



NOTICE AND AGENDA

May 27, 2026

The 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 Minneapolis Public Housing Authority will meet at 12:30 PM at the same date and place. The Resident Advisory Board will meet at 12:00 PM at the same date and place.

COMMISSIONERS:

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

GENERAL:

- Roll Call
- Approval of Agenda May 27, 2026
- Minutes of the Regular Meeting of April 22, 2026

NEW/PROMOTED STAFF INTRODUCTIONS.

MPHA SUCCESS STORY.

CHAIR'S UPDATE.

RESIDENT ADVISORY BOARD CHAIRPERSON'S COMMENTS.



CONSENT ITEMS:

ITEM NO. 1: *Area-Wide Physical Needs Assessment (PNA)*
[Laura Dykema, Director of Planning and Development]

DISCUSSION ITEMS:

ITEM NO. 1: *Exit of Poth Program at 1708 Oak Park Avenue*
[Lisa Griebel, General Counsel]

Resolution 2026-260

PUBLIC HEARING:

- Significant Amendment to the 2026 MTW Plan outlining MPHA's plan to leverage resources to bring upgrades to two of its mid-rise properties.

RECEIVE AND FILE:

- Executive Director's Update, May 2026
- Monthly Performance Report, April 2026
- Community Update, May 2026

NEXT REGULAR MEETING:

- Wednesday, June 24, 2026 at 1:30 PM
1001 Washington Avenue North
Minneapolis, Minnesota 55401

NOTICE:

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



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

April 22, 2026

The Minneapolis Public Housing Authority in and for the City of Minneapolis met in a regularly scheduled meeting at 1:30 PM on Wednesday, April 22, 2026, at 1001 Washington Avenue North, Minneapolis, Minnesota; the date, time, and place established for the holding of such meeting.

ROLL CALL:

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

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

The following members of the MPHA Board of Commissioners being absent:

- | | |
|---------------|--------------|
| • Tom Nordyke | Commissioner |
|---------------|--------------|

The following others also being present:

- | | |
|--------------------|---------------------------------|
| • Abdi Warsame | Executive Director/CEO, MPHA |
| • Dominic Mitchell | Deputy Executive Director, MPHA |

MPHA Sr. Executive Assistant, Jocelyne Satnik declared the presence of a quorum.

APPROVAL OF AGENDA:

Commissioner Erickson moved approval of the proposed agenda as presented. The motion was seconded by Commissioner Werder. Upon a voice vote, the chair declared the motion carried.



PRESENTATION:

- ITEM NO. 3: *FYE25 Financial Results*
[Tim Durose, Chief Financial Officer]

RECEIVE AND FILE ITEMS:

- Executive Director's Update, April 2026
- Q1 2026 Strategic Plan Quarterly Update
- HCV Cost-Saving Measures Update
- Monthly Performance Report, March 2026
- Community Update, April 2026

ADJOURNMENT:

There being no further business to come before the board during this meeting and upon a motion duly made by Commissioner Porte and seconded by Commissioner Isse, the meeting adjourned at 1:51 PM.

ALYSSA ERICKSON, SECRETARY OF THE BOARD OF COMMISSIONERS

May 27, 2026

DATE THESE MINUTES WERE APPROVED



May 27, 2026

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, Executive Director / CEO

SUBJECT: Area-Wide Physical Needs Assessment (PNA)

Previous Directives: The Board has previously approved the Capital Fund Program (CFP) Plan and Moving To Work (MTW) and Community Housing Resources (CHR) Budgets for FY 2026. Area-Wide Physical Needs Assessment (PNA) work 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 May 27, 2026 meeting.

Budget Impact: Expenditures will be charged to the Capital Fund Program and CHR operating budget as originally budgeted/planned.

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 \$671,972.00 with Ameresco for comprehensive physical needs assessment services across MPHA's public housing and CHR portfolios.

The U.S. Department of Housing & Urban Development (HUD) requires public housing authorities to conduct a comprehensive physical needs assessment of its properties every five years. This assessment was last conducted for MPHA properties in 2021 and therefore requires updates this year. While a HUD requirement, MPHA routinely utilizes this data to help inform short- and long-term capital planning as well as major redevelopment initiatives across its 6,000+ unit portfolio.

