



## **NOTICE AND AGENDA**

**April 24, 2024**

Regular 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.*

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### **COMMISSIONERS:**

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

### **GENERAL:**

- Roll Call
- Approval of Agenda
- Minutes of Regular Meeting of March 27, 2024

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### **NEW/PROMOTED STAFF INTRODUCTIONS.**

### **MPHA SUCCESS STORY.**

### **CHAIR'S UPDATE.**

### **RESIDENT ADVISORY BOARD – CHAIRPERSON'S COMMENTS.**



**CONSENT:**

- ITEM NO. 1: *Professional Structural Engineering Services Contracts*  
[Laura Dykema, Director of Planning & Development]
- ITEM NO. 2: *Boiler Replacement at 630 Cedar Avenue*  
[Laura Dykema, Director of Planning & Development]
- ITEM NO. 3: *Workers Compensation Insurance*  
[Maria Alvarez, Director of Human Resources & DEI]
- ITEM NO. 4: *3<sup>rd</sup> Amendment to the MPHA Retirement Plan & Resolution*  
[Maria Alvarez, Director of Human Resources & DEI]

**PRESENTATION:**

- ITEM NO. 5: *FY 2023 Financial Results*  
[Tim Durose, Chief Financial Officer]

**RECEIVE AND FILE:**

- Executive Director's Update
- Q1 Strategic Plan Updates
- Monthly Performance Report for March, 2024
- Community Updates and News Clippings

**NEXT REGULAR MEETING:**

Wednesday, May 22, 2024 at 1:30 PM  
1001 Washington Avenue North  
Minneapolis, MN 55401

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**NOTICE:**

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



**MINUTES OF THE REGULAR MEETING OF THE MINNEAPOLIS  
PUBLIC HOUSING AUTHORITY IN AND FOR THE CITY OF  
MINNEAPOLIS**

**March 27, 2024**

The Minneapolis Public Housing Authority in and for the City of Minneapolis met in a regularly scheduled meeting at 1:30 PM on March 27, 2024, at 1001 Washington Avenue North, Minneapolis, Minnesota; the date, time, and place established for the holding of such meeting.

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**ROLL CALL:**

The vice chair called the meeting to order; the following members of the Board being present:

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

The following members of the Board were absent:

- Tom Hoch                      Chair

The following others were also present:

- Abdi Warsame                Executive Director/CEO
- Dominic Mitchell              Deputy Executive Director

The vice chair declared the presence of a quorum.

**APPROVAL OF AGENDA:**

Commissioner Nordyke moved approval of the proposed agenda. The motion was seconded by Commissioner Freeman. Upon a voice vote, the vice chair declared the motion carried.



### **APPROVAL OF MEETING MINUTES:**

The Minutes of the Regular Meeting of February 28, 2024, were presented for approval. Commissioner Isse moved the minutes be accepted as presented. The motion was seconded by Commissioner Werder. Upon a voice vote, the vice chair declared the motion carried.

### **NEW/PROMOTED STAFF INTRODUCTIONS.**

Newly promoted staff member Melonda Pugh was introduced to the Board by her supervisor, Assistant Director Kim Hamilton.

### **MPHA SUCCESS STORY.**

Department directors shared how their department's successes are contributing to the mission of MPHA. Brandon Crow, Director of HCV, introduced staff member Chad Biggers, Community Engagement Specialist, and shared the successes of the newly organized Landlord Advisory Council.

### **CHAIR'S UPDATE:**

The vice chair reported there was no meeting of the Executive Committee prior to the board meeting due to the chair's absence.

### **RESIDENT ADVISORY BOARD (RAB) UPDATE:**

Mary McGovern reported she will act as interim chair of the Resident Advisory Board as Lisa Anderson resigned in February. Ms. McGovern will continue to chair these meetings until a new chair is appointed in May.

The consent items, *Window Replacement at Art Love Manor*, *Window Replacement at James R. Heltzer Manor*, *Exterior Masonry Repairs at the Atrium*, and *Roof Replacement at The Riverside* [Laura Dykema, Director of Planning & Development] were reviewed and approved.

Discussion Item No. 5a, *Authorization to Submit a RAD Conversion Application for the Spring Manors* and the accompanying resolution [Laura Dykema, Director of Planning & Development] were presented, discussed, and approved.

Discussion Item No. 5b, *General Contractor/Consultant Services at Spring Manors* [Laura Dykema, Director of Planning & Development] was presented, discussed, and approved.



Discussion Item No. 6, *Authorization to Accept & Execute a Grant Contract Agreement for Publicly Owned Housing Program Grant Funds* and the accompanying resolution [Laura Dykema, Director of Planning & Development] were presented, discussed, and approved.

Discussion Item No. 7, *MPHA and Minnesota Department of Veterans Affairs*, the accompanying resolution, and *Joint Powers Agreement* [Brandon Crow, Director of HCV] were presented, discussed, and approved.

Discussion Item No. 8, *Partial Voluntary Transfer of MHOP Units* and the accompanying resolution, and *Joint Powers Agreement* [Dominic Mitchell, Deputy Executive Director] were presented, discussed, and approved.

Discussion Item No. 9, *Retirement Resolution for Susan Norby* [Abdi Warsame, Executive Director/CEO] was presented and approved.

All Receive and File items [*Executive Director's Update, MPHA 2024 City Council Update, FY 2023 Financial Results, FY 2023 Write Off Memo, Monthly Performance Report for February 2024, Community Updates & News Clippings*] were approved.

### **CONSENT AGENDA:**

ITEM NO. 1:                    ***Window Replacement at Art Love Manor***  
**[Laura Dykema, Director of Planning & Development]**

ITEM NO. 2:                    ***Window Replacement at James R. Heltzer Manor***  
**[Laura Dykema, Director of Planning & Development]**

ITEM NO. 3:                    ***Exterior Masonry Repairs at the Atrium***  
**[Laura Dykema, Director of Planning & Development]**

ITEM NO. 4:                    ***Roof Replacement at The Riverside***  
**[Laura Dykema, Director of Planning & Development]**

These consent items were presented as a group and after a brief presentation by Laura Dykema, Commissioner Erickson moved approval of all consent items. Commissioner Mohamud seconded the



motion. Upon a voice vote, the vice chair declared the motion carried. [See Document No. 2024 – 16] [See Document No. 2024 – 17] [See Document No. 2024 – 18] [See Document No. 2024 – 19]

**DISCUSSION:**

ITEM NO. 5a: ***Authorization to Submit a RAD Conversion Application for the Spring Manors & Resolution***

**[Laura Dykema, Director of Planning & Development]**

After a brief presentation by Laura Dykema and a discussion, Commissioner Mohamud moved approval of the recommendation set forth in the report along with the corresponding resolution attached thereto. Commissioner Nordyke seconded the motion. Upon a roll call vote, eight commissioners voted “aye” [Commissioner Arradondo, Commissioner Erickson, Commissioner Freeman, Commissioner Isse, Commissioner Mohamud, Commissioner Nordyke, Commissioner Porte, Commissioner Werder] and zero Commissioners voted “nay”. One board member was absent. [Chair Hoch] The vice chair declared the motion carried and the resolution adopted. [See Document No. 2024 – 20] [See Resolution No. 2024 – 237]

ITEM NO. 5b: ***General Contractor/Consultant Services at Spring Manors***  
**[Laura Dykema, Director of Planning & Development]**

After a brief presentation by Laura Dykema and an explanation of the scope of the Spring Manors project, Commissioner Nordyke moved approval of the recommendation set forth in the report. Commissioner Werder seconded the motion. Upon a voice vote, the vice chair declared the motion carried. [See Document No. 2024 – 21]

ITEM NO. 6: ***General Contractor/Consultant Services at Spring Manors & Resolution***

**[Laura Dykema, Director of Planning & Development]**

After a brief presentation by Laura Dykema and a discussion, Commissioner Porte moved approval of the recommendation set forth in the report along with the corresponding resolution attached thereto. Commissioner Isse seconded the motion. Upon a roll call vote, eight commissioners voted “aye” [Commissioner Arradondo, Commissioner Erickson, Commissioner Freeman, Commissioner Isse, Commissioner Mohamud, Commissioner Nordyke, Commissioner Porte, Commissioner Werder] and zero Commissioners voted “nay”. One board member was absent. [Chair Hoch] The vice chair declared the motion carried and the resolution adopted. [See Document No. 2024 – 22] [See Resolution No. 2024 – 238]



ITEM NO. 7: ***MPHA and Minnesota Department of Veterans Affairs & Resolution & Joint Powers Agreement***

**[Brandon Crow, Director of HCV]**

After a brief presentation by Brandon Crow and a discussion, Commissioner Nordyke moved approval of the recommendation set forth in the report along with the corresponding resolution attached thereto. Commissioner Erickson seconded the motion. Upon a roll call vote, eight commissioners voted “aye” [Commissioner Arradondo, Commissioner Erickson, Commissioner Freeman, Commissioner Isse, Commissioner Mohamud, Commissioner Nordyke, Commissioner Porte, Commissioner Werder] and zero Commissioners voted “nay”. One board member was absent. [Chair Hoch] The vice chair declared the motion carried and the resolution adopted, and Joint Powers Agreement approved. [See Document No. 2024 – 23] [See Resolution No. 2024 – 239]

ITEM NO. 8: ***Partial Voluntary Transfer of MHOP Units & Resolution & Joint Powers Agreement***

**[Dominic Mitchell, Deputy Executive Director]**

After a brief presentation by Dominic Mitchell and a discussion, Commissioner Erickson 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, eight commissioners voted “aye” [Commissioner Arradondo, Commissioner Erickson, Commissioner Freeman, Commissioner Isse, Commissioner Mohamud, Commissioner Nordyke, Commissioner Porte, Commissioner Werder] and zero Commissioners voted “nay”. One board member was absent. [Chair Hoch] The vice chair declared the motion carried and the resolution adopted, and Joint Powers Agreement approved. [See Document No. 2024 – 24] [See Resolution No. 2024 – 240]

**PRESENTATION:**

ITEM NO. 9 ***Retirement Resolution for Susan Norby***

**[Abdi Warsame, Executive Director/CEO]**

Executive Director Warsame recognized Susan Norby, Human Resources Manager, for her 30+ years of service to the agency and its mission. Vice chair Porte read aloud the *Resolution in Recognition of Meritorious Service*. [See Resolution No. 2024 – 241] Susan Norby shared her appreciation for the agency and its staff, over her many years of service.



**RECEIVE AND FILE ITEMS:**

The following were approved to be received and filed by the board:

- *Executive Director's Update* [See Document No. 2024 – 25]
- *MPHA 2024 City Council Update* [See Document No. 2024 - 26]
- *FY 2023 Financial Results* [See Document No. 2024 - 27]
- *FY 2023 Write Off Memo* [See Document No. 2024 -28]
- *Monthly Performance Report for February 2024* [See Document No. 2024- 29]
- *Community Updates and News Clippings* [See Document No. 2024 - 30]

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**ADJOURNMENT:**

There being no further business to come before the meeting and upon a motion duly made and seconded, the meeting was adjourned at 2:40 PM.

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ALYSSA ERICKSON, SECRETARY OF THE BOARD OF COMMISSIONERS

APRIL 24, 2024

DATE THESE MINUTES WERE APPROVED





April 24, 2024

## REPORT TO THE COMMISSIONERS

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

**SUBJECT:** Professional Structural Engineering Services Contracts

**Previous Directives:** In November 2023, the Board approved the agency's use of Indefinite Quantity Contracts (IQCs) for a pool of architectural firms for up to five years.

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

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

**Affirmative Action Compliance:** The firms have signed an Equal Employment Opportunity/ Affirmative Action Policy statement. Both firms perform most services in-house, but are committed to subcontracting with W/MBE firms if/when the need arises.

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

**RECOMMENDATION:** It is recommended that the Board of Commissioners authorize the Executive Director or his designee to execute contracts and all related documents, in not to exceed amounts of \$2,000,000 each, with Encompass and Inspec for professional structural engineering services.

MPHA has the need for professional structural engineering design services primarily for capital improvements projects in accordance with its previously adopted annual Moving To Work (MTW) plans and 2023-27 Strategic Plan.

Staff determined that the most appropriate vehicle for ensuring agency needs are met is the establishment of Indefinite Quantity Contracts (IQCs) with two separate firms that have a broad capacity and expertise. This approach reduces the administrative burden of multiple procurements and allows projects and funds to be deployed more quickly.

These will be five-year maximum contracts with an initial two-year term. Each firm will be awarded a minimum of \$50,000 in work over the life of the contracts; the maximum work awarded will be for the blanket contract values of \$2,000,000.



On March 7, 2024, a Request For Proposals (RFP) was publicly advertised with a proposal submission deadline of April 2, 2024. MPHA received proposals from the following firms:

Encompass  
Inspec

The two proposals were reviewed and considered by staff based on six measured categories, including: proposed fees, quality of proposal, approach to projects, qualifications and experience, knowledge of and experience with affordable housing and HUD requirements, and Section 3 Business Preference. Staff recommends contract awards to both firms, as both scored well and have previously provided quality services for MPHA.

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



April 24, 2024

**REPORT TO THE COMMISSIONERS**

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

**SUBJECT:** Boiler Replacement at 630 Cedar Avenue

**Previous Directives:** The Board has previously approved the Capital Fund Program (CFP) Plans for FY 2023/24 as part of the Agency's 2023/24 Moving to Work (MTW) Annual Plans. Boiler replacement at 630 Cedar Avenue is included in these plans.

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

**Budget Impact:** Expenditures will be charged to the Capital Fund Program as originally planned in this year's approved budget.

**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 a contract and all related documents in the amount of \$2,350,000 with NAC Mechanical & Electrical Services, for boiler replacement at 630 Cedar Avenue.

Cedar High Apartments, located at 630 Cedar Avenue, is a 25-story high-rise with 191 apartments, built in 1970. The existing boiler plant and ancillary equipment are some of the oldest in our highrise inventory and have exceeded their useful life. The scope of work includes the consolidation of two existing, separate boiler plants for greater redundancy, efficiency, and cost effectiveness, and the installation of new condensing boilers and ancillary equipment.

On March 15, 2024, an invitation for bids was publicly advertised with a bid due date of April 12, 2024. A single bid was received:

NAC Mechanical & Electrical Services	\$2,350,000.00
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MPHA extended the bid deadline in an effort to achieve greater competition, but ultimately other contractors were unable to commit to a project of this size and its timing requirements with their current workloads. Although only a single bid was received, staff is confident the pricing submitted is fair and the contractor is capable of completing the work, as NAC has successfully completed several mechanical projects for MPHA.

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



April 24, 2024

**REPORT TO THE COMMISSIONERS**

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

**SUBJECT:** Worker's Compensation Insurance Policy Renewal

**Previous Directives:** On March 21, 2017, the Board of Commissioners approved an insurance policy for workers' compensation with the League of Minnesota Cities Insurance Trust. The policy was most recently renewed through April 6, 2024.

**Resident Association Notification:** This Report is scheduled to be discussed with the Resident Advisory Board (RAB) immediately prior to the Board of Commissioners on April 24, 2024.

**Budget Impact:** The expenditures for this insurance were included in the Public Housing Operating, Housing Choice Voucher, Capital Fund, and Central Office Budgets in accordance with the MPHA's Cost Allocation Plan.

**Affirmative Action Compliance:** Not applicable.

**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 enter into an insurance policy in the amount of \$927,205.00 with the League of Minnesota Cities Insurance Trust (LMCIT) for workers' compensation insurance for a one-year policy term beginning April 7, 2024.

The Minneapolis Public Housing Authority (MPHA) is a member of the League of Minnesota Cities Insurance Trust (LMCIT). LMCIT is a cooperative joint-powers organization formed by Minnesota Cities in 1980 as one of the first municipal self-insurance pools in the country. It exists solely to meet the risk management and coverage needs of Minnesota cities and other types of entities.

MPHA's annual worker's compensation insurance policy is carried by LMCIT, and the annual policy expired on April 6, 2024. The previous premium was \$779,950. MPHA has always had its workers' compensation covered through the LMCIT because it traditionally provides the lowest overall rates, the broadest coverage, and the most deductible options. Its workers' compensation coverage also includes a comprehensive loss control program to reduce the risk of employee injuries and the volume of costly claims. Lastly, as an insured of LMCIT, MPHA has access to resources LMCIT makes available to its insureds (municipalities and public agencies throughout Minnesota) that no other insurer can provide.

Because LMCIT is a cooperative joint-powers organization formed by Minnesota Cities, MPHA is permitted to use their workers' compensation insurance program without soliciting any additional pricing from other sources. Nonetheless, to ensure competitive pricing, MPHA utilized an insurance broker to seek indicative quotes and found that only a very few insurance carriers would offer a quote given MPHA's claims history and line of business.



MPHA did receive one quote from ICW Group on March 20, 2024, and it was slightly less than the policy with LMCIT. The quote does ensure competitive pricing, given the benefits described above. However, staff does not recommend adjusting carriers. Staff is concerned that moving from the LMCIT to a standard insurance carrier would prevent MPHA from re-joining the LMCIT program in a subsequent year. This is a valid concern and CBIZ, (Century Business Services, Inc.), MPHA's broker, was unable to get confirmation from the LMCIT on this question. Additionally, because the quote from ICW Group was delivered near the end of the renewal term, staff were unable to fully analyze the other carrier to ascertain its loss control and claims processing services or its ability to ensure customer satisfaction.

In order to keep coverage continuously in place, staff executed a workers' compensation insurance policy with the LMCIT for \$927,205.00 for the policy year beginning April 7, 2024. The final premium may be adjusted based on an audit of actual payroll costs following the policy year. Staff will seek Board Approval to renew this policy prior to its expiration on April 6, 2025.

This Report was prepared by María Alvarez, Human Resource Director & DEI. If you have any questions or need additional information, please contact Ms. Alvarez at 612-342-1484 or [malvarez@mplsmpha.org](mailto:malvarez@mplsmpha.org)



April 24, 2024

**REPORT TO THE COMMISSIONERS**

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

**SUBJECT:** Third Amendment to the MPHA Retirement Plan Amendments  
(2014 Restatement)

**Previous Directives:** The current Retirement Plan was signed on April 1, 1991, and last amended on January 1, 2017.

**Resident Council Review/Recommendation:** This Report will be reviewed by the Resident Advisory Board (RAB) immediately prior to the regular Board of Commissioners meeting on April 24, 2024.

**Budget Impact:** No Budget Impact.

**Affirmative Action Compliance:** Not applicable.

**Procurement Review:** Not applicable.

**RECOMMENDATION:** It is recommended that the Board of Commissioners authorize the Executive Director or designee to amend the MPHA Retirement Plan (2014 Restatement) effective May 1, 2024. The Third Amendment will:

1. Add language to the MPHA Retirement Plan allowing retirees to change the frequency of installments previously selected by them.
2. Permit the Plan Sponsor, MPHA, to adopt rules for the application of these changes in installment distribution.

The current Retirement Plan was originally authorized on April 1, 1991, and most recently amended in 2017. This plan applies to all MPHA regular, full-time employees, unless the employee's CBA does not include them in the MPHA retirement plan. (Defined in 1.1.25 of the plan). MPHA is the Plan Sponsor and routinely reviews whether changes are needed to the retirement plan to ensure we comply.

A former agency employee contacted staff to request a change in the frequency/amount of their retirement distribution. Staff investigated the request both internally and externally and conferred with legal advisors about the Retirement Plan. The agency's legal advisor confirmed the agency could allow retirees to change their installment payments but would need to include a provision in the retirement plan specifically authorizing this.

Staff do not see any negative implications for the agency with this recommendation. On the contrary, it will allow former employees to exercise flexibility in their retirement.



MPHA's Chief Financial Officer has been consulted and supports this recommendation. This change would not have an impact on the budget, as it does not alter MPHA's contributions to the Retirement Plan.

The recommended changes to the plan are shown in the attached Third Amendment.

This Report was prepared by Maria Alvarez, Human Resources Director & DEI. For additional information, please contact Ms. Alvarez at (612-342-1484) or [malvarez@mplsmpha.org](mailto:malvarez@mplsmpha.org)

**THIRD AMENDMENT TO MINNEAPOLIS PUBLIC HOUSING AUTHORITY  
RETIREMENT PLAN (2014 RESTATEMENT)**

This Third Amendment to the Minneapolis Public Housing Authority Retirement Plan (2014 Restatement) (the “Plan”) is hereby adopted by the Minneapolis Public Housing Authority, the Principal Sponsor of the Plan.

WHEREAS, Sections 9.1 and 12.1.3 of the Plan state that the Principal Sponsor, by action of its Board of Commissioners, may amend the Plan at any time; and

WHEREAS, the Plan Sponsor wishes to adopt this Third Amendment to modify the provisions in the Plan that apply to distributions in the form of installments;

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 7.3.1(d) of the Plan is revised to state as follows:

(d) **Installments to Participant.** If the Distributee is a Participant, in a series of substantially equal installments payable monthly, quarterly or annually over a period of time not extending beyond the life expectancy of the Participant or the joint and last survivor life expectancy of the Participant and the Participant’s Beneficiary. A Participant may later change the installment payment schedule previously selected to a different schedule that meets the above requirements, or request payment of the Participant’s remaining vested balance in a lump sum. Any such change shall be made in accordance with rules established by the Principal Sponsor, and any such change by a married Participant shall require a new spousal consent that complies with Section 7.3.2(b).

2. Except as amended hereby, the Plan continues in full force and effect.

3. This Amendment shall become effective on \_\_\_\_\_, 2024.

IN WITNESS WHEREOF, the Plan Sponsor has caused the execution of this Third Amendment on this \_\_\_\_ day of \_\_\_\_\_, 2024.

MINNEAPOLIS PUBLIC HOUSING AUTHORITY

By: \_\_\_\_\_  
Its: \_\_\_\_\_





# Financial Performance

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Fiscal Year End 2023 Results

# Presentation



- **2023 Sources & Uses of Funds**
  - Annual Programs
  - Grants and Set-Aside Funds
- **Budget to Actual Schedules**
  - Moving To Work (MTW) Cluster
    - Housing Choice Vouchers
    - Public Housing Operations
    - Capital Improvements
    - MTW Transfers
  - Other Voucher Programs
  - Central Office
- **Reserves**
- **2023 Affiliate Financial Results**

# Presentation - Objectives



- Present financial schedules that show how the budget compared to actual results
- Demonstrate that the financial results are within the budget authority granted by the Board
- Present where spending and MTW flexibility was used – explain the most significant budget variances
- Present where MPHA reserves stand at fiscal year end 2023

*Note- MPHA and CHR Audited Financial Statements are expected in late Summer 2024*

# Sources & Uses of Funds



FOR THE YEAR ENDING DECEMBER 31, 2023 (\$ millions)

ANNUAL PROGRAMS	SOURCES	USES	NET SOURCES (USES) <sup>1</sup>
PUBLIC HOUSING OPERATIONS	44.6	50.1	(5.5)
CAPITAL FUND PROGRAM	23.4	30.2	(6.8)
MTW HOUSING CHOICE VOUCHERS	66.1	55.6	10.5
MTW LOCAL INITITATIVES	-	0.1	(0.1)
<b>TOTAL MTW PROGRAMS</b>	<b>134.1</b>	<b>136.0</b>	<b>(1.9)</b>
OTHER VOUCHERS	22.3	22.0	0.3
CENTRAL OFFICE	12.0	12.0	-
<b>OTHER PROGRAM AREAS</b>	<b>34.3</b>	<b>34.0</b>	<b>0.3</b>

<sup>1</sup> Before any inter-program transfers

# Grants & Set Aside Funds



## AS OF YEAR ENDING DECEMBER 31, 2023 (\$ millions)

SPECIAL FUNDS	BEG. BAL.	NET CHANGES	END. BAL.
SETTLEMENT FUNDS & OTHER NON-FEDERAL	1.9	0.6	2.5
PROCEEDS FROM REAL ESTATE SALES	1.8	(0.9)	0.9
POHLAD FOUNDATION	0.1	(0.1)	-
FAMILY HOUSING FUND	0.1	(0.1)	-
<b>TOTAL SPECIAL PROGRAMS</b>	<b>3.9</b>	<b>(0.5)</b>	<b>3.4</b>

## AS OF YEAR ENDING DECEMBER 31, 2023

INTERNAL SERVICE FUND	BEG. BAL.	NET CHANGES	END. BAL.
GENERAL LIABILITY INSURANCE	3.8	0.2	4.0

# Housing Choice Vouchers



(\$ millions)	BUDGET		ACTUAL		VARIANCE
<b>REVENUES</b>					
ADMIN FEES	\$ 2.8	\$ 4.0	\$ 1.2		
HAP SUBSIDY	\$ 63.0	\$ 60.5	\$ (2.5)		
OTHER INCOME	\$ 2.0	\$ 1.6	\$ (0.4)		
<b>TOTAL REVENUES</b>	<b>\$ 67.8</b>	<b>\$ 66.1</b>	<b>\$ (1.7)</b>		
<b>EXPENSES</b>					
PROGRAM ADMINISTRATION	\$ 6.1	\$ 5.9	\$ 0.2		
HAP EXPENSES	\$ 50.8	\$ 49.7	\$ 1.1		
<b>TOTAL EXPENSES</b>	<b>\$ 56.9</b>	<b>\$ 55.6</b>	<b>\$ 1.3</b>		
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 10.9</b>	<b>\$ 10.5</b>	<b>\$ (0.4)</b>		
MTW TRANSFERS TO OTHER PROGRAMS	\$ 11.2	\$ 10.9	\$ 0.3		
TRANSFER IN	\$ 0.3	\$ 0.4	\$ 0.1		
<b>NET INCOME (LOSS)</b>	<b>\$ (0.0)</b>	<b>\$ (0.0)</b>	<b>\$ (0.0)</b>		

Admin Fees better than expected appropriations

HAP Revenues less than planned because of HAP expenses less and more Admin Fees

Utilization at 97% of plan

Transfers overall were close to the amount planned

# Public Housing Operations



(\$ millions)	BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>			
DWELLING RENT	\$ 18.3	\$ 19.1	\$ 0.8
SUBSIDY	\$ 23.3	\$ 23.2	\$ (0.1)
OTHER	\$ 1.1	\$ 2.3	\$ 1.2
<b>TOTAL REVENUES</b>	<b>\$ 42.7</b>	<b>\$ 44.6</b>	<b>\$ 1.9</b>
<b>EXPENSES</b>			
PROPERTY OPERATIONS & MAINTENANCE	\$ 26.9	\$ 25.5	\$ 1.4
UTILITIES	\$ 8.3	\$ 8.5	\$ (0.2)
TENANT SERVICES	\$ 1.0	\$ 1.1	\$ (0.1)
INSURANCE, DEBT SERVICE & OTHER	\$ 6.9	\$ 7.9	\$ (1.0)
CAPITAL EQUIPMENT & EXTRA. MAINT.	\$ 1.6	\$ 1.7	\$ (0.1)
MANAGEMENT FEES	\$ 5.5	\$ 5.4	\$ 0.1
<b>TOTAL EXPENSES</b>	<b>\$ 50.2</b>	<b>\$ 50.1</b>	<b>\$ 0.1</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ (7.5)</b>	<b>\$ (5.5)</b>	<b>\$ 2.0</b>
TRANSFERS FROM HCV PROGRAM	\$ 7.5	\$ 5.5	\$ (2.0)
OTHER TRANSFERS IN	\$ -	\$ -	\$ -
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>	<b>\$ (0.0)</b>	<b>\$ (0.0)</b>

Dwelling Rent and Investment Earnings

Savings primarily derived from labor and EE benefits and Security Services

Additional spending related to additional funding for Heritage Park

Less needed primarily from additional revenues

# Capital Fund Program



(\$ millions)	BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>			
CAPITAL FUND GRANT	\$ 33.9	\$ 19.7	\$ (14.2)
MTW TRANSFER FROM HCV	\$ 3.4	\$ 5.3	\$ 1.9
CITY/STATE & OTH FED CONTRIBUTIONS	\$ 3.3	\$ 3.7	\$ 0.4
SALE PROCEEDS	\$ 1.5	\$ 1.5	\$ 0.0
<b>TOTAL REVENUES</b>	<b>\$ 42.0</b>	<b>\$ 30.2</b>	<b>\$ (11.8)</b>
<b>EXPENSES</b>			
PROGRAM ADMIN. & DEVELOPMENT LOAN	\$ 12.0	\$ 10.8	\$ 1.2
CAPITAL IMPROVEMENT PROJECTS	\$ 30.0	\$ 19.4	\$ 10.6
<b>TOTAL EXPENDITURES</b>	<b>\$ 42.0</b>	<b>\$ 30.2</b>	<b>\$ 11.8</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 0.0</b>	<b>\$ -</b>	<b>\$ (0.0)</b>

Required less Grant funds because of less than planned spending

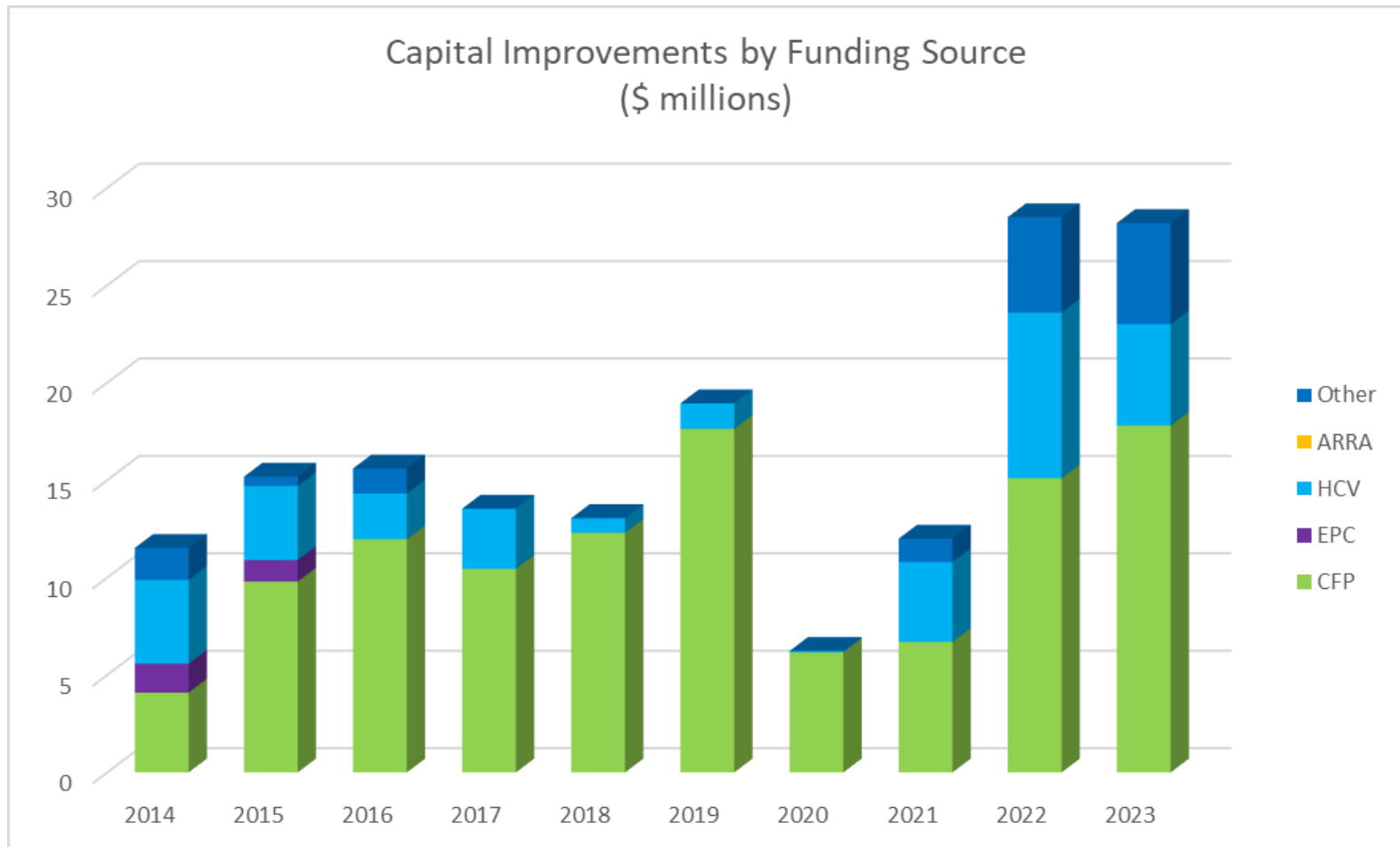
Increased MTW transfers for additional projects and utilizing 2022 HCV carry-over funds held by HUD

## Largest annual capital spending

1. FHR- \$8.8 M
2. Fire Suppression Installs -\$7M at 600 18<sup>th</sup>, 314 Hennepin, and Hiawatha Towers
3. Cedars Facade -\$3.2 M



# Capital Improvements by Funding Source



# Other Vouchers



(\$ millions)	BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>			
ADMIN FEES	\$ 2.3	\$ 3.0	\$ 0.7
HAP SUBSIDY	\$ 19.3	\$ 19.1	\$ (0.2)
OTHER INCOME	\$ -	\$ 0.2	\$ 0.2
<b>TOTAL REVENUES</b>	<b>\$ 21.6</b>	<b>\$ 22.3</b>	<b>\$ 0.7</b>
<b>EXPENSES</b>			
PROGRAM ADMINISTRATION	\$ 2.7	\$ 2.7	\$ -
HAP EXPENSES	\$ 19.6	\$ 19.3	\$ 0.3
<b>TOTAL EXPENSES</b>	<b>\$ 22.3</b>	<b>\$ 22.0</b>	<b>\$ 0.3</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ (0.7)</b>	<b>\$ 0.3</b>	<b>\$ 1.0</b>
MTW TRANSFER FROM HCV	\$ -	\$ 0.1	\$ 0.1
<b>NET INCOME (LOSS)</b>	<b>\$ (0.7)</b>	<b>\$ 0.4</b>	<b>\$ 1.1</b>

Admin Fees appropriations better than expected

# MTW Transfers



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

(\$ millions)	BUDGET	ACTUAL	VARIANCE
<b>MTW TRANSFERS OUT</b>			
HCV TRANSFERS TO OTHER PROGRAMS	\$ 11.2	\$ 10.9	\$ 0.3
<b>TOTAL TRANSFERS OUT</b>	<b>\$ 11.2</b>	<b>\$ 10.9</b>	<b>\$ 0.3</b>
<b>MTW TRANSFERS IN</b>			
PUBLIC HOUSING OPERATIONS	\$ 7.5	\$ 5.5	\$ (2.0)
PUBLIC HOUSING CAPITAL IMP.	\$ 3.4	\$ 5.3	\$ 1.9
MTW & OTHER S8 VOUCHER PROGRAMS	\$ 0.3	\$ 0.1	\$ (0.2)
<b>TOTAL TRANSFERS IN</b>	<b>\$ 11.2</b>	<b>\$ 10.9</b>	<b>\$ (0.3)</b>

Operating Fund increased revenues and savings were redirected for additional capital improvement resources

# Central Office



(\$ millions)	BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>			
MGMT & BOOKEEPING FEES	\$ 11.7	\$ 10.9	\$ (0.8)
OTHER INCOME	\$ 0.1	\$ 0.4	\$ 0.3
<b>TOTAL REVENUES</b>	<b>\$ 11.8</b>	<b>\$ 11.3</b>	<b>\$ (0.5)</b>
CONTRIBUTION FROM AFFILIATES	\$ -	\$ -	\$ -
<b>EXPENSES</b>			
GENERAL ADMINISTRATION	\$ 11.6	\$ 11.0	\$ 0.6
CAPITAL EQP	\$ 0.2	\$ 0.1	\$ 0.1
<b>TOTAL EXPENSES</b>	<b>\$ 11.8</b>	<b>\$ 11.1</b>	<b>\$ 0.7</b>
TRANSFER OUT	\$ -	\$ -	\$ -
<b>NET INCOME (LOSS)</b>	<b>\$ (0.0)</b>	<b>\$ 0.2</b>	<b>\$ 0.2</b>

Didn't charge CHR full construction management fee or Dev Admin the full fee as the Cost Center produced net income without.

Savings in labor and benefits and software costs

# Central Office

(Development Administration)



(\$ millions)	BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>			
MGMT & BOOKEEPING FEES	\$ -	\$ 0.7	\$ 0.7
OTHER INCOME	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ 0.7</b>	<b>\$ 0.7</b>
CONTRIBUTION FROM AFFILIATES	\$ 1.6	\$ 0.1	\$ (1.5)
<b>EXPENSES</b>			
GENERAL ADMINISTRATION	\$ 1.6	\$ 0.9	\$ 0.7
CAPITAL EQP	\$ -	\$ -	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 1.6</b>	<b>\$ 0.9</b>	<b>\$ 0.7</b>
REPAY AFFILIATE LOAN	\$ -	\$ -	\$ -
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>	<b>\$ (0.1)</b>	<b>\$ (0.1)</b>

Earned FHR developer fee

Contribution not needed so left in DevCo

Central Office didn't need fees to balance

# Reserves by Program



AS OF YEAR ENDING DECEMBER 31, 2023 (\$ millions)			
UNRESTRICTED RESERVES	BEG. BAL.	NET CHANGES	END. BAL.
MOVING TO WORK	16.0	0.3	16.3 <sup>1</sup>
CENTRAL OFFICE	4.7	-	4.7
OTHER	2.5	0.3	2.8
<b>TOTAL ANNUAL PROGRAMS</b>	<b>23.2</b>	<b>0.6</b>	<b>23.8</b>

<sup>1</sup>Excludes \$4.1 million and \$10.5 million in Note and Interest Receivable from Elliots LP and Family Housing Resources LP respectively

Annual Programs have \$0.1 million in Restricted Reserves

AS OF YEAR ENDING DECEMBER 31, 2023 (\$ millions)			
SPECIAL FUNDS	BEG. BAL.	NET CHANGES	END. BAL.
MANAGED SERVICES DIVISION	0.3	0.6	0.9
SETTLEMENT FUNDS	1.5	-	1.5
PROCEEDS FROM REAL ESTATE SALES (MTW)	1.8	(0.9)	0.9
POHLAD FOUNDATION	0.1	(0.1)	-
FAMILY HOUSING FUND	0.2	(0.2)	-
<b>TOTAL SPECIAL PROGRAMS</b>	<b>3.9</b>	<b>(0.6)</b>	<b>3.3</b>

AS OF YEAR ENDING DECEMBER 31, 2023			
INTERNAL SERVICE FUND	BEG. BAL.	NET CHANGES	END. BAL.
GENERAL LIABILITY INSURANCE	3.8	0.2	4.0

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

# Reserves by Program



AS OF YEAR ENDING DECEMBER 31, 2023 (\$ millions)		
RESERVE DESIGNATIONS		BALANCE
FEDERALIZED		19.60
GRANT RESTRICTED		-
INSURANCE FUND		4.0
DE-FEDERALIZED		7.5
<b>TOTAL ALL MPHA PROGRAMS</b>		<b>31.1</b>

<sup>1</sup>Excludes \$4.1 million and \$10.5 million in Note and Interest Receivable from Elliots LP and Family Housing Resources LP respectively

From Ehlers, Public Finance Advisors – March 2023 Quarterly Newsletter

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

# Community Housing Resources

(\$ millions)	ACTUAL
<b>REVENUES</b>	
DWELLING RENT	\$ 5.5
HAP	\$ 8.7
FUNDS FROM MPHA	\$ 0.1
OTHER	\$ 0.2
<b>TOTAL REVENUES</b>	<b>\$ 14.5</b>
<b>EXPENSES</b>	
PROPERTY OPERATIONS & MAINTENANCE	\$ 6.4
UTILITIES	\$ 2.6
INSURANCE, DEBT SERVICE & OTHER	\$ 0.9
MANAGEMENT FEES	\$ 1.4
<b>TOTAL EXPENSES</b>	<b>\$ 11.3</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 3.2</b>
CAPITAL IMPROVEMENTS & PRE-DEVELOPMENT	\$ 3.2
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>
UNRESTRICTED NET ASSETS	\$ 1.7



# Elliot's LP

(\$ millions)	ACTUAL	
<b>REVENUES</b>		
DWELLING RENT	\$	0.6
HAP	\$	1.5
FUNDS FROM MPHA	\$	-
OTHER	\$	-
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>2.1</b>
<b>EXPENSES</b>		
PROPERTY OPERATIONS & MAINTENANCE	\$	0.9
UTILITIES	\$	0.3
INSURANCE & OTHER	\$	0.1
MANAGEMENT FEES	\$	0.1
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>1.4</b>
<b>NET OPERATING INCOME (LOSS)</b>		
	<b>\$</b>	<b>0.7</b>
DEBT SERV & RR DEPOSITS		
	\$	0.7
<b>NET CASH FLOW</b>		
	<b>\$</b>	<b>0.0</b>
PARTNERS' CAPITAL		
	\$	10.0

# Dev Co.

(\$ millions)	ACTUAL
<b>REVENUES</b>	
DEVELOPER FEES	\$ 0.5
OTHER	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 0.5</b>
<b>EXPENSES</b>	
MANAGEMENT FEES	\$ 0.7
<b>TOTAL EXPENSES</b>	<b>\$ 0.7</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ (0.2)</b>
CONTRIBUTION TO MPHA	\$ 0.1
<b>NET INCOME (LOSS)</b>	<b>\$ (0.3)</b>
UNRESTRICTED NET ASSETS	\$ 2.7

# Presentation - Objectives



- Minor variances from budget compared to actuals
- Results were within Board approved use of reserve limits
- MTW flexibility followed the budget with limited exceptions increasing spending in both public housing operations and capital improvements
- MPHA reserves remained relatively stable near previous year's amounts

*Note- MPHA and CHR Audited Financial Statements are expected in late Summer 2024*

*Audits for Elliots LP and Family Housing Resources LP are now completed and will be provided to Board*



**MEMORANDUM TO:           MPHA BOARD OF COMMISSIONERS**

**FROM:                        ABDI WARSAME, EXECUTIVE DIRECTOR/CEO**

**SUBJECT:                   EXECUTIVE DIRECTOR'S UPDATE, APRIL BOARD MEETING**

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This month was a busy one at the state capitol. First, HF 4169 was heard in the House Housing Finance and Policy Committee. This is the legislation, authored by Representative Hodan Hassan and Senator Zaynab Mohamed, to send MPHA a one-time cash grant of \$35 million to repair the agency's portfolio of more than 700 deeply affordable family homes. This legislation is a continuation of the effort that began last legislative session, where the agency sought \$45 million in one-time funding.

Minneapolis Mayor Jacob Frey joined the hearing to endorse the new legislation and tout recent investments the City of Minneapolis has made in MPHA, including restoring the long-dormant housing levy, delivering the agency \$5 million annually. We were also joined by Minneapolis High Rise Representative Council President Mary McGovern and a recent CHR resident, Muna Dahir, who lived in a CHR home with her family for six years before recently purchasing their own home, crediting MPHA for providing her the foundation for her family's success. All told, the hearing was positive, but the realities of limited cash funding available in this legislative session were mentioned repeatedly during the subsequent committee discussion.

Then, last week, both the House and Senate released their housing omnibus bills (the legislative vehicles where all housing-related spending and policy changes for this session are collected). Unfortunately, no part of MPHA's cash request was included in either chambers' bill. However, in the House, language was included to clarify that certain repositioned entities like MPHA's wholly owned and controlled nonprofit, Community Housing Resources (CHR), are eligible to receive state bonding dollars to make critical repairs through Minnesota Housing's Publicly Owned Housing Program (POHP) General Obligation bonds.

This legislation has been a major agency priority this session, and agency staff have repeatedly testified and advocated for this technical change to align federal best practices with existing state programs. While there continues to be major reticence from Minnesota Housing and Minnesota Management and Budget about this change (the two state agencies tasked with managing POHP GO bonding), we have built a strong political coalition to advance this issue. There is still more work to get this language through conference committee and to final passage, but as of now it appears that we are well positioned for the first legislative action on this topic after nearly a decade of prior work advocating at the agency level to no avail. I will provide additional details in next month's Executive Director's Report as the legislature finishes its work.

In other news, the agency welcomed a variety of local and national representatives to tour the Family Housing Expansion Project (FHEP). First, Congresswoman Ilhan Omar, Minneapolis City



Council Member Aurin Chowdhury, and staff from Council Member Cashman's office toured one of our new modular multiplexes in Ward 12. It was wonderful to welcome the Congresswoman as well as introduce the two new city council members to this nation-leading project.

Later in the month, the agency welcomed U.S. Department of Housing and Urban Development (HUD) Principal Deputy Assistant Secretary for Policy Development & Research, Solomon Greene, to showcase the power of more permissible zoning laws and modular construction with tours of innovative agency and local projects. The tour included leaders from the national and local HUD offices, MPHA staff, City of Minneapolis CPED staff, local developers, and staff from the offices of Senator Amy Klobuchar and Representative Ilhan Omar.

Tours included one of MPHA's FHEP buildings, deeply affordable homes in a partially converted church enabled by MPHA's project-based vouchers (Belfry Apartments), and a new modular apartment building in the Harrison neighborhood. Throughout the tours, local experts were able to share on-the-ground perspective for the advantage inclusionary zoning offers affordable housing developments, hurdles modular construction faces as the industry grows, and how federal partners can support similar projects across the county.

Finally, I want to call attention to a new slide in the monthly Performance Report agency staff prepare for the Board of Commissioners. Staff have developed a tool to provide updates on how the new tax levy resources are being spent. While the agency is still awaiting the first disbursement from the city, this slide will allow for commissioners as well as elected officials and staff from the City of Minneapolis to track the agency's progress in deploying these critical resources. Look to this slide for updates throughout the year to see the tremendous impact of these resources on the agency's preservation and production activities.



**MEMORANDUM TO:           MPHA BOARD OF COMMISSIONERS**

**FROM:                        ABDI WARSAME, EXECUTIVE DIRECTOR/CEO**

**SUBJECT:                    Q1 2024 STRATEGIC PLAN QUARTERLY UPDATE**

---

To start the new year, MPHA took the time to celebrate the achievements made in year one of the five year strategic plan. Then, the team shifted toward discussions on how to build momentum on the accomplishments made, as well as how to overcome barriers faced. In 2023-2027, 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.**

Through one-on-one conversations with department leaders about the lessons learned in year one, a commitment to continuous quality improvement is clear. Embracing a cycle of sustainably introducing innovations, monitoring outcomes, and analyzing how to best proceed will assist the team in advancing their goals in 2024, and beyond. Below are a few highlights of the work achieved in quarter one.

---

- (1.1.4)   *Utilize MTW/Capital funds to address high-priority needs in highrises.*** The Planning and Development team is preparing a RAD application to convert 828 & 809 Spring Manor. In quarter one, over five on-site meetings were held to both inform and educate residents while obtaining their feedback and answering any questions on the current plans. Residents will continue to be engaged at every step of the conversion process.
- (1.4.0)   *Identify, develop, and implement strategies to support the unique needs of residents.*** MPHA continues to work closely with the Minneapolis Highrise Representative Council (MHRC). In March, resident leaders travelled to D.C. to meet with top officials to advocate for investment in their community.
- (2.1.1)   *Seek opportunities to secure stable, consistent funding supports at every level of government.*** MPHA has begun advocating at the state legislature for \$35 million to complete substantial capital backlog needs of the community housing resource (CHR) program to move the portfolio into self-sufficiency.



- (2.3.2) ***Identify needs and communicate resources available for residents/participants that MPHA secures through our partnership networks.*** The Highrise Health Alliance in its new year kick off meeting agreed upon three priority areas for 2024: behavioral health, communications, and medication therapy management. MPHA will lead the development of a communication plan to link residents to the resources offered by health providers.
- (3.1.0) ***In partnership with other entities, finalize and implement an approach for stabilizing existing units located in Heritage Park.*** To stabilize operations, a short-term plan with long-term options was proposed by MPHA to the owner of Heritage Park and HUD/government partners. The proposed solution prioritizes residents' need for quality, well-managed homes, and discussions with the owner are ongoing.
- (3.2.2) ***With other levels of government and foundations, identify and capture additional revenue to address capital needs backlog across inventory.*** At the Mayor's Convening, members shared their advocacy agendas to discuss areas of collaboration that might better leverage resources toward maintaining/expanding affordable housing opportunities in the Minneapolis community.
- (4.2.1) ***Deliver 84 new units of scattered site housing on time and within budget.*** As construction was finalized at all sixteen sites of the Family Housing Expansion Project, MPHA is working to lease all the newly completed units. Staff hope to lease the project fully by the end of April 2024. MPHA was named a finalist in the 2024 Real Estate Awards by REjournals for this work.
- (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.*** MPHA continuously supports existing and new PBVs to meet community need for affordable units. In Q1, 12 new awards were made, 34 went under contract, and the Belfry Apartments celebrated a grand opening with a total of 26 PBV supported units.
- (4.3.2) ***Evaluate the RFP process on a bi-annual basis for quality improvement purposes.*** In January, MPHA hosted developers, owners, and other partners for a listening session to seek input on the Project-Based-Voucher (PBV) RFP process. This connection allowed for helpful dialogue in reviewing potential areas for improvement. As a result, staff are working on revisions to the current PBV RFP application and process.
- (5.1.5) ***Complete compensation analysis to ensure pay equity across the organization. Develop MPHA's compensation initiative to ensure pay equity plan is developed across the organization.*** Staff are working with consultants to finalize the market analysis, which they hope to complete in Quarter 2. Adjustments needed to ensure equity will be considered at that point. Staff will then begin reviewing options to ensure pay equity into the future.
- (5.2.1) ***Audit HR policies and practices to ensure alignment with DEI strategies.*** An all-day, in-person action planning session facilitated by MGT in late March will ensure the final action plan is tailored to meet MPHA's unique needs. The final action plan will then guide next steps.



- (6.0.0)** *Continuously improve organizational performance to retain MTW status and highest HUD performance rating.* MPHA's FY2024 Plan was officially approved by HUD. Staff also submitted the 2023 MTW Report. Both documents can be found on the agency's website.
- (6.4.0)** *Enhance resident and staff experience through strategic use of technology.* A pilot to go 'paperless' is being tested in two operational areas before determining a plan to scale through the rest of the agency. This process prioritizes quality customer services and is made possible by collaboration across departments.
- (6.6.1)** *Develop and train staff in standard operating procedures and policies consistent to meet compliance standards for new NSPIRE system.* The public housing team proactively sought training to ensure the exceptional PHAS scores of 2023 translate to the new HUD standards. Later this year, a number of sites will go through mock inspections to gauge the next steps.
- (6.6.3)** *Implement and monitor effective use of new HRIS.* This system is pivotal to many of MPHA's employee benefits, necessitating a period of dual functionality in late Q1 to ensure a seamless migration. All staff have been trained in the new payroll system. HR continues to lead on other improvements that come with the upgrade.





# Monthly Performance Report

Minneapolis Public Housing Authority  
Board of Commissioners  
For the month ending March 31, 2024

## Contents

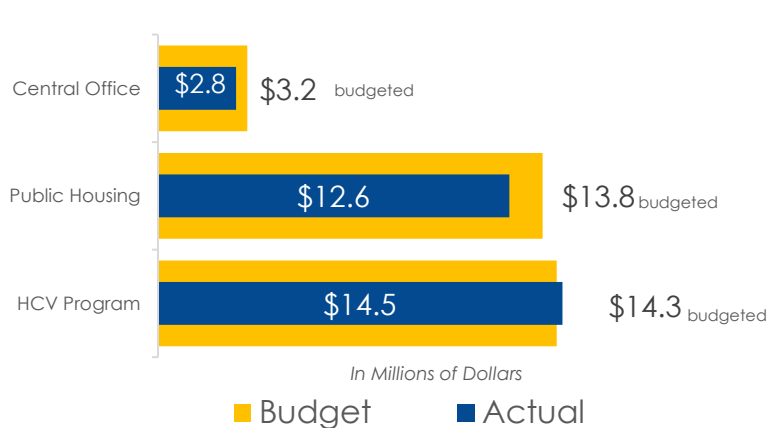
1. Financials
2. Performance of Operations
  - Public Housing Programs
  - Housing Choice Voucher Programs
3. Building Improvement and Development Projects
4. Inquiry Response and Social Media

## Operating Sources and Uses

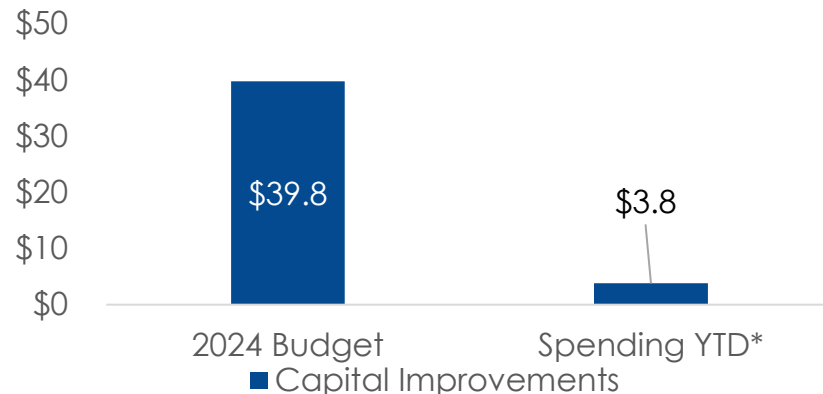
### MTW Public Housing and Housing Choice Voucher (HCV) Program

Sources	YTD Budget	YTD Actual	Favorable (Unfavorable)	
			Variance	Variance %
Tenant Revenue -Rents & Other	\$ 4,838,469	\$ 4,893,903	\$ 55,434	1%
Public Housing Operating Subsidy	\$ 5,620,121	\$ 5,318,677	\$ (301,444)	-5%
HCV HAP Subsidy & Admin Fees	\$ 13,922,317	\$ 14,006,847	\$ 84,530	1%
Other Revenues, Fees, & Grants	\$ 734,538	\$ 665,609	\$ (68,929)	-9%
Transfers-In	\$ -	\$ 18,750	\$ 18,750	n/a
<b>Total Sources</b>	<b>\$ 25,115,445</b>	<b>\$ 24,903,786</b>	<b>\$ (211,659)</b>	<b>-1%</b>
<b>Uses</b>				
Public Housing Operations	\$ 13,768,773	\$ 12,550,696	\$ 1,218,077	9%
Housing Choice Vouchers	\$ 14,347,168	\$ 14,455,181	\$ (108,013)	-1%
MTW Initiatives and Other Services	\$ 51,924	\$ 8,174	\$ 43,750	84%
<b>Total Uses</b>	<b>\$ 28,167,865</b>	<b>\$ 27,014,051</b>	<b>\$ 1,153,814</b>	<b>4%</b>
<b>Net Sources/(Uses)</b>	<b>\$ (3,052,420)</b>	<b>\$ (2,110,265)</b>	<b>\$ 942,155</b>	<b>31%</b>

### Year to Date (YTD) Expenses



### MTW Capital Fund Program

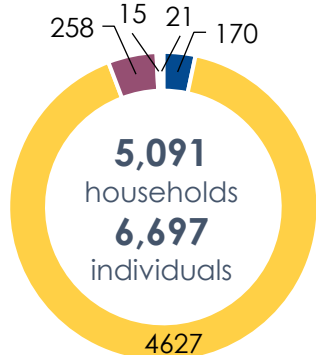


\*An additional \$16.8 million is under obligation for capital projects YTD

# Public Housing Programs



## Occupied Units\*

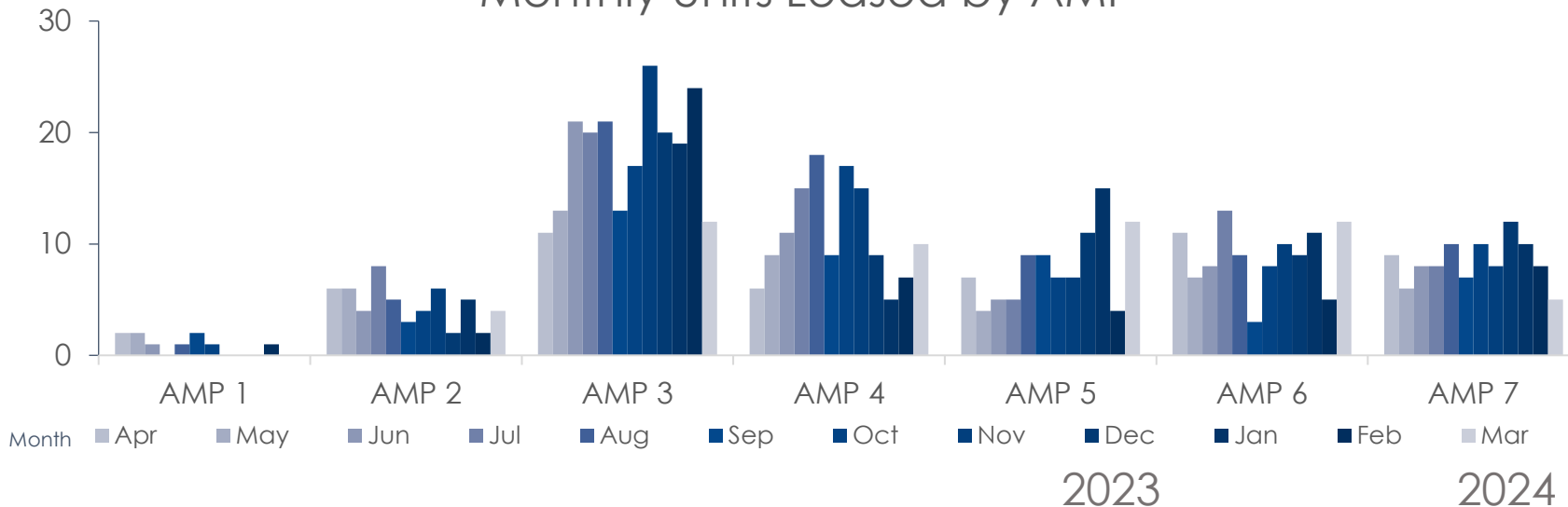


**57**  
new units leased during month

**98%**  
occupancy

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

## Monthly Units Leased by AMP



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

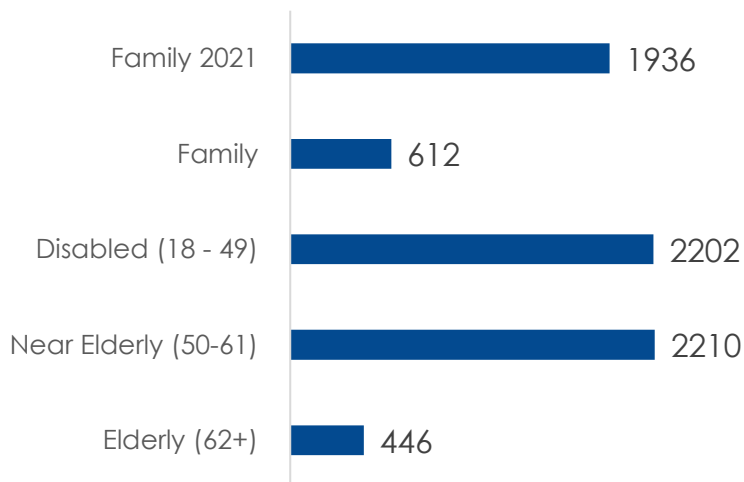
\*\*Metropolitan Housing Opportunities Program (Hollman consent decree units owned and operated by third-parties)

# Public Housing Programs

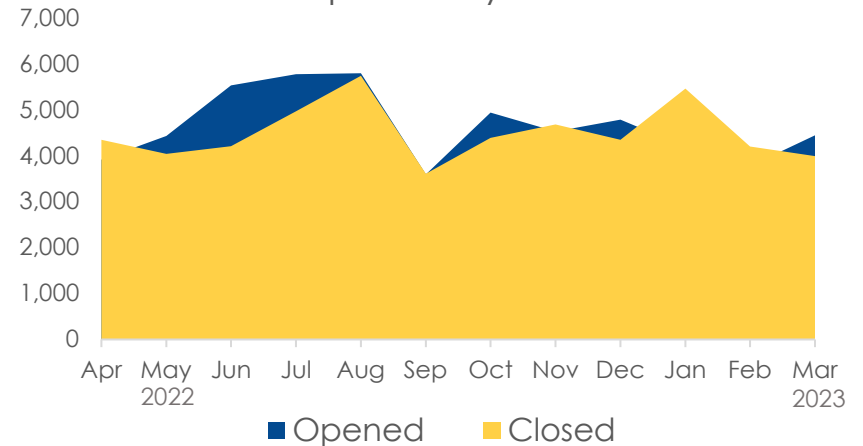


Reason for Vacating Unit	Count
Found Alternative Housing	13
Illness	6
Moving in with or closer to Family	6
Death	5
Evicted - Non Payment	5
Moving Out of Town	3
To Nursing Home	2
Mutual Agreement	1
Other	1
Skip	1
Evicted - Other	1
Left Country	1

## Applicants on Waiting List

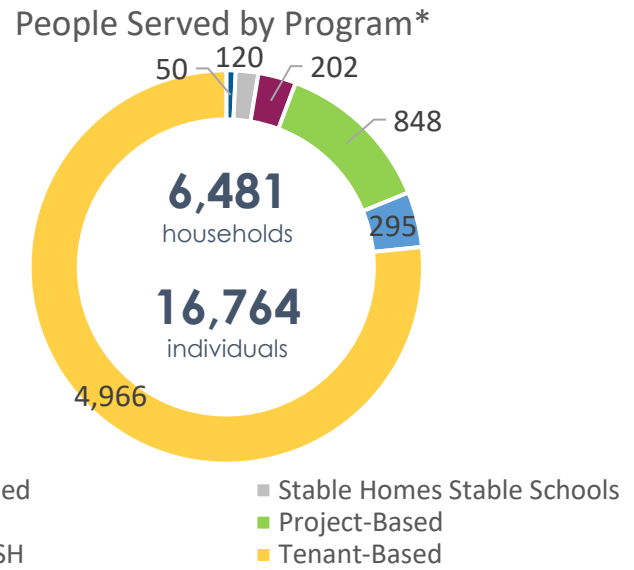


## Work Orders Opened and Completed by Month



Goal	Total Completed	% Completed within Goal	Average Days Open
Emergency: 24 Hours	55	85%	0
Urgent: 1 Day	964	84%	1
After Hours Non-Emergency: 2 Days	1	100%	0
Important: 3 Days	944	78%	2
Routine: 10 Days	529	83%	5
Non-Routine: 20 Days	62	87%	6
Pest Control	633	100%	7

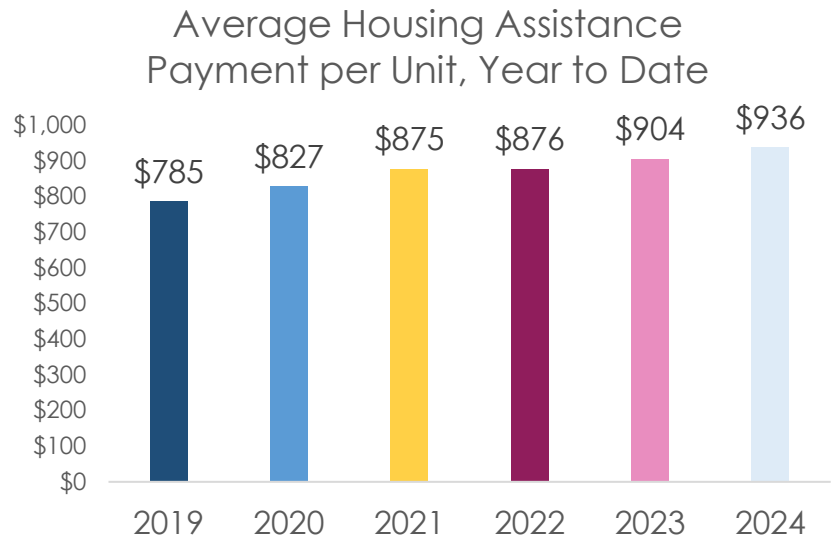
# Housing Choice Voucher Programs



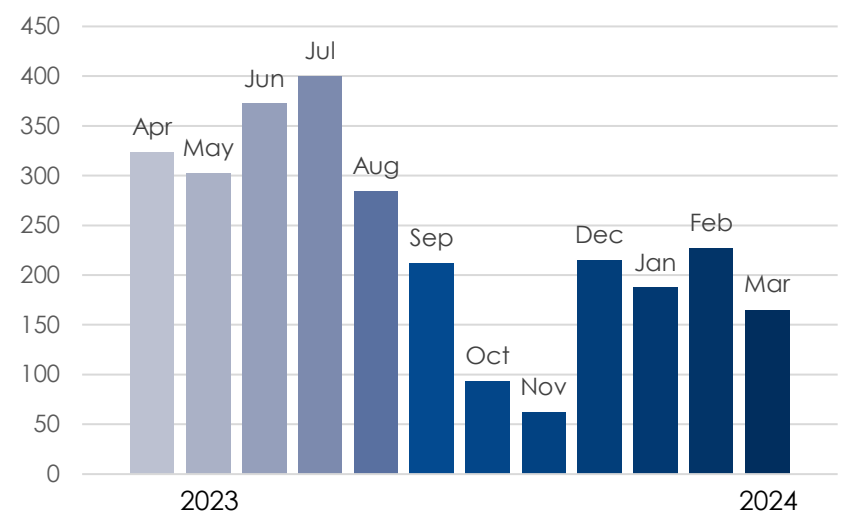
- Sponsor-Based
- Mod Rehab
- FUP and VASH
- Stable Homes Stable Schools
- Project-Based
- Tenant-Based

Family Unification Program and Veterans Affairs Supportive Housing

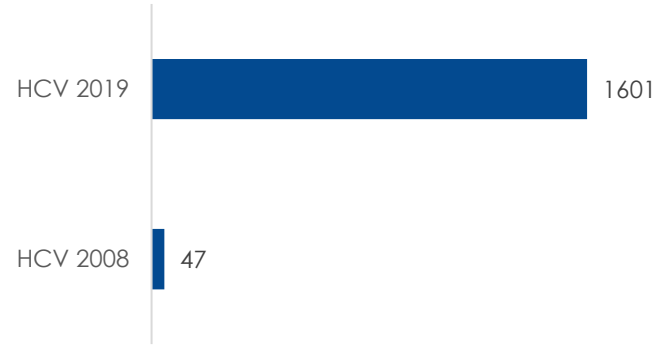
\*Including port-ins and port-outs



### 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	Preparing for closing
CHR scattered site units	State-funded improvements	Planning
Multiple highrises	HVAC equipment replacements	Awarding contract
Cedars Community	Boiler replacement	Awarding contract
1710 Plymouth & 1900 3 <sup>rd</sup> Street NE	Elevator modernization	Planning
350 Van White Blvd	Façade/balcony repairs, parking lot replacement	Planning
Hiawatha Towers	Façade repairs	Planning
Multiple highrises	Main electrical switch gear & generator replacement	Planning
Multiple highrises	2024 priority camera installations & replacements	Planning
Cedars & Elliot Twins	Site security fencing	Planning

## Development Projects - Planning

ADDRESS	DESCRIPTION OF WORK	STATUS
Scattered Sites	Redevelopment/densification of two sites	On hold
Spring Manors – 828 & 809 Spring St NE	Conversion, preservation & new unit production	Planning/due diligence

## Building Improvement Projects - Active

ADDRESS	DESCRIPTION OF WORK	STATUS
CHR units – various scattered sites	2024 improvements: unit modernization at turn	Ongoing
Snellings/828 Spring/800 5 <sup>th</sup> /1415 E 22 <sup>nd</sup> St	Façade repairs	Underway
Multiple highrises	2023 priority camera installations & replacements	Underway
2415 N 3 <sup>rd</sup> Street	Entry guard system upgrade - pilot project	Under contract
Fifth Avenues	Apartment entry door replacement	Underway
1415 East 22 <sup>nd</sup> Street	Roof replacement	Under contract; spring start
1515 Park Avenue South	Fire alarm system replacement	Underway
1314 44 <sup>th</sup> Avenue N & 600 18 <sup>th</sup> Avenue N	Elevator modernization	Under contract; spring start
3116 Oliver & 616 Washington St NE	Elevator modernization	Complete
1015 N 4 <sup>th</sup> Street	Generator upgrades	Underway
1707 3 <sup>rd</sup> Avenue South	Façade restoration & window replacement	Underway
Multiple highrises	Fire sprinkler system installation	Underway
1515 Park/1920 4 <sup>th</sup> /1710 Plymouth/710 2 <sup>nd</sup>	Main electrical switch gear & generator replacement	Preliminary site work underway
314 Hennepin & Hiawatha Towers	Main electrical switch gear & generator replacement	Under contract
Glendale Townhomes	Soffit/fascia/gutters, partial roofing replacement	Underway
Multiple sites	Sidewalk/parking lot replacements	Underway
800 5 <sup>th</sup> Avenue North	Window replacement	Under contract; summer start
2121 Minnehaha Avenue	Window replacement	Under contract; summer start
314 Hennepin Avenue	Façade repairs	Under contract; spring start
2728 East Franklin Avenue	Roof replacement	Under contract; spring start

## Development Projects - Active

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

# Fire Suppression Installations



Building	Units	Budget	Funding Source(s)	Status	Construction
1206 2 <sup>nd</sup> St NE	57	\$620,000	MPHA Capital	Complete	Jan-Apr 2022
1717 Washington St NE	182	\$1,570,000	MPHA Capital	Complete	Apr-Nov 2022
2728 E Franklin St	151	\$1,200,000	MPHA Capital	Complete	Sept '22-Jan '23
Horn Towers	491	\$3,445,000	MPHA Capital	Complete	Jan '22-Jun '23
630 Cedar Ave S	190	\$1,592,000	MPHA Capital/City/State	Complete	May '22-Jan '23
2121 Minnehaha Ave	110	\$888,000	MPHA Capital/City/State	Complete	July-Dec 2022
1627 S 6 <sup>th</sup> St	116	\$868,000	MPHA Capital/City/State	Complete	Dec '22-Sept '23
600 18 <sup>th</sup> Ave N	239	\$2,450,000	MPHA Capital/City/State	Complete	Nov '22-Oct '23
1314 44 <sup>th</sup> Ave N	220	\$10,000,000*	MPHA Capital	Complete	Apr '22-May'23
Hiawatha Towers	281	\$2,100,000	MPHA Capital	Complete	Dec '22-Oct '23
314 Hennepin Ave	299	\$2,425,000	MPHA Capital/City	Complete	Dec '22-Oct '23
2415 N 3 <sup>rd</sup> St	62	\$505,000	MPHA Capital/EDI Grant	Under Construction	Nov '23-Apr'24
1710 Plymouth Ave N	84	\$740,000	MPHA Capital/EDI Grant	Under Construction	Jan '24-Apr'24
3116 Oliver Ave N	31	\$370,000	MPHA Capital/EDI Grant	Complete	Oct '23-Jan'24
710 2 <sup>nd</sup> St NE	35	\$370,000	MPHA Capital/EDI Grant	Contract Awarded	May '24-Aug'24
616 Washington St NE	35	\$395,000	MPHA Capital/EDI Grant	Contract Awarded	May '24-Aug'24
809 Spring St NE	32	\$375,000	MPHA Capital/City	Complete	Oct '23-Dec '23
1900 3 <sup>rd</sup> St NE	32	\$410,000	MPHA Capital/City	Complete	Dec '23-Feb '24
3205 E 37 <sup>th</sup> St	28	\$355,000	MPHA Capital/City	Complete	Dec '23-Feb '24
3755 Snelling Ave S	28	\$355,000	MPHA Capital/City	Complete	Oct '23-Dec '23

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



# Scattered Site Rehab



- Conversion to project-based vouchers occurred on October 1st
- Will support investments in deferred maintenance and ongoing unit needs
- SHORP grant funded work began February 2024
- Target closing for \$3.65M City of Minneapolis funds: mid-April
- Developing work plan & scope for \$5M State POHP grant; submitting due diligence

## 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

Spring 2024

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
- **Received Certificates of Occupancy for all sites in January 2024; final work items will be completed in spring 2024**
- **13 buildings fully occupied**
- **Construction closeout underway**

## Construction Timeline (subject to change)





# 809/828 Spring Conversion, Preservation & Expansion



- MPHA's next comprehensive renovation utilizing HUD's RAD conversion program which will allow us to leverage new financing tools
- Will address short- and long-term capital needs for both buildings; other potential improvements includes but is not limited to enhanced resident amenities, energy improvements, and adding new units
- Will serve as the agency's first Faircloth to RAD pilot

## Timeline (subject to change)

Site Due Diligence

Design Development

Bidding

Financing

Closing

Construction Commencement



RAD & Faircloth to RAD Program Requirements



Sept '23-Apr '24

Feb '24 – Dec '24

Jun '24 – Apr '25

Apr – May '25

May 2025

# Public Housing Tax Levy – 2024



Project	Description	Levy Budget	Funds Expended
Highrise Preservation & New Unit Production – 809/828 Spring St NE	Comprehensive rehab/preservation of two highrises that house over 220 residents. Scope of work will address short- and long-term capital needs for both buildings; other potential improvements includes but is not limited to energy improvements and enhanced resident amenities and community spaces; anticipates new unit production with up to 15 new units. Estimated closing – spring 2025.	\$2,500,000	\$0
Three-Unit Scattered Sites Infill Demonstration Project	Replacing a long-term vacant, high needs 1920's era single family scattered site home with a three-unit development with at least one fully accessible unit, in an Opportunity Area (SW).	\$750,000	\$0
Two-Unit Scattered Sites Infill Demonstration Project	Replacing a single-family scattered site home recently lost to a fire with a two-unit development featuring at least one fully accessible unit in a non-ACP50 area.	\$500,000	\$0
Highrise Elevator Modernization – 600 18 <sup>th</sup> Avenue North	Comprehensive elevator modernization at an elderly-designated building housing over 200 residents. Summer 2024 construction.	\$700,000	\$0
Highrise Elevator Modernization – 1314 44 <sup>th</sup> Avenue North	Comprehensive elevator modernization at an elderly-designated building housing over 200 residents. Summer 2024 construction.	\$550,000	\$0

Receipt of levy proceeds expected in two installments – mid-year and year-end 2024.

# Inquiry Response and Social Media



March 2024

## MPHA on Facebook

Top Performing Post (704 views)

Earlier this month, staff celebrated Dean Pullar's retirement from the agency and honored his hard work with a golden paint brush plaque. Dean worked as a painter at MPHA for more than 27 years. Thank you for your dedication, and enjoy retirement, Dean!



3

Posts for the Month

74

New Followers



## MPHA on Twitter

Top Tweet (210 views)

Because of misaligned state and HUD regulations, MPHA's 700+ family homes, serving 3,100 people, are ineligible for POHP bonding. ED/CEO Warsame joined @mikehowardmn today in a hearing aimed at rectifying this and ensuring MPHA can access state bonding for critical home repairs.



6

Tweets for the Month

0

New Followers



## MPHA Staff, Residents, and Elected Officials Advocate for \$35M from the State

Earlier this month, Representative Hodan Hassan highlighted a new effort to send MPHA a one-time cash grant of \$35 million to repair the agency's portfolio of more than 700 deeply affordable family homes the House's Housing Committee. Minneapolis Mayor Jacob Frey joined to endorse the new legislation and tout recent investments the City of Minneapolis has made in MPHA, including restoring the long-dormant housing levy, delivering the agency \$5 million annually. In the Senate, Senator Zaynab Mohamed is leading the parallel effort.



## Congresswoman Omar and Council Member Chowdhury Visit FHEP Building

Representative Ilhan Omar and Minneapolis City Council Member Aurin Chowdhury - toured one of MPHA's new modular multiplexes in Ward 12. Partnering with local government and others, MPHA delivered 84 new, deeply affordable family homes last year in the nation-leading Family Housing Expansion Project.

## Partnership with Twin Cities RISE Hits First Major Milestone

Last month, the first MPHA cohort completed the initial phase of the Twin Cities RISE (TCR) career development program as a part of a new partnership. The MPHA and TCR partnership provides family housing residents with career development resources to help gain meaningful employment.

Agency staff connect with new and existing residents to provide information about the new, voluntary TCR programming. When residents express interest, MPHA staff connect them with TCR to get enrolled in career training.





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

### **[Affordable housing, BIPOC-owned businesses coming to vacant Nicollet Ave. Wells Fargo lot \(Southwest Voices\)](#)**

By Brian Martucci  
March 5, 2024

An ambitious plan to remake a Lake Street block damaged in the 2020 unrest took a big step forward on Feb. 20, when the Minneapolis Planning Commission approved the developer’s land use request.

The technical move paves the way for construction to begin on Opportunity Crossing at 3030 Nicollet, a new six-story building featuring 110 units of housing atop a Wells Fargo bank branch and four commercial condos earmarked for BIPOC owners. Project for Pride in Living, or PPL, expects to break ground on the project in April and wrap up construction in October 2025, said Faith Kumon, project manager for Opportunity Crossing.

The Opportunity Crossing site is one block away from the site of the now-demolished Nicollet Avenue Kmart, which will be redeveloped as part of the New Nicollet initiative in the coming years.

#### **A MODEL FOR EQUITABLE DEVELOPMENT IN MINNEAPOLIS?**

Opportunity Crossing will rise on a 2.6-acre site that was once a Wells Fargo bank branch, drive-thru, and surface parking lot. The bank was heavily damaged in May 2020 by unrest targeting the Minneapolis Police Department’s nearby 5th Precinct. Wells Fargo demolished the structure in early 2021.

The new development will feature 98 units affordable to residents earning no more than 50% of the area median income, with the remaining 12 reserved for people with disabilities and those experiencing homelessness. More than three-quarters of the units are designed for families, with two- to four-bedroom floor plans.

On the ground floor, four local BIPOC-owned businesses will share 14,400 square feet of retail space with the new Wells Fargo branch: Afro Deli, Dominic’s Tax Service, clothing shop Novadades Krystal, and BIPOC-focused business incubator The HUB by Makee Company.

In what Lake Street Council Manager for Corridor Recovery Initiatives Russ Adams called a “first” for Lake Street, the local businesses will own — rather than rent — their storefronts.

“A nonprofit developer being willing to give up an ownership stake in part of the building to build wealth for BIPOC entrepreneurs — that is next level stuff,” Adams said. The aftermath of the unrest saw many Twin Cities organizations making anti-racist commitments that ultimately amounted to little, but PPL’s “stake in the ground” shows “we’re capable of changing how we do things,” he said.



Beyond its direct equity-building benefits for business owners, Opportunity Crossing’s commercial condos test multifamily housing developers’ widely held belief that ground-floor retail doesn’t work anymore. Even with the 2040 Plan guiding for ground-floor retail in new multifamily projects, few developers include it.

Building ground-floor retail to current code specifications can be expensive. It’s more cost-effective for residential developers to add non-retail ground floor uses, like gyms and business centers.

The key may be to treat community-owned retail spaces as public goods similar to affordable housing itself, Adams said. Most affordable housing projects, including Opportunity Crossing, depend on grants, tax breaks, and low-interest or forgivable loans from governments and private funders. Opportunity Crossing’s major funders include Hennepin County, the Metropolitan Council, the City of Minneapolis, and Wells Fargo, which sold the site to PPL at a substantial discount and provided a \$2 million grant through the Wells Fargo Foundation.

Opportunity Crossing’s commercial condos got a financial boost from the Minnesota Main Street Economic Revitalization Program, which issues grants and guaranteed loans to commercial properties in areas affected by natural disasters, civic unrest, and other economic disruptions.

“This is something we’re going to have to think about,” Adams said. “To preserve cultural corridors that allow new Americans and BIPOC entrepreneurs a chance to build wealth.”

A successful Opportunity Crossing that fulfilled its equity-building mission would create momentum for redevelopment at the much larger New Nicollet site, where the City and community stakeholders hope to achieve similar outcomes on a grander scale. At New Nicollet, “it’s really important that we don’t fumble,” Adams said.

“PHASE ONE” OF THE MULTI-NEIGHBORHOOD AFFORDABLE HOUSING COLLECTIVE Groundbreaking on Opportunity Crossing was originally set for 2023, but rising interest rates caused a funding shortfall of about \$500,000, said Sarah Linnes-Robinson, director of projects for the Lyndale Neighborhood Association. With support from the Lyndale Neighborhood Association board, Linnes-Robinson raised \$250,000 from seven Southwest Minneapolis neighborhood associations to partially plug the gap. Kumon said the project is now “fully financed.”

The funding gap that threatened Opportunity Crossing last fall is smaller now thanks to a last-minute assist from seven Southwest Minneapolis neighborhood organizations.

Earlier this year, the organizations — Lyndale Neighborhood Association, West Maka Ska Neighborhood Council, Fulton Neighborhood Association, Whittier Alliance, Armatage Neighborhood Association, Linden Hills Community Council, and Kingfield Neighborhood Association — collectively deployed \$250,000 in unspent City funds to help close the \$61 million project’s last-minute funding shortfall.





Kingfield contributed \$100,000; the others gave \$25,000 each.

“It was like that final scene in “It’s a Wonderful Life,” where everyone pulls whatever change they have out of their pocket” to save Jimmy Stewart’s community bank, Adams said.

Ironically, the fact that the shortfall was but a small fraction of the project’s \$61 million budget created an opening for the neighborhood organizations to step up. For PPL, asking project funders for more money would have been a lengthy process with no guarantee of success, and despite a recent \$7 million gift from philanthropist MacKenzie Scott, dipping into its own pockets “would not have been a great business practice,” Linnes-Robinson said. “So [PPL was] super grateful for these organizations to invest.”

The effort was “phase one” of the Multi-Neighborhood Affordable Housing Collective, a Lyndale Neighborhood Association-led effort to support affordable housing projects and other housing-related needs across the city.

“Phase two” of the project will focus first on the New Nicollet site and could feature an “affordable housing boot camp” that empowers neighbors’ direct involvement in plans for the site.

More broadly, the collective will look for ways to reduce the time and cost of affordable housing development, which tends to be more complicated than market-rate development. For example, the Minneapolis Public Housing Authority’s Family Housing Expansion project, which added 16 modular, deeply affordable sixplexes across the city, cost significantly more than market-rate private housing.

“So [neighborhood associations] need to be present and part of the solution,” Linnes-Robinson said.

Though neighborhood associations can’t directly influence the economics of new housing development, they can provide targeted funding to specific projects while building support for cost-saving measures that have found success in other cities.

That sentiment drew neighborhood leaders like Ray Klahr, president of Fulton Neighborhood Association, to the collective.

Like other Southwest Minneapolis neighborhood associations, Fulton has a substantial cash reserve set aside for housing-related activities, and figuring out “how we can deploy those funds in a meaningful way has been an ongoing challenge,” Klahr said. Previous housing investments were smaller, “one-on-one” efforts.

Opportunity Crossing was a chance for Fulton to make a meaningful impact at a greater scale “given limited opportunities for affordable housing development in Southwest Minneapolis,” Klahr said.

###



## [Low-income seniors push for rent control at affordable housing complexes \(Minnesota Reformer\)](#)

By Madison McVan

March 28, 2024

Every year, Char Golgart’s Social Security checks get a little bit bigger — but her rent rises even more.

Golgart’s rent increased 45% over seven years. During that time, Social Security benefits increased by 25%, and Golgart is now spending more than 60% of her income on rent, she said.

Golgart lives in a Coon Rapids apartment complex owned by Dominion, a for-profit affordable housing developer that manages more than 38,000 apartments nationwide.

Residents of affordable senior housing in the Twin Cities metro are advocating for a bill at the Legislature that would limit rent increases at housing developments receiving federal tax credits, while developers of both for-profit and nonprofit units say the bill could discourage building and worsen the housing shortage.

The federal low-income housing tax credit program — also referred to as “Section 42” — is meant to incentivize private developers to build affordable apartment complexes, especially for seniors living on fixed incomes.

Developers receiving the tax credits are only allowed to raise rent as much as the increase in the area’s median income — so if an area’s median income goes up by 10%, so can the rent in an affordable housing complex.

In 2022, the median income in the Twin Cities metro increased by more than 12% — and Jan Bragelman’s rent increased a similar amount.

Like many seniors, Bragelman lives on a fixed income — and while the Social Security Administration raises its payments each year to account for increased cost of living, the benefits have not kept up with rent.

Bragelman and Golgart are advocating for a bill (HF3350/SF3625), spearheaded by Rep. Zack Stephenson, DFL-Coon Rapids, that would limit rent increases at senior affordable housing developments receiving tax credits to 1% less than the previous year’s change in Social Security benefits.

“If we’re going to pay for affordable housing, then we need to make sure it’s affordable,” Stephenson said. “This is a fairness issue ... If the idea is we want rent to increase as their earning power increases, you can’t use (area median income), because these people aren’t working.”

He added: “Fortunately, you can use Social Security (cost-of-living adjustments). It’s like a perfect indicator for how much their purchasing power is increasing.”



Dominium and other affordable housing developers oppose the bill, arguing that it would discourage housing development even as the state faces a shortage of all types of housing, including affordable units.

Inflation has driven up their operating expenses, the developers say.

In written testimony to the House Housing Finance and Policy Committee, representatives of some of the state's most prominent affordable housing developers — Aeon, CommonBond Communities, Project for Pride in Living and the Beacon Interfaith Housing Collaborative — said the legislation could backfire by forcing affordable housing providers to lower operating costs by deferring maintenance or cutting staff.

Dominium expressed opposition to the bill in a statement to the Reformer, arguing that increasing the housing supply across the state is a better solution to rising housing costs than rent control, which St. Paul voters approved in 2021.

“Saint Paul has proven that artificially divorcing rent increases from the cost of operations is a formula that threatens the supply of housing,” Dominion executive vice president Paula Prahl wrote in the statement.

Christopher Stokka, vice president of MWF Properties, which manages more than 2,000 apartments in three states, including Minnesota, wrote to a legislative committee that rent control would prevent further development.

“If the proposed bill were approved, the risk of developing affordable senior (housing) would be too great for us to pursue,” he wrote.

One solution affordable housing developers support is the expansion of rent subsidies like Section 8 vouchers — which would be up to Congress to enact — and a similar state program created last year.

Currently, only around a quarter of Section 8-eligible households receive benefits, and applicants often wait years before getting a voucher. The Minneapolis Public Housing Authority has not opened up its waitlist to new applicants since 2019.

Dominium residents insist that something be done to alleviate the burden of rent for those on a fixed income — and feel that their pleas are being ignored by lawmakers.

The bill has been heard and laid over by the housing committees in the House and Senate, and could be included in a larger omnibus bill later this session.

If the bill were to pass, “We wouldn’t have the fear of being priced out of living,” Gorgart said.



“We’d have something besides dust in our pockets,” said Sandi Helle, who lives at another Dominion-managed property in Minnetonka.

###

### [Minnesota lawmakers aim to stop cities from killing affordable housing \(Minnesota Reformer\)](#)

By Zak Yudhishthu

April 2, 2024

A few years ago, Solhem, a Minneapolis-based developer, sought to build some market-rate apartments in Edina. After interest rates spiked and market conditions shifted, the project started to look infeasible. Solhem pursued funding for affordable housing instead.

In December 2023, Solhem was selected by the Minnesota Housing Finance Agency to receive a significant allocation of federal low-income housing tax credits, and they began planning an 89-unit affordable housing project. Edina’s comprehensive plan guided the site to include office or residential development, and the proposed project also fit within the comprehensive plan’s guidance for density at the site.

But there was a loophole for anyone who didn’t want to see this built: City zoning had not been updated in accordance with the comprehensive plan, necessitating a rezoning in order to build housing on the site.

Soon after Solhem applied for affordable housing funding from Minnesota Housing, some residents — by no means a majority of Edina, but a vocal group — stirred up opposition. Over 1,000 people signed a petition opposing the rezoning. The new development would “adversely affect the architectural character of the neighborhood, traffic and safety, and property values,” the petition read.

The opposition here was new. When Solhem had initially been planning market-rate — meaning relatively expensive — apartments, people said hardly a word.

“There was no major backlash from the community [when we first introduced the market-rate proposal]. We got feedback from the City Council and Planning Commission. It was after we introduced the affordable housing project last May that the neighborhood opposition really mobilized,” said Amol Dixit, a vice president at Solhem.

A separate petition from a nearby townhome association called for the city to establish a “small area plan,” which is essentially another regulatory regime specific to a portion of Edina. Once established, this would begin a 12- to 18-month process to plan for future development of a multi-acre area that included



the proposed Solhem site — and the City Council authorized such a plan. Dixit told the council that if the project could not receive land use approval before the small area plan was completed, Solhem would be unable to follow the construction timeline required by federal funding and would have to cancel the project.

The City Council unanimously expressed that they would not approve a project before completing the small area plan, rendering the development unviable. Multiple public officials involved cited concerns around sewage infrastructure, but Dixit said that Solhem had presented workable solutions that had been conceptually approved by the Metropolitan Council.

“We just felt like there was a lack of partnership with the city, on what are really typical zoning and infrastructure issues,” Dixit said.

So 89 affordable homes, fully funded and ready to build, will not be built in Edina.

The story is so well worn that it’s a cliché. A developer proposes affordable housing. Neighbors complain. Local government puts up expensive roadblocks that will delay the project for years. The project can no longer get built. The story ends, and our affordable housing crisis continues.

Some state legislators are tired of this story, however, and have brought land use and zoning policy to the forefront of policy discussions at the state Capitol this year.

Multiple bills have been proposed to change the regulations governing how housing gets built in different jurisdictions: One bill (HF4009/SF3964) would legalize slightly denser housing, like duplexes and townhomes, in neighborhoods across the state, and larger apartment buildings near major transit stops or in commercial areas. It would also limit bespoke, building-by-building approvals, having cities give more straightforward approvals to new housing if it’s in line with their comprehensive plans.

Another bill (HF3468/SF3572) would altogether eliminate minimum parking requirements statewide; and another (HF3351/SF3538) would direct a rewrite of the state building code to allow taller buildings with a single staircase (a change that, if done safely, would enable much more efficient apartment construction).

Essentially, the Legislature wants to set new requirements for local land use policies, which they view as overly restrictive and detrimental to housing affordability. A surprisingly diverse array of organizations and advocates are supporting these changes: affordable housing groups, environmental organizations, homebuilders, social justice groups and even the AARP.

A key intention of these reforms is to broadly lower the market prices of housing. They do this by legalizing more low-cost types of housing, and by increasing the overall supply of housing. More low-cost housing can come in the form of small-lot homes (see Houston and Portland), more efficient apartments, or accessory dwelling units that are cheaper to produce and therefore cheaper to buy and rent. Increasing the overall supply of housing prevents residents from competing for a scarce housing supply



and driving prices up — that is, making sure you don’t end up like California.

This policy effort comes after historic investments in housing in 2023 — over \$1 billion, or something like 20 times the spending in a typical two-year budget. The Legislature also passed a 0.25% increase in the metro sales tax to fuel future spending on housing.

That spending is mostly aimed at helping the residents that the market can’t help: Minnesotans with incomes too low to afford anything that private developers could build. In a country with far too little housing available for the poorest people, this is an enormously important goal. Funding is the core constraint here — it costs a lot of money to fill the gap between low incomes and the cost of housing for thousands of people.

Thus, while there are great benefits to both land use reforms and affordable housing funding, they are often viewed as distinct, each addressing different parts of the “continuum” of housing needs.

But we should recognize the direct ties between these two policy efforts: land use is an affordable housing issue.

#### Local governments and the all-too-common affordable housing backlash

Edina’s story of a stalled-out affordable housing project is hardly unique. For example, as Katelyn Vue reported for the Sahan Journal last year, multiple public officials in Shakopee attempted to kill a 46-unit affordable housing project by changing local zoning law behind the scenes. Vue obtained city emails in which a Shakopee city commissioner suggested some regulatory chicanery to allow the City Council to kill the project. Thanks to Vue’s reporting and organized advocacy in support of the project, the city backed down and the project is now in motion.

But there aren’t enough local organizers or nosy reporters to win all of these battles. Like any city in Minnesota, Edina and Shakopee have considerable leeway in their use of local zoning policies. In practice, this flexibility can easily serve as a lever to control any and all housing development that comes to a city. If a city keeps its zoning strict — even in ways contradictory to their comprehensive plan — any proposed building will need a variance or exemption of some kind.

As Sarah Larson, a principal at Minnesota-based affordable housing consultancy group Landon Group, explained, it’s common for cities to have zoning codes that make it difficult to build multifamily housing without a custom, discretionary approval process. A typical outcome of this system is planned-unit developments, which involve granular negotiations between developers and cities.

“If your zoning code hasn’t been updated or is too strict for multifamily, almost all multifamily development will need a planned-unit development,” Larson said. Once this kind of bargaining chip is in play, Larson said, cities have the ability to extract costly concessions from a new developer, or even altogether halt a project.



The quieter pains of land use policies

Localized backlash to affordable housing makes for prominent characters and attention-grabbing headlines. In other ways, restrictive land use policies more subtly reduce the capacity of affordable housing providers across the state. The funding pool for affordable housing development is always limited, and always insufficient to meet the need. When local policies raise the costs of building housing, scarce subsidy dollars will simply do less good.

Even when restrictive zoning and discretionary approvals don't altogether halt new affordable housing, it raises the upfront risk of a development, and can delay projects by months or years — thereby increasing costs.

Other local codes and policies more directly raise the costs of building. For example, minimum parking requirements mandate that all developments include a specified amount of off-street parking, which can cost tens of thousands of dollars per parking spot to build.

Parking requirements vary wildly across jurisdictions. In a recent study, the Federal Reserve Bank of Minneapolis surveyed ten Twin Cities suburbs on the number of parking spots that would be required in a 211-unit apartment. They found that seven of the 10 suburbs would require over 272 parking spots. In those cities, developers would either have to build huge quantities of parking — steeply increasing the development cost — or hope for a variance.

And that's just one example. The same study found park dedication fees that ranged from \$1,500 to \$8,000 per unit. Some of the cities also required buildings to use more expensive external materials, such as brick and stone, for aesthetic reasons.

So we rightly dedicate public resources for building affordable housing, but then allow other public processes to reduce the good we can do with that housing money.

On the other hand, the inverse can be true: Good land use reforms can meaningfully increase the capacity of affordable housing.

As I reported in a story for Southwest Voices last fall, the Minneapolis Public Housing Authority has recently begun to open new buildings from its Family Housing Expansion Project. On 16 sites across Minneapolis, MPHA replaced single-family homes and duplexes with four-unit or six-unit buildings. These buildings could only be built due to the looser zoning under the Minneapolis 2040 Plan, as various parts of Minneapolis neighborhoods changed from allowing two homes per lot up to six, and stopped requiring fixed quantities of parking in new development.

Land is a scarce and costly resource in Minneapolis. Thanks to city rezoning, MPHA can now house dozens of additional low-income families — no raucous public hearing needed.



Can local control ever live up?

Across jurisdictions in Minnesota, our array of cost-increasing land use policies diminishes our ability to house our neighbors in need.

That's an extremely consequential problem. Half of renters and a fifth of homeowners in Minnesota spend more than 30% of their income on housing. A lack of housing affordability and stability contributes to poor health outcomes and reduced economic opportunity.

The policy efforts underway in Minnesota would address precisely these kinds of issues — both by increasing certainty in approval processes, and taking measures to limit the policies that directly raise the costs of building new housing.

A bill at the Legislature (HF4009/SF3964), for instance, would require that cities implement quicker, non-discretionary administrative review processes in line with their comprehensive plans, which likely would have helped Solhem's Edina project get approved.

Local governments don't all agree with these proposals.

The Minnesota League of Cities, which represents the collective interest of hundreds of jurisdictions across the state, has been a stalwart opponent to the statewide zoning bills floating around the Legislature the past few years. As an advocacy organization, their general principle is to “oppose legislation that erodes local control in cities across Minnesota.”

Thus, every time that Minnesota policymakers have proposed a bill to change the state's land use policies, the League of Cities has held tight to the importance of local control, urging policymakers not to change anything at the state level.

Broadly, this argument holds some merit. Local planning departments and city councils surely do know more about their infrastructure needs and development patterns than state policymakers. Generally, proposed state land use bills don't do a ton to differentiate among different localities — at most, only providing special treatment to the smallest or most rural cities.

But what if local land use policies — either by empowering discretionary reviews or raising the costs of building housing — contradict statewide efforts to increase the availability of affordable housing?

With 182 jurisdictions in the Twin Cities alone, it would be a fool's task to wait for every single one to rewrite zoning codes in order to better support affordable housing development.

And that's assuming, of course, that individual cities are all on board with building more affordable housing. Unfortunately, that's not always true. In a recent committee testimony to the Minnesota House, Sarah Larson of Landon Consulting said that on average, her firm advises three developers each year not





to pursue an affordable housing project because they'd be unlikely to attain approvals.

Is it a city's right to maintain local control also a right to maintain exclusion? At what cost are we willing to uphold that principle?

“People are stressed and struggling without homes,” said Anne Mavity, executive director of Minnesota Housing Partnership. “The cost of that idea that nothing should change — which feels justifiable when you're just in a room talking about some esoteric development on a corner — means 100,000 households in Minnesota need homes and are suffering.”

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## [Minneapolis public housing authority seeks \\$35 million in state money for affordable units \(Session Daily\)](#)

By Miranda Bryant  
April 3, 2024

The largest non-federal funding amount ever given to the Minneapolis Public Housing Authority would allow for equipping and refurbishing 700 deeply affordable family housing units built in the 1960s.

Sponsored by Rep. Hodan Hassan (DFL-Mpls), HF4169 would appropriate \$35 million in fiscal year 2025 from the General Fund to the housing agency. The House Housing Finance and Policy Committee laid the bill over Wednesday for possible inclusion in larger legislation.

The investment would benefit 3,100 residents living in these dwelling units as well as about 3,800 families who would live in them over the subsequent three decades, according to a housing authority fact sheet.

“I know the state that they’re in,” said Hassan. “Some of them are falling apart. Some of them need AC units to be installed. Some of them have leaky roofs.”

Rep. Jim Nash (R-Waconia) questioned the amount requested, given the committee’s supplemental budget target is \$10 million. Rep. Brian Johnson (R-Cambridge) said he has a “tough time” asking residents of other cities to pay for public housing in Minneapolis through their taxes.

Minneapolis Mayor Jacob Frey said the city began issuing an annual \$5 million grant to the housing authority last year. “With this \$35 million investment, from the perspective of the state, we would be done.” The agency could then rely on annual federal subsidies because the capital backlog would have been addressed.

Housing authority officials say there is \$33 million in capital needs after decades of underfunding from the U.S. Department of Housing and Urban Development. It would allocate \$2 million annually for capital repairs, but this is insufficient to address the overall needs.

Proponents noted that public housing can be a bridge to home ownership and increased income.

“Without public housing I wouldn’t be a homeowner,” Muna Dahir said with the aid of a translator. She lived in public housing with her husband and nine children for six years.

Nineteen percent of heads of households in the 700 dwelling units were employed when they moved in. Today, 70% are employed, earning an average of \$37,321 a year, according to the authority. Moreover, since 2020 about 16% of families living in the units have purchased their own homes.

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## [Minneapolis Public Housing Authority requests \\$35M in state funding \(Finance & Commerce\)](#)

By Brian Johnson

April 4, 2024

A bill that seeks \$35 million in state money to fix leaky roofs and other deficiencies in hundreds of affordable-but-aging public housing units throughout Minneapolis is getting mixed reviews from legislators.

The funding would be the largest “non-federal” pot of money ever awarded for the Minneapolis Public Housing Authority and would help make up for “decades of under-funding” from the federal government, the city says.

Rep. Hodan Hassan, a Minneapolis DFLer, is the chief author of the MPHA funding bill. House File 4169 was heard at the Minnesota House of Representatives’ Housing Finance and Policy Committee Wednesday and laid over for possible inclusion in a housing omnibus bill.

Hassan and other bill supporters say the money would erase a roughly \$33 million maintenance backlog for 700 housing units. The improvements would benefit 3,100 existing and 3,800 future residents. If left “unaddressed,” the city said, the backlog will rise to \$70 million by 2034.

At Wednesday’s hearing, a number of people spoke in favor of the bill. But not everyone was on board with the request, which is well above the committee’s \$10 million budget target for housing in fiscal years 2024-25.

At least one lawmaker questioned, among other things, why taxpayers in Minnesota cities with housing needs of their own should foot the bill for Minneapolis.

“I have a tough time having the people from Roseville to pay for public housing in Minneapolis,” said Rep. Brian Johnson, R-Cambridge. “... We don’t have the funds to do \$35 million. There’s needs all over the state.”

Known as “scattered site housing,” the dwellings in question include deeply affordable single-family, duplex, fourplex, and “sixplex” homes throughout the city. Nearly 90% of the residents are Black, 86% of the units are female-led households, and roughly two-thirds are households with five or more people, according to the city.

Some of the homes are “falling apart,” Hassan said at the hearing. “Some of them need AC units to be installed. Some of them have leaky roofs. And [much of] this housing is family housing units that children are growing up in. And these are families that are the most needy.”



Other testifiers in support of the bill included Minneapolis Mayor Jacob Frey and Minneapolis Public Housing Authority executive director Abdi Warsame.

Frey said the requested funding is “long-overdue” and a long-term solution to the problem.

“Once this \$35 million, coupled with the city’s \$5 million ongoing investment, is made, you’ve got an opportunity to solve the problem. ... We believe in this work. And with \$35 million, we can really end the conversation in a really positive light.”

Warsame argued that the state money would benefit minority-owned businesses, as well as residents. Last year, he said, minority-owned businesses performed roughly 42% of labor hours for maintenance work in the public housing units at issue.

“This money will do more than just provide safe, stable, affordable housing for thousands of families for decades,” Warsame said. “This money will make more homes ADA-accessible, it will deliver energy efficiency, and it will invest in minority-owned, women-owned and low-income” businesses.

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## **“Missing middle” bill on the ropes and other Capitol housing news (Minnesota Reformer)**

By Madison McVan

April 4, 2024

A bill that would end single-family zoning in Minnesota and bar municipalities from using restrictive zoning to block housing developments has stalled out in both legislative chambers.

Rep. Michael Howard, DFL-Richfield, is chair of the House Housing Finance and Policy Committee and author of the housing bill (HF4009/SF3964). He told MinnPost Wednesday that the bill would not move forward this session.

Howard said in an interview with the Reformer that a pair of provisions from the bill could still be incorporated into other legislation: One would legalize accessory dwelling units like mother-in-law suites or above-garage apartments statewide. Another would allow developers to construct apartment complexes in areas currently zoned for mixed-use or commercial development.

With six weeks left in the legislative session, much remains uncertain, with the possibility that even those provisions could wither, or other aspects of the original bill could be resurrected. The bill is known around the Capitol as the “missing middle” proposal, referring to the class of moderately priced housing that is now in severely short supply, in part, builders say, because cities have erected regulatory barriers to development.

But cities strongly oppose any legislation that would revoke their local zoning authority, which has historically been used to exclude people of color and renters from certain areas.

Cities argue that the local controls are necessary to ensure infrastructure like sewers, water lines and roads are not overly burdened by dense development. They also describe the bill as having a “one-size-fits-all” approach by applying policies that worked in the metro area to rural cities.

“A lot of lawmakers have built really good, strong relationships with their cities and they trust what their cities say, and some of the cities were saying some hyperbolic things,” Howard said.

The bill has bipartisan support. A Senate bill (SF1370/HF1667) with many of the same provisions passed the Senate Housing and Homelessness Prevention committee with a unanimous vote in mid-March, but has not received a hearing in the State and Local Government and Veterans committee.

Advocates, including private and nonprofit housing developers, religious groups and social justice organizations, say the bill would lower the cost of building housing by blocking government from imposing expensive aesthetic requirements like stone facades and reducing expenses associated with city permitting and public hearing processes.



The policies are meant to increase housing supply, which in turn reduces housing costs for buyers and renters alike. The bill also contains incentives to build dedicated affordable housing.

Minneapolis Public Housing Authority requests \$35 million to repair homes  
Minneapolis Mayor Jacob Frey testified to the House housing committee in favor of a bill (HF4169/SF4020) that would allocate \$35 million to the Minneapolis Public Housing Authority to make needed repairs and improvements to its public housing developments.

The agency received a \$5 million grant from the Legislature for capital improvements last year, but the agency says its backlog of needed repairs is the “single largest threat” to the agency. Federal money usually only covers around 10% of the needed repairs in a given year, according to the agency’s presentation to the committee.

The \$35 million would cover the backlog of needed repairs in the agency’s more than 700 single-family homes scattered throughout the city. With the one-time cash infusion, the agency could replace aging appliances instead of repeatedly repairing them, according to the presentation.

“This crucial funding will help us protect and expand our city’s public housing and move us toward a future where everyone is housed with dignity,” Frey said.

The bill remains with the House Housing Finance and Policy Committee for possible inclusion in a larger funding package.

Bill would allocate \$60 million in ongoing funding for homelessness service  
A bill authored by Sen. Zaynab Mohamed, DFL-Minneapolis, would direct \$60 million per year to the Department of Human Services for grants to providers of homelessness services.

The funding is meant to fill gaps in state and city services, directing the grants to providers of crisis response, shelters and outreach, unsheltered navigation services and housing-focused case management.

The repeated clearing and relocation of Camp Nenookaasi in Minneapolis has drawn extra attention to unsheltered homelessness and to local authorities’ handling of the encampments in recent months.

“Local governments are the biggest funders of homelessness response in Minnesota. The state needs to step up,” Mohamed said.

Hennepin County Commissioner Angela Conley spoke in support of the bill.

“We are backing this bill because people in each of our 87 counties all over the state are experiencing homelessness...and because we know counties want to stand up and do something about that. But, to be able to do something about that, we’re going to need your help,” Conley told the committee.



The bill will stay with the Senate Health and Human Services Committee for possible inclusion in a larger omnibus bill.

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