performed the procedures enumerated below on the electronic submission and related hard copy documents of the Minneapolis Public Housing Authority (the "Authority") as of and for the year ended December 31, 2023. The Authority's management is responsible for the accuracy and completeness of the electronic submission.

The Authority and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center ("REAC"), have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose on whether the electronic submission of certain information agrees with related hard copy documents. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed document listed in the "Hard Copy Documents" column. The associated findings from the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the attached chart.

UFRS Rule Information	Hard Copy Document(s)	Findings
Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's	Agrees
Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
Type of opinion on FDS (data element G3100-040)	Auditor's supplemental report on FDS	Agrees
Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned costs	Agrees
General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form	Agrees

UFRS Rule Information	Hard Copy Document(s)	Findings
Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	Agrees
Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	Agrees
Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form	Agrees
Basic financial statements and auditors reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees

We were engaged by the Authority to perform this agreed-upon procedure engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the electronic submission of the items listed in the "UFRS Rule Information" column agrees with the related hard copy documents within the audit reporting package. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

We were engaged to perform an audit in accordance with the *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("OMB Uniform Guidance"), by the Authority as of and for the year ended December 31, 2023, and have issued our reports thereon dated June 30, 2024. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the supplementary information dated June 30, 2024, was expressed in relation to the basic financial statements of the Authority taken as a whole. A copy of the financial statement package required by the OMB Guidance, which includes the auditor's reports, is available in its entirety from the Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit report. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.



2024 MPHA Family Housing Capital Investment Request

Prepared for 2024 State Legislative Session

Overview

MPHA Housing Programs

- Low-Income Public Housing
 - RAD/LIHTC
- Deeply Affordable Family Housing
- Housing Choice Voucher
- Agency Capital Backlog

2023 Agency Accomplishments

Deployment Snapshot for Recent Grants

Funding & Policy Request from Legislature

- Overview of CHR Portfolio/Backlog
- Opportunity for Preservation Partnership
- Capital Investment Strategy

Recap

MPHA Mission Statement

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

26,000+

people served by
MPHA every day



5,000+

public housing units

6,500+

public housing residents



700+

deeply affordable
family homes

3,100+

deeply affordable family
housing residents



7,200

Housing Choice
Vouchers administered

18,500+

residents benefiting from
MPHA vouchers

MPHA Housing Programs

Low-Income Public Housing*

- MPHA owns and operates 42 high-rises across the city, 184 family homes at Glendale in Southeast, 20 additional scattered family homes, and a 16-unit townhome development in its public housing program (Section 9).
- Across these units, the agency serves nearly 7,000 public housing residents.
- High-rise units are predominately studio and 1bd.
- These residents are at or below 30% AMI.
- MPHA maintains a waitlist for non-family public housing, recently as many as 6,000 people.
- In 2022, MPHA celebrated the completion of the historic \$27M Elliot Twins renovation, which moved the high-rise from Section 9 to RAD Section 8.

Deeply Affordable Family Housing

- MPHA owns and operates ~700 scattered site family homes, serving >3,100 residents.
- These homes account for more than 80% of the MPHA housing for families with children.
- MPHA maintains a waitlist for this type of housing, recently as many as 7,500 people.
- These units were transferred to MPHA wholly controlled non-profit (CHR) in October 2020.
 - Project-based vouchers more than doubled federal subsidy for these units.
 - MPHA remains the long-term owner and property manager, and residents' rent portion stayed the same.
- In 2023, MPHA celebrated the grand opening of 84 new 2- and 3-bedroom deeply affordable family units.

Housing Choice Voucher**

- Beyond MPHA owned and operated housing, the agency administers the Housing Choice Voucher program (HCV, "Section 8").
- The agency serves ~7,200 voucher-holders, benefitting >18,500 residents across the region.
- There are >1,000 people on the Section 8 waitlist.
 - The HCV waitlist was last opened in 2019.
- Applicants are eligible for Section 8 at 50% AMI or below, but 75% of all participants must be 30% AMI or below.
- Should the agency receive stable, supplementary state funding, the agency could fund additional vouchers.

*LIPH, Glendale, Elliot Twins

**Includes Elliot Twins and CHR

MPHA Program Demographics

Low-Income Public Housing*			
Race		Age	
American Indian/Alaska Native	1.4%	0-17	15.3%
Asian	3.8%	18-29	5.9%
Black/African-American	80.0%	30-49	10.6%
White	13.9%	50-61	11.8%
HOH Gender		62+	56.5%
Male HOH	50.1%	HH Size	
Female HOH	49.9%		
HH Incomes		1	64.7%
Average	\$15,538	2	11.6%
Median	\$12,180	3	5.2%
w/ Earned Income	18%	4	5.2%
HOH Disabled	56%	5	4.4%
		6	2.9%
		7+	6.1%

Deeply Affordable Family Housing			
Race		Age	
American Indian/Alaska Native	1.7%	0-17	54.1%
Asian	5.2%	18-29	18.5%
Black/African-American	87.6%	30-49	18.0%
White	4.4%	50-61	6.5%
HOH Gender		62+	3.0%
Male HOH	13.6%	HH Size	
Female HOH	86.4%		
HH Incomes		1	0.4%
Average	\$37,321	2	6.4%
Median	\$36,525	3	12.4%
w/ Earned Income	70%	4	16.5%
HOH Disabled	17%	5	14.9%
		6	13.8%
		7+	35.6%

Housing Choice Voucher**			
Race		Age	
American Indian/Alaska Native	2.7%	0-17	48.7%
Asian	0.7%	18-29	12.5%
Black/African-American	85.0%	30-49	21.4%
White	6.3%	50-61	9.0%
HOH Gender		62+	8.3%
Male HOH	21.0%	HH Size	
Female HOH	79.0%		
HH Incomes		1	14.7%
Average	\$20,814	2	12.8%
Median	\$21,456	3	14.7%
w/ Earned Income	40%	4	14.6%
HOH Disabled	39%	5	13.2%
		6	10.3%
		7+	19.7%

*LIPH, Glendale, Elliot Twins

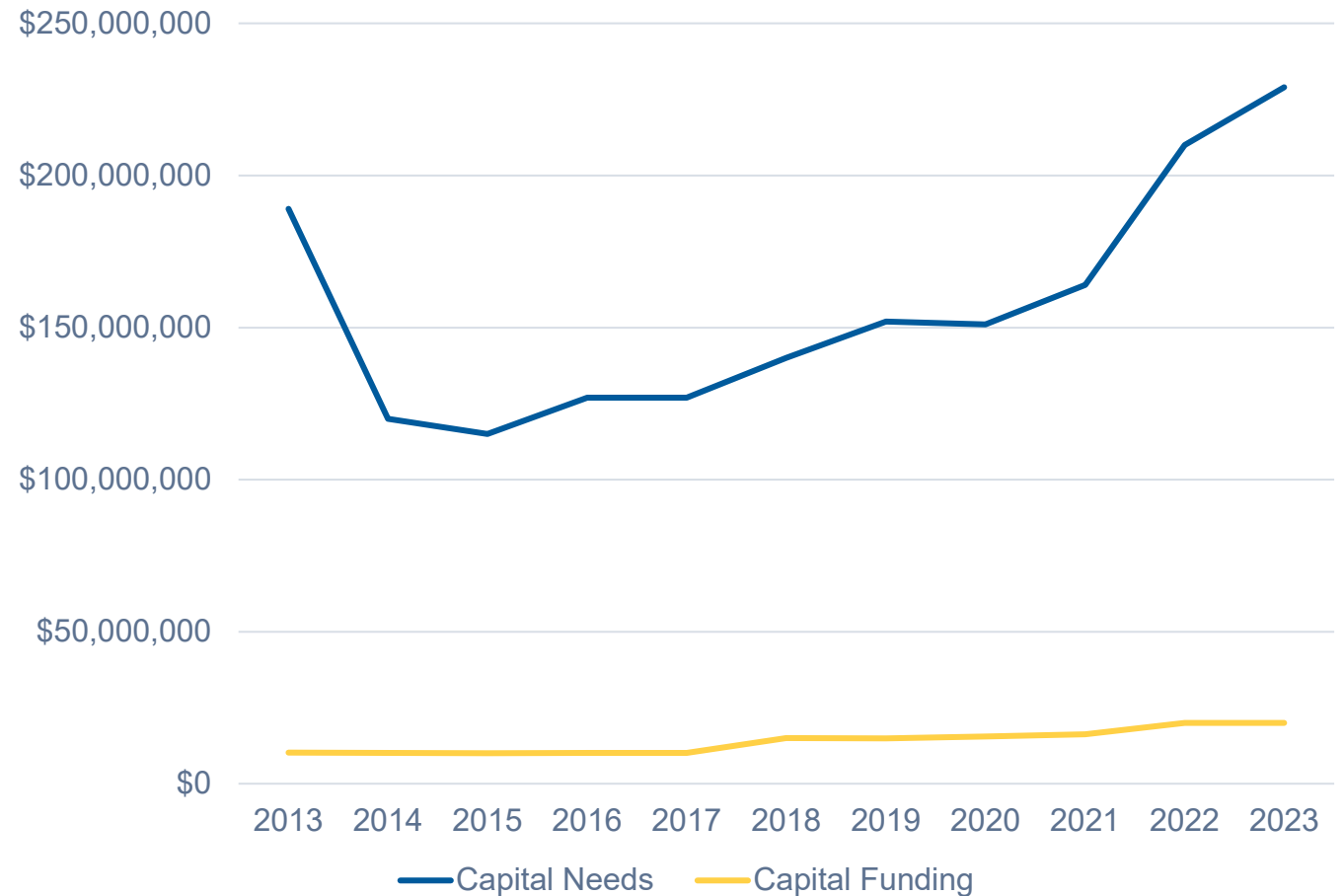
**Does NOT include Elliot Twins and CHR, which use MPHA Housing Choice Vouchers

Minneapolis Public Housing Authority

MPHA Capital Backlog

- MPHA's housing stock is comprised of nearly 6,000 units located in 42 high-rise buildings, 736 scattered site homes, 184 rowhouse units, and a 16-unit townhome development.
- Forty of the 42 high-rise buildings in MPHA's inventory were built in the 1960s and early 1970s.
- The age range of MPHA's single-family homes is 10 – 100+ years old, and our 184-townhouse development (Glendale) is more than 70 years old.
- MPHA projects its current unmet needs for these properties at approximately \$229M. Left unaddressed, this number is likely to surpass \$380M over the next 20 years.
- Historically, HUD has only provided funding for 10% or less of the actual need.

Recent Capital Needs vs Capital Funding



2023 Agency Accomplishments

- \$5M Capital Grant from Legislature to Repair MPHA's Deeply Affordable Family Homes
- Scored a 98.5% Physical Inspection in HUD's Annual Public Housing Assessment System (An Agency All-Time High)
- \$4M in New Funding from City of Minneapolis and Hennepin County to Expand Stable Homes Stable Schools
- \$1.3M from MN Housing's SHORP to Repair MPHA's Deeply Affordable Family Homes
- \$5M/Year Through the City Of Minneapolis' Housing Levy to Support the Agency's Preservation and Production Activities
- Celebrated Grand Opening of 84 New 2- & 3-Bedroom Deeply Affordable Family Homes
- Helped ~450 MPHA Families Receive >\$800k in Rent Relief Through Hennepin County's Emergency Assistance Funds



Addressing Challenge Through Partnership

- In 2023, MPHA secured more than \$11 million in one-time and ongoing state and local assistance to support the agency's preservation and production activities.
- This supplements the \$20M in capital funds the agency received from HUD in 2023.
- Additionally, the agency leveraged various financial tools to accomplish its preservation and production work.
- Despite these expanding partnerships and use of tools, the capital backlog greatly exceeds MPHA's capital funding.
- The single largest threat to MPHA is its capital backlog that continues to grow.



Sprinkler funding now secured for all public housing high-rises in Minneapolis

Minneapolis City Councilmember Robin Wonsley announced an additional \$1.2 million will fund the last four buildings.



Mayor Frey announces funding boost for Minneapolis public housing

City and housing officials say the additional \$4 million in funding would help the cash-strapped Minneapolis Public Housing Authority to complete much-needed repairs and plan ahead.

Deployment Snapshot

- \$3.7M from Minneapolis for CHR Repairs
 - Work scoped and bidding beginning. Work includes:
 - \$1.27M to bring four South Minneapolis family homes online, including a 2-, 3-, 4-, and 5-bedroom home.
 - \$1.07M in exterior enveloping (roof, windows, siding, etc.) at 19 homes across the city.
 - \$1.17M for construction, professional, permitting, and various construction-related administrative costs.
 - ~200k to support redevelopment of SFH in Windom neighborhood to triplex, TBD on 2040 lawsuit
- \$5M from MN Legislature for CHR Repairs
 - Working closely with MN Housing to develop work plan, cost estimates, and grant contract agreement.
 - Tentatively, funds will be directed to exterior enveloping, foundation repairs, and fire detection systems.
- \$1.3M from MN Housing for CHR Repairs
 - As with legislative grant, working with MN Housing to develop work plan and grant contract agreement.
 - Tentatively, funds will be used to increase the number of “deep turns” MPHA does in 2024. Work includes interior renovations (kitchen, bath, etc) and mechanical repairs.
- \$5M Annual Minneapolis Housing Levy
 - In 2024, MPHA is planning:
 - \$2.5M on a major high-rise RAD rehab.
 - \$1.25M to create five new deeply affordable family units across two lots where offline SFHs currently reside.
 - \$1.25M on high-rise elevator modernization projects.

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
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3205 E 37th St	28	\$355,000	MPHA Capital/City	Under Construction	Dec '23-Feb '24
3755 Snelling Ave S	28	\$355,000	MPHA Capital/City	Substantially Complete	Oct '23-Dec '23
2415 N 3rd St	62	\$505,000	MPHA Capital/EDI Grant	Under Construction	Nov '23-Feb '24

*As of December 31, 2023

Minneapolis Public Housing Authority

MPHA Family Housing

- MPHA owns and operates nearly 700 scattered site family housing units, serving more than 3,100 residents.
- These deeply affordable homes account for more than 80% of the MPHA housing available for families with children.
- These units were transferred to MPHA wholly controlled non-profit (CHR) in October 2020.
 - MPHA worked hard to make this a seamless transition. Resident's rent portion remained the same.
 - MPHA is still the long-term owner and property manager.
- Project Based Vouchers more than doubled federal subsidy for these units.
- \$33M of the agency's \$229M capital backlog lives with CHR homes.



MINNEAPOLIS

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

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

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

The Success of CHR

- These homes are a proven tool to provide families a foundation for upward mobility.
- Of the current CHR heads of household, 19% were employed when entering their new home. On average, these residents earned \$20,722 a year in income.
- Today, 70% of these residents are employed, earning an average of \$37,321 a year, with more than 60% of these residents' earned income increasing while in CHR homes.
- Better yet, since 2020, nearly 16% of all families leaving CHR homes have gone on to purchase their own homes.
- As outlined in the agency's current strategic plan, the preservation and production of CHR homes is a top priority of the agency.

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

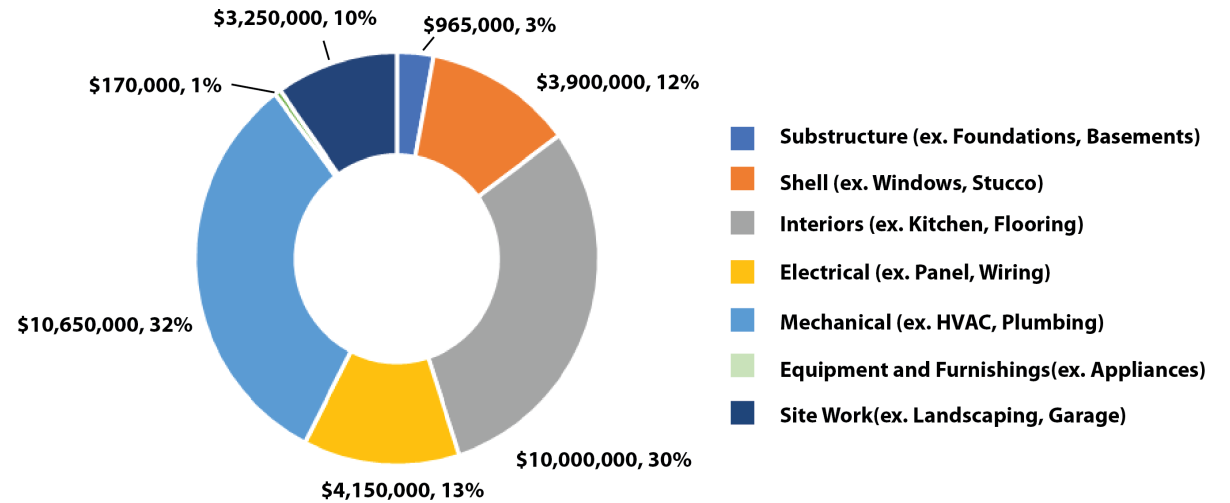
CHR Resident Demographics

Race		HH Size		Age	
American Indian/Alaska Native	1.7%	1	0.4%	0-17	54.1%
Asian	5.2%	2	6.4%	18-29	18.5%
Black/African-American	87.6%	3	12.4%	30-49	18.0%
White	4.4%	4	16.5%	50-61	6.5%
Head of Household Gender		5	14.9%	62+	3.0%
Male HOH	13.6%	6	13.8%		
Female HOH	86.4%	7+	35.6%		

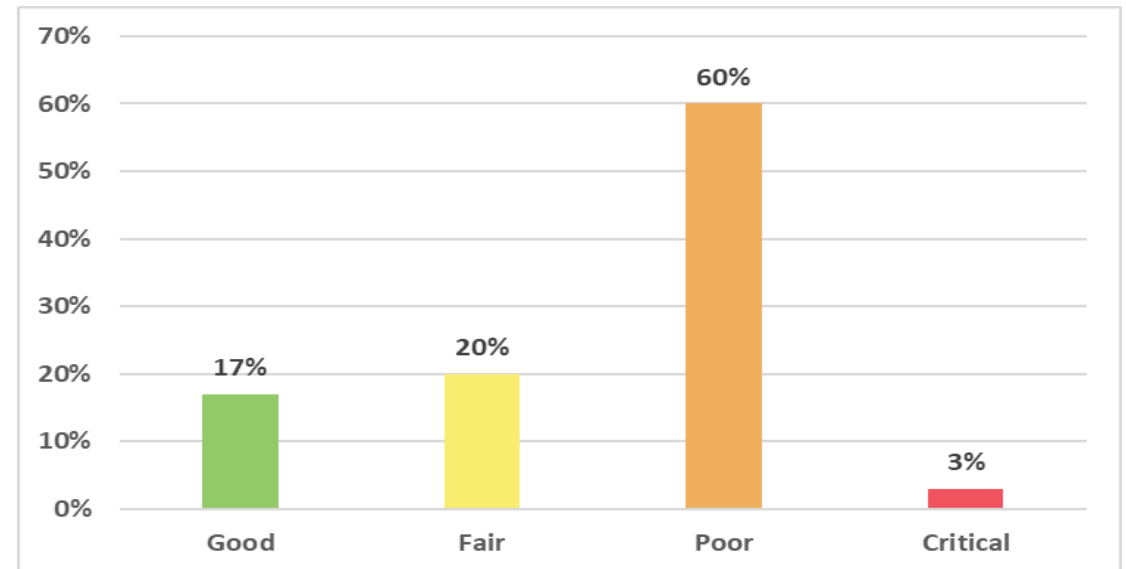
State of CHR Homes

- While much progress has been made in the last year, the long-term viability of these homes continues to be in jeopardy.
 - Because recent grant funding has not yet been deployed, both the CHR capital backlog and average FCI score increased in 2023. MPHA projects improvement in both categories in 2024 as grant funds are deployed.
- Due to decades of compounded underfunding from HUD prior to their conversion, the portfolio has amassed a major capital improvement backlog.
- The current backlog of capital needs for the CHR portfolio stands at \$33 million.
- An estimated 60% of CHR properties are in “poor” condition, with FCI scores above 10%.
- The Facility Condition Index (FCI) is an industry standard for measuring condition of units within a real estate portfolio. In the context of FCI, “poor” is defined as:
 - Frequent component/equipment failures with possible building system shut-downs.
 - High resident complaints/low customer satisfaction.
 - Maintenance and capital improvements in “reactive mode.”

2024 CHR Capital Needs



CHR Property Level FCI%, 2024

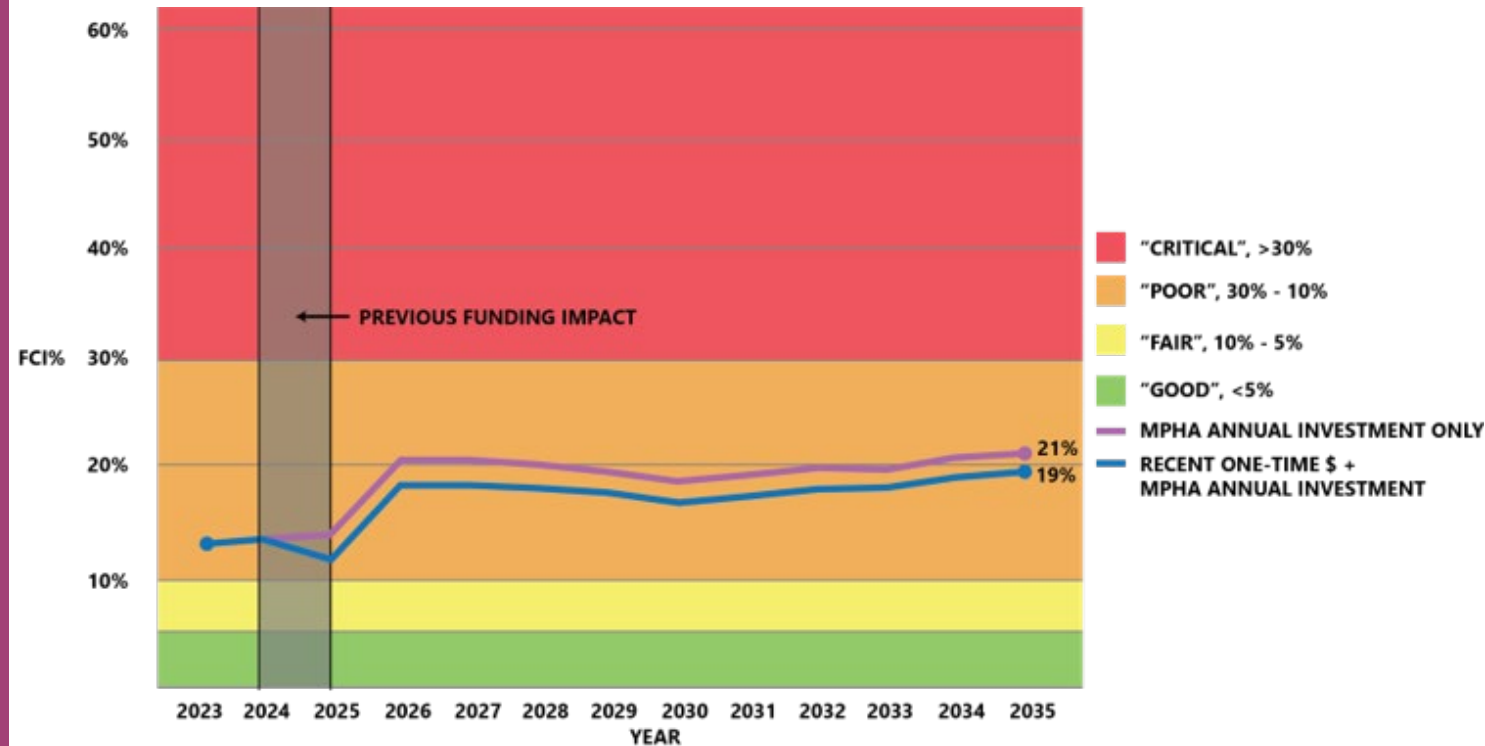


*Figures represented in current dollar value

Future of CHR Homes

- The current backlog of capital needs for the CHR portfolio stands at \$33 million, with ~60% of the portfolio in “poor” condition.
- If unaddressed, the need becomes \$55 million by 2028.
 - Accounting for recent, not-yet-spent \$10M granted funding.
- Absent a significant investment to stabilize the CHR properties, projected cost will be near \$70 million by 2034.
 - At that time, the operability of these units will be at risk, jeopardizing critical city infrastructure.
- Currently, the agency commits ~\$2M/year towards CHR repairs from its limited budget.
- This investment is insufficient to address the portfolio’s needs. In 10 years, properties end up in worse condition than they are today.
- The agency seeks to reduce the capital backlog in other ways, including:
 - Reducing by \$1.2 million through demo and rebuild of higher needs properties in the 84 new-unit project.

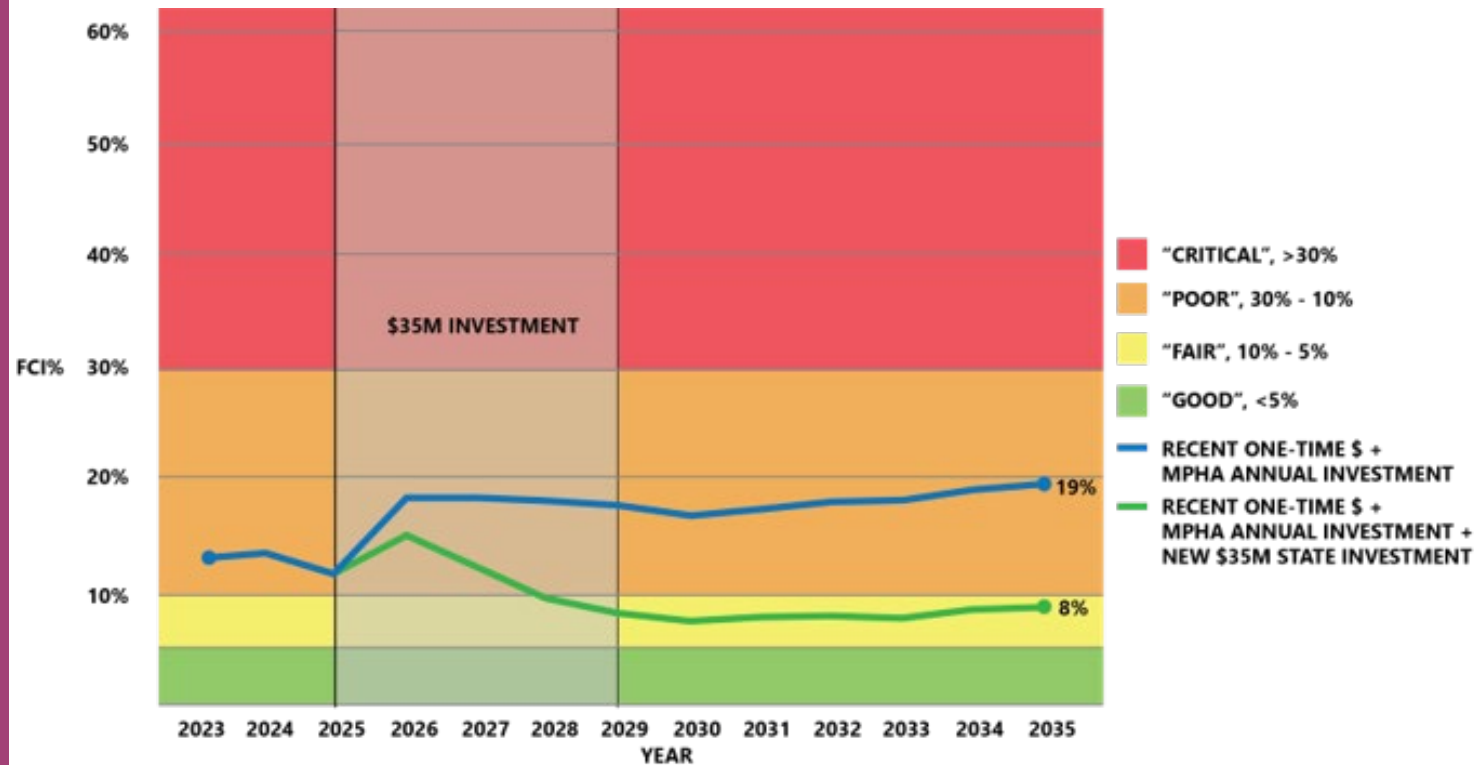
FCI%, MPHA Annual Cashflow Investment Over 10YRS (2024-2034)



State Investment

- The agency is requesting a one-time \$35 million cash investment from the State.
- \$35 million would be deployed over four years to address the backlog of capital need and stabilize properties.
- While much progress has been made recently, MPHA continues to need a large outside capital investment to stabilize this portfolio and preserve these family homes.
- Stabilizing this portfolio would allow the agency to move beyond its current reactionary capital improvement program and refocus on preventative maintenance and resident services.

FCI%, \$35M State Investment Over 10YRS (2024-2034)



Desired Outcome

- A one-time capital infusion from the state is critical to create a long-term solution that moves beyond insufficient property cashflow.
- MPHA believes its scattered site portfolio can become financially self-sufficient for the foreseeable future after overcoming its deferred maintenance capital backlog.
- Moving units out of “poor” condition allows MPHA to end cycle of chasing work orders.
 - This includes replacing items rather than triaging.
 - Could focus on preventative rather than reactionary.
 - Operational stabilization, further supporting self-sufficiency of the portfolio.
- The agency already has a portfolio capital deployment plan that can be scaled up and pulled forward to accommodate a new, large-scale investment in CHR capital work.
- MPHA could leverage the portfolio to build long-term replacement reserves and invest in other preservation and production initiatives.



Capital Investment Strategy

- The agency would maximize the capital funding that goes directly towards property improvements with a focus on high cost/longer lasting exterior/interior buildings systems.
- Exterior renovations would be made to occupied units, with interior renovations focused on vacancy turns to reduce impact for existing residents.
- Vacancy turns will be evaluated for ADA suitability to increase the portfolio's availability of accessible units to 5%.
- MPHA has proven its commitment to energy efficiency with its Elliot Twins Rehab and Family Housing Expansion Project (FHEP). MPHA will continue to identify and implement energy efficiency strategies in this investment.
- Last year, ~42% of contracted labor hours for CHR/FHEP work were performed by minority-owned businesses (MBE), 6% by women-owned businesses (WBE), and 5% by low-income Section 3 vendors.
- Ensuring the long-term sustainability of this portfolio is critical. Throughout the investment period, MPHA will continuously evaluate resources and reserves to ensure the portfolio has capital funds to sustain it into the future.

Funding + Policy Request from Legislature

- The agency seeks support and passage of a one-time Publicly Owned Housing Program (POHP) cash grant of \$35M.
- Because of current Minnesota Management and Budget interpretation of “publicly owned,” MPHA cannot accept POHP bonds for its deeply affordable family housing portfolio, or any of properties that have been repositioned using HUD financing tools.
 - This problem extends beyond Minneapolis, challenging public housing and housing redevelopment authorities across Minnesota to qualify for bond funding intended for publicly owned housing.
- In addition to the cash grant, MPHA is seeking support and passage of legislation to codify a definition of “publicly owned housing” that enables POHP bond eligibility for housing that has been (or will be) repositioned using HUD financing tools.



Questions





Monthly Performance Report

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

Contents

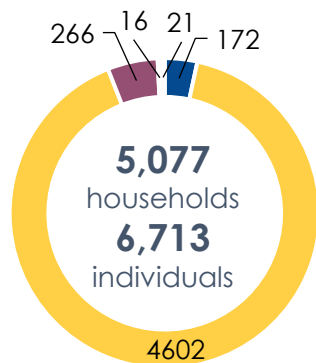
1. Performance of Operations
 - Public Housing Programs
 - Housing Choice Voucher Programs
2. Building Improvement and Development Projects
3. Inquiry Response and Social Media

**2023 year end final financial results are pending due to year end general ledger closing activities

Public Housing Programs



Occupied Units*

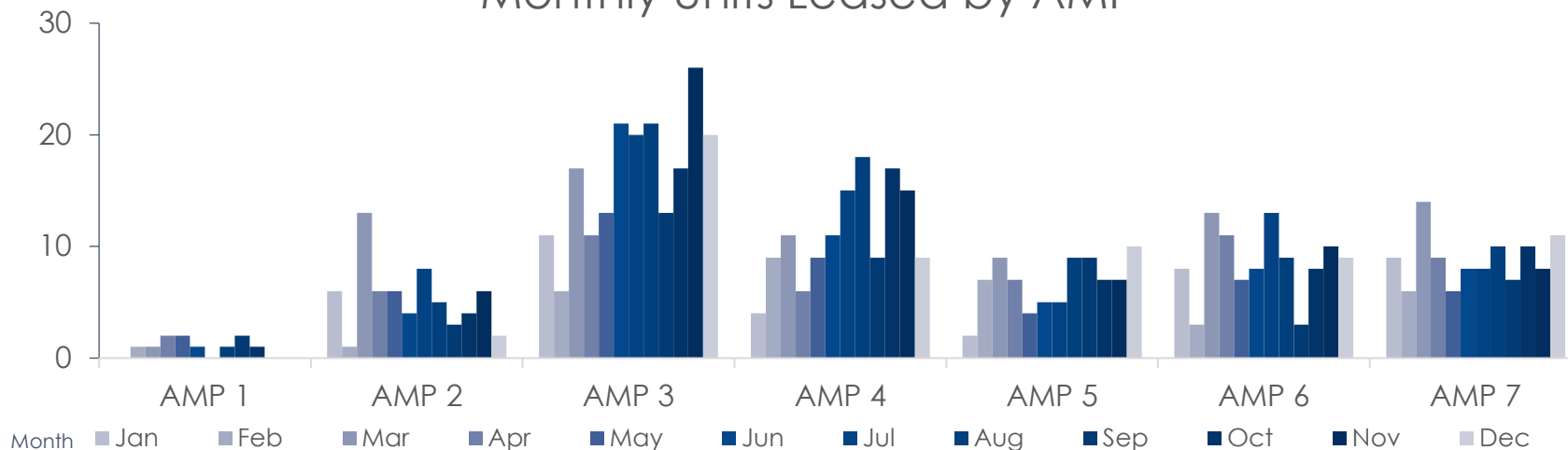


- Glendale
- MHOP
- Scattered Sites
- Highrise
- Minnehaha Townhomes

61
new units leased
during month

97%
occupancy

Monthly Units Leased by AMP



2023

*At any given time, units may be vacant due to normal unit turnaround or because they are undergoing renovations.

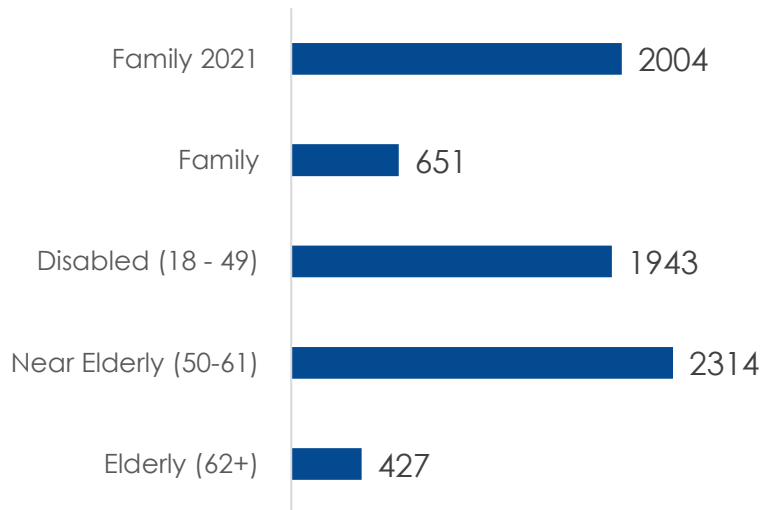
**Metropolitan Housing Opportunities Program (Hollman consent decree units owned and operated by third-parties)

Public Housing Programs

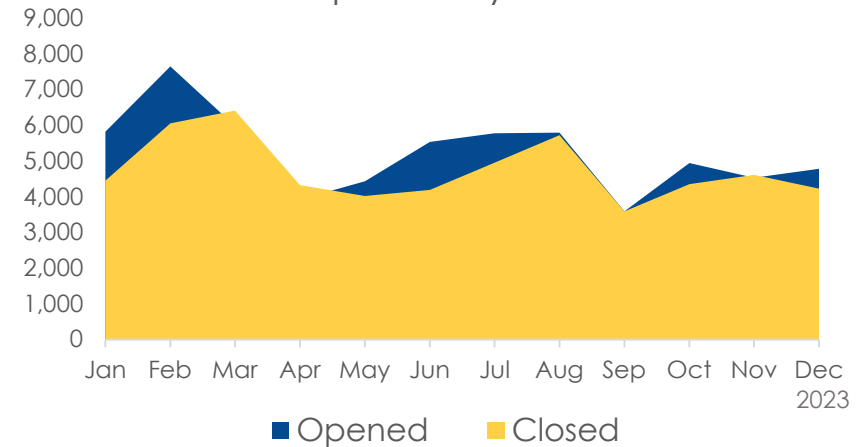


Reason for Vacating Unit	Count
Death	11
Found Alternative Housing	8
Other	5
Moving Out of Town	4
To Nursing Home	3
Left Country	3
Moving in with or closer to Family	2
Purchased Home	2
Received S8 Voucher	2
Skip	1
Financial Stability - Income	1
Mutual Agreement	1

Applicants on Waiting List



Work Orders Opened and Completed by Month

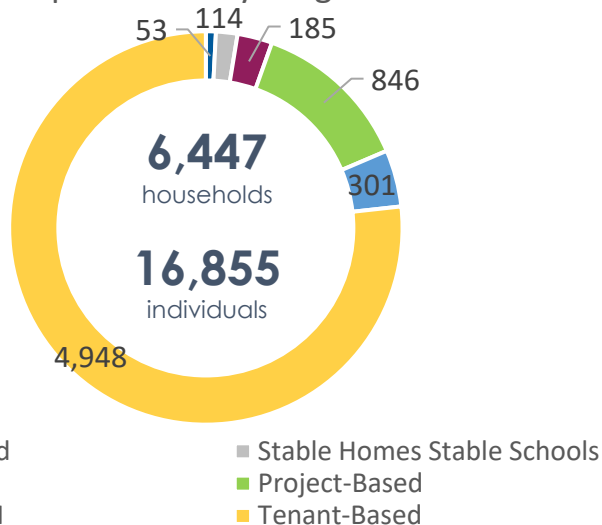


Goal	Total Completed	% Completed within Goal	Average Days Open
Emergency: 24 Hours	52	100%	0
Urgent: 1 Day	815	81%	1
After Hours Non-Emergency: 2 Days	0	100%	0
Important: 3 Days	742	73%	3
Routine: 10 Days	324	79%	5
Non-Routine: 20 Days	575	78%	10
Pest Control	556	100%	12

Housing Choice Voucher Programs

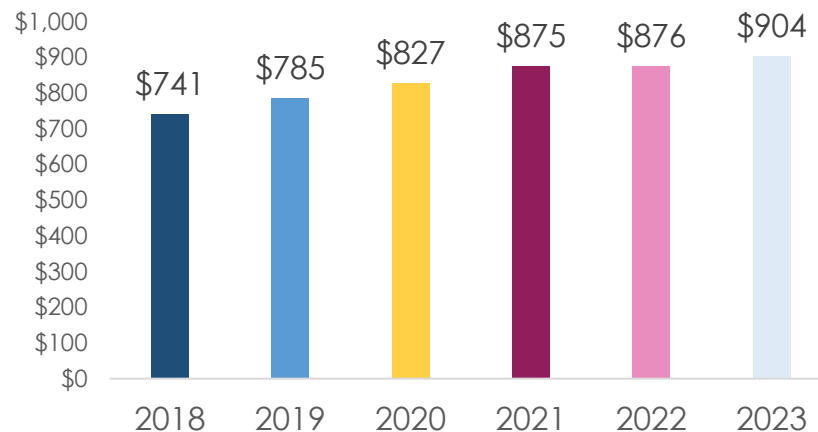


People Served by Program*

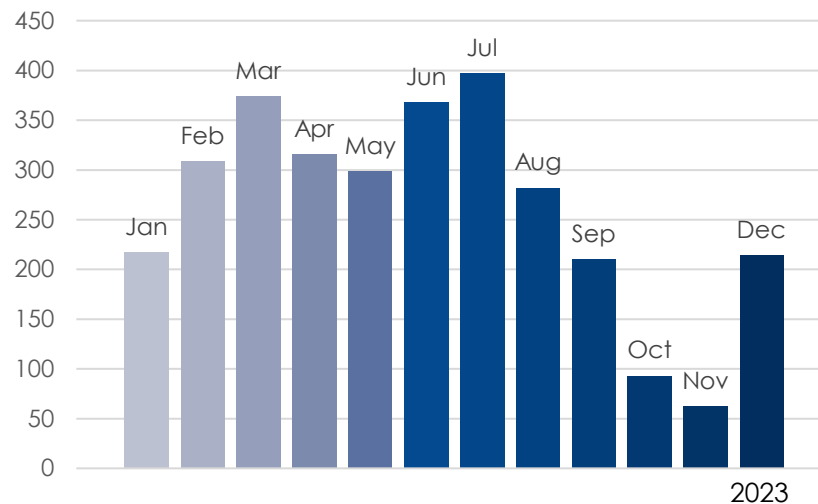


Family Unification Program and Veterans Affairs Supportive Housing

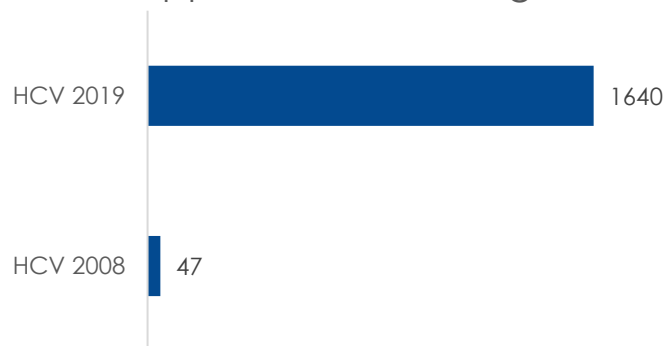
Average Housing Assistance Payment per Unit, Year to Date



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
Multiple highrises	Priority camera installations	Awarding contract
2415 N 3 rd Street	Entry guard system upgrade - pilot project	Awarding contract
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
Spring Manors – 828 & 809 Spring St NE	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	2121 underway; Fifths under contract; March 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
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
Glendale Townhomes	Soffit/fascia/gutters, partial roofing 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
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*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

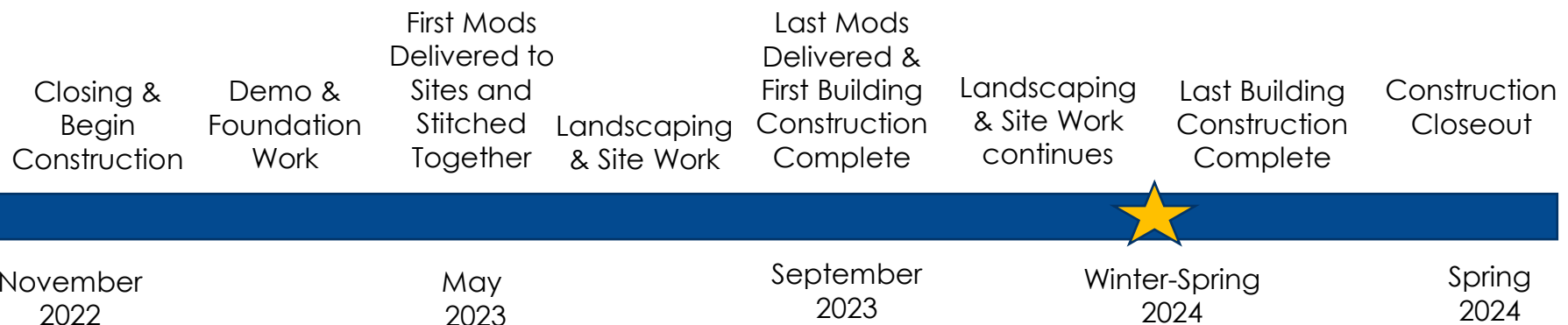


84-unit new scattered site construction



- 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 14 of 16 sites**
- **First family move ins in October; three buildings fully occupied**

Construction Timeline (subject to change)



Inquiry Response and Social Media



MPHA on Facebook

Top Performing Post (1,420 views)

Thank you WCCO & CBS News Minnesota for joining us this morning to spotlight the upcoming "Inspired By A Lifetime" exhibit, showcasing local artists ages 50+, opening this Saturday from 1-4pm at the Cora McCorvey Center. And, be sure to catch the [Alive & Kickin MN](#) show at this Saturday's exhibit opening, starting at 2pm!

Hear artist Christopher Harrison's talk about the meaning behind his art in the exhibit: <https://www.cbsnews.com/.../north-minneapolis-art-.../>

Catch Alive & Kickin's WCCO interview to hear about the music you can expect to hear at Saturday's performance: <https://www.cbsnews.com/.../alive-kickin-senior-choir-.../>

Get the details on Saturday's opening reception: bit.ly/InspiredByALifetime



5

Posts for the Month

15

New Followers



MPHA on Twitter

Top Tweet (175 views)

Yesterday, the Minneapolis City Council passed the city's 2024 budget, including restoring the city's housing tax levy. Learn how MPHA will use this new, historic ongoing \$5M investment to support the agency's preservation and production activities: bit.ly/2024LevyPassed



7

Tweets for the Month

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New Followers

December 2023

HCV Team Hosts Listening Session with Developers

Since 2019, MPHA project-based vouchers (PBVs) have accounted for more than half of all deeply affordable housing built in Minneapolis. That success is enabled, in part, by strong partnerships with housing developers. To ensure the continued success of the program, MPHA hosted a listening session with developer partners last week to discuss how the program could be improved in 2024 and beyond.



MPHA Completes Five Union Contract Negotiations in 2023

Following bargaining sessions that lasted through the fall, contracts with the American Federation of State, County and Municipal Employees, the International Union of Operating Engineers Local 70, North Central States Regional Council of Carpenters, International Brotherhood of Electrical Workers Local 292, and International Union of Painters and Allied Trades Local 386 delivered increased employee allowance increases and additional work time flexibility.

Mary Alice Smalls Retires after 29 Years at MPHA

Earlier this month, MPHA staff celebrated Mary Alice Smalls as she retires after nearly three decades with the agency. Mary Alice worked for 29 years serving Minneapolis' public housing residents as a property manager, in the leasing and occupancy department, and most recently as a regional property manager.



MPHA News Clips – January Board of Commissioners Meeting

Minneapolis 2024: the mayor's progressive agenda (Minnesota Spokesman-Recorder)

By Minnesota Spokesman-Recorder Staff

January 3, 2024

With the Minneapolis City Council's unanimous approval of Mayor Frey's \$1.8 billion 2024 budget in December, the city has charted a course that attempts to tackle some of its most difficult issues year-in, and year-out—homelessness, affordable housing, economic development and inclusion, police reform and public safety.

"2023 has been one for the books—literally the record books," said Mayor Jacob Frey in his end-of-year wrap up. "We are doing nation-leading work when it comes to our affordable housing production, we have tripled our funding in local climate action, and we are the first city ever to allow a public call to prayer," he added.

On affordable housing and homelessness

Last year, the city had the highest number of affordable housing units under construction in any given year—ever. In 2023, the city funded 23 projects that are estimated to eventually provide 2,221 units for families and individuals across Minneapolis.

The mayor's 2024 budget added an additional \$4 million to the Minneapolis Public Housing Authority, bringing the total continuing funding to \$5 million.

The mayor touted a \$5.8 million investment in the Minneapolis Homes program, which is designed to increase opportunities across the city in helping residents access, create and sustain homeownership while reducing racial disparities. In his 2024 budget, the mayor is investing \$2 million in the program. In December, the city was awarded \$11 million for the Minneapolis Homes program, which serves homebuyers, developers and homeowners, more than half of whom identify as BIPOC.

In December, the city approved \$18.3 million in affordable housing investments through its Affordable Housing Trust Fund (AHTF). This money will help create or preserve 876 units of affordable multi-family rental housing units across Minneapolis. The AHTF creates new and preserves existing affordable housing for low-income renters with incomes at or below 50 percent of AMI—\$62,100 per year for a family of four.

Although the crisis is far from over, Hennepin County has reduced the population of the most vulnerable people living on the streets by almost 36 percent in two years.

In response to the opioid crisis, the city allocated \$1 million in the budget to address homelessness among those struggling with addiction. The funding will help provide housing, treatment, and long-term recovery support.

In addition, the mayor announced a \$500,000 investment in Turning Point, a North Minneapolis-based

organization that provides culturally specific addiction treatment services, supporting residents on their journey to recovery.

Economic development, inclusion and recovery

Last fall, Mayor Frey and city leaders celebrated the historic reopening of Nicollet Avenue following the demolition of the former Kmart building in South Minneapolis. The New Nicollet Redevelopment Project will reconnect Nicollet Avenue between Lake Street and the Midtown Greenway. Construction on the road and bridge over the Midtown Greenway is anticipated to begin in 2025.

Over the summer, the mayor announced recommendations from the Vibrant Downtown Storefronts Workgroup, which looked at underutilized storefront space downtown to reinvent the storefront and skyway experience. The recommendations include eliminating buses from Nicollet Mall and adding pop-up shops to highlight local artists. The mayor has committed roughly \$730,000 to implement the recommendations, beginning in 2024.

In 2023, planning began for parts of the Upper Harbor Terminal project in North Minneapolis, including a community performing arts center and affordable housing. Construction on both projects is set to begin in 2024.

Mayor Frey and Council President Andrea Jenkins kicked off the city's third annual Black Business Week. The event brought residents, business owners, aspiring entrepreneurs, and leaders together to focus on Black economic development and inclusive economic recovery.

Community safety and police reform

In March, Mayor Frey and the Minneapolis City Council approved terms of a court-enforceable settlement agreement with the state that outlines policy, budgetary and training requirements that the Minneapolis Police Department (MPD) and the city will undertake.

The City Council approved the mayor's proposal to move forward with rebuilding the Third Precinct at 2633 Minnehaha Avenue. The site is estimated to cost \$14 million to purchase and will take approximately nine months to one year to build out.

While the budget includes funding for a public safety center in the Third Precinct, it did not include controversial recruitment and retention incentives and bonuses for MPD officers. However, the city did set aside \$16 million in 2024, for settlements related to the Department of Justice (DOJ) consent decree and the state's Department of Human Rights agreements.

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