On April 14, 2026, a Request for Proposals was publicly advertised with a proposal due date of May 11, 2026. Proposals were received from the following firms:

Ameresco	Focus
BBG Inc.	Nelrod
Bureau Veritas	Salas O' Brien
D3G	Quandam

The eight proposals were reviewed and considered by staff based on six measured categories including proposed fees, proposal quality, project approach and management, qualifications and experience of staff, relevant knowledge of HUD PNA requirements and experience conducting physical needs assessments of large housing portfolios, and Section 3 Business Preference.



Staff recommend contract award to the highest-ranking firm, Ameresco. This firm is well-versed in HUD PNA requirements and is intimately familiar with the software platform MPHA utilizes to manage its PNA data. The firm has extensive experience with PHA physical inspections and their proposed methodology for conducting MPHA's PNA is organized and well thought out. Staff is confident they will deliver a thorough and accurate assessment of the physical condition of MPHA's housing portfolio that can be relied upon for informing major capital investment strategies.

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.



May 27, 2026

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, Executive Director / CEO

SUBJECT: Exit of POTH Program at 1708 Oak Park Ave N.

Previous Directives: The Board of Commissioners authorized MPHA to submit an application to the Minnesota Housing Finance Agency on December 18, 1996 for a POTH loan; and to execute a deferred POTH loan repayment agreement and mortgage for 1708 Oak Park Avenue on February 25, 1998.

Resident Council Review/Recommendation: This Report will be discussed with the Resident Advisory Board (RAB) immediately prior to the Board's May 27, 2026 meeting.

Budget Impact: This action does not have an impact on the MPHA budget.

RECOMMENDATION: It is recommended that the Board of Commissioners approve a resolution declaring that the MPHA owned property at 1708 Oak Park Avenue North, and leased to Avenues for Homeless Youth, is no longer usable to carry out the governmental purpose for which it was acquired.

In 1989, Minnesota statutes permitted Minnesota Housing Finance Agency (MHFA) to make loans to local government units to finance the acquisition, improvement, and rehabilitation of housing properties for the purpose of providing transitional housing. In 1990, the state legislature appropriated \$1.5 million to fund the transitional housing program under this law. These loans to fund transitional housing were known as Publicly Owned Transitional Housing (POTH) loans.

As a public agency, MPHA acquired four properties on behalf of local non-profits under the POTH program. One such property, located at 1708 Oak Park Ave N, has been utilized by the Avenues for Youth non-profit in their service of vulnerable youth. MPHA obtained a MHFA \$727,900 zero-interest, forgivable loan to acquire the property.

On April 15, 1998, the agency executed the MHFA deferred loan repayment agreement and mortgage, securing the POTH loan. Shortly thereafter, MPHA entered into a lease agreement with a service provider to uphold the program terms. Avenues for Youth has managed the property since that time.

Unfortunately, the building has degraded over time, and cannot currently meet its intended purpose. Avenues For Youth concluded in 2023 that it would need to build its own facility that aligned the physical space with the needs of its program clients. They had compared outcomes



between their Minneapolis and Brooklyn Center operations. Between the two buildings, they maintain the same staffing ratios, service coordination and program terms, yet the outcomes for the Brooklyn Center operation outperform Minneapolis year over year. The shared bedroom spaces and layout of amenities has been a growing barrier to successful exits from the Minneapolis site at 1708 Oak Park.

Because Avenues for Youth is unable to continue operations at the MPHA owned building, they plan to move all housing services to a newly constructed site, anticipated to be finished in July 2026. The new facility integrates trauma-informed design principles and is located only a few blocks from the current operations.

Upon touring the site, MPHA has determined that it can no longer operate as transitional housing, and any other use is cost-prohibitive. MPHA plans to sell the property as allowable under state law, as it cannot be reconfigured to align with any of the program needs of the service provider.

To sell state bond financed property, state law requires that four factors be met. The factors include (1) the public agency determines by official action that the property is no longer usable or needed by the agency to carry out the governmental program for which it was acquired; (2) the sale is made as authorized by law, (3) the sale is made for fair market value; and (4) the sale is approved by the commissioner. As detailed, the building is no longer suitable for housing vulnerable populations and accordingly is no longer usable for its originally intended purpose.

State law requires the Commissioner of Management and Budget's consent to such a sale, a prerequisite to which is MPHA Board action declaring the site is no longer usable to carry out the governmental purpose for which it was originally acquired. The foregoing establishes that the property is no longer usable to carry out the program for which it was established.

This Report was prepared by Lisa R. Griebel, General Counsel. For additional information, please contact Ms. Griebel at 612-342-1395 or lgriebel@mplspha.org

RESOLUTION No. 2026-260

WHEREAS, the Minneapolis Public Housing Authority (MPHA) administers Low Income Public Housing and Section 8 voucher programs with a mission to promote and deliver quality, well-managed homes to a diverse low-income population and, with partners, contribute to the well-being of the individuals, families and community it serves;

WHEREAS, in 1989, Minnesota statutes permitted Minnesota Housing Finance Agency (MHFA) to make loans to local government units to finance the acquisition, improvement, and rehabilitation of housing properties for the purpose of providing transitional housing;

WHEREAS, the 1990 Minnesota legislature appropriated \$1.5 million to fund the transitional housing program. These loans were known as POTH loans, or Publicly Owned Transitional Housing loans;

WHEREAS, in 1996, the MPHA Board of Commissioners authorized MPHA to submit an application to the Minnesota Housing Finance Agency (MHFA) for a loan amount not to exceed \$730,000, zero-interest forgivable loan under MHFA's POTH program, for the purpose of purchasing a property to lease to a service provider to operate as transitional housing;

WHEREAS, in 1998 the MPHA Board of Commissioners authorized the agency to enter into a Lease Agreement with Avenues for Youth (formerly Project Foundation) to assure that the facility would be used for purposes of transitional housing for low-income youth between the ages of 15-20 for MHFA's requisite 20-year period;

WHEREAS, according to the terms of the Deferred Loan Repayment Agreement and Mortgage, MPHA's forgivable POTH loan was deemed to have been paid in full as of April 2018;

WHEREAS, Avenues for Youth is unable to continue operations at the building due to substantial, necessary upgrades to meet the needs of serving vulnerable youth, and plans to move all housing services to its new facility within the neighborhood upon the completion of construction;

WHEREAS, MPHA wishes to sell the property;

WHEREAS, according to Minnesota Statutes § 16A.695, subd. 3, a public agency may not sell state bond financed property such as this unless, among other things, the public agency determines by official action that the property is no longer usable or needed by the agency to carry out the governmental program for which it was acquired.

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

- (i) Given the substantial outdated accessibility and related features of the current building, the current building does not have the ability to meet program goals and serve youth with dignity, Therefore, it is no longer usable to carry out the governmental purpose for which it was acquired; and
- (ii) The Executive Director/CEO or his designee is authorized to execute and submit all necessary documents to sell in accordance with state law for bond-financed property.



May 27, 2026

MEMORANDUM TO: MPHA Board of Commissioners
FROM: Abdi Warsame, Executive Director / CEO
SUBJECT: Executive Director's Report, May 2026

Earlier this month, I announced Heather Pacheco's appointment as MPHA's next Chief Financial Officer, effective June 2, 2026. Heather is replacing long-time MPHA CFO Tim Durose, whose retirement we celebrated last week. Looking ahead, Heather is stepping up at a critical time for the agency. As federal funding becomes more uncertain, Heather will help agency leaders navigate challenging budget cycles in the years ahead as we continue to pursue additional state and local funding to help offset federal losses. Heather assumes leadership of a finance team that has consistently achieved operational excellence in recent years, and I am confident she will help continue MPHA's legacy of being a nationally recognized, high-performing housing authority.

On the topic of state and local funding, the state legislative session concluded this past month. And while neither of MPHA's legislative priorities (Glendale and Stable Homes Stable Schools) were funded, legislative leaders still invested millions in housing preservation and production. Specifically, the legislature funded \$100 million in Housing Infrastructure Bonds and \$17.5 million in Publicly Owned Housing Program general obligation bonds. Agency leaders anticipate pursuing both pots of money via Minnesota Housing RFPs for various agency capital and construction projects.

While MPHA did not have earmarks funded by the state legislature, the agency did receive good news about its recent Congressionally Directed Spending (CDS) request. Both Senators Klobuchar and Smith have submitted MPHA's CDS request for \$1 million to support electrical and fire system replacement work at Lowry Towers to the Senate Appropriations Committee. With Congresswoman Omar submitting this project to the House Appropriations Committee last month, the agency's request is now supported by its entire federal delegation—a positive step in the funding process. While the funding is not guaranteed and congressional appropriations being increasingly unpredictable in recent years, my office will keep the board updated as this funding request travels through congress in the months ahead.

Elsewhere in the agency, agency leaders spent the last month presenting at a variety of events, including presenting the agency's 2026 goals to the Minneapolis Highrise Representative Council advisory board, presenting about Stable Homes Stable Schools at Council of Large Public Housing Authorities and Minneapolis Foundation events, and hosting another productive Glendale community meeting. Agency staff also completed the final NSPIRE inspection in AMP 3 this month, and I look forward to MPHA receiving its full NSPIRE scores from HUD and sharing with the board next month.



Monthly Performance Report

Minneapolis Public Housing Authority
Board of Commissioners
For the month ending April 30, 2026

Contents

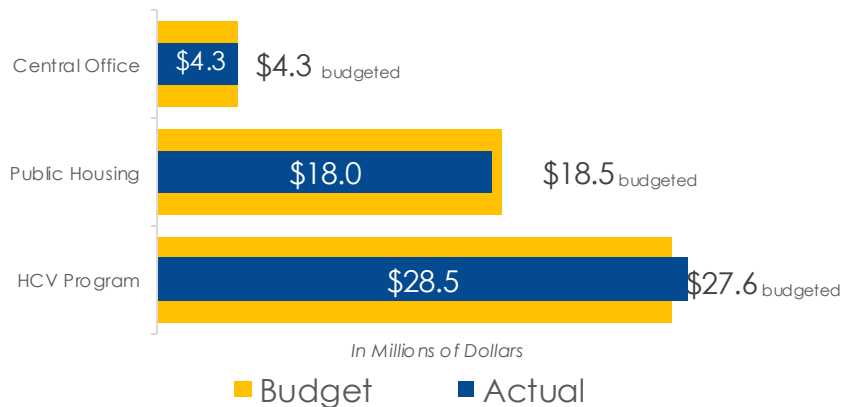
1. Financials
2. Performance of Operations
 - Public Housing Programs
 - Housing Choice Voucher Programs
3. Building Improvement and Development Projects

Operating Sources and Uses

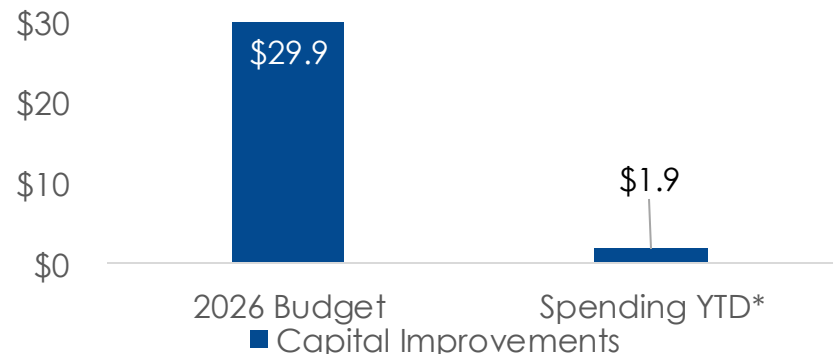
MTW Public Housing and Housing Choice Voucher (HCV) Program

Sources	YTD Budget	YTD Actual	Favorable (Unfavorable)	
			Variance	Variance %
Tenant Revenue -Rents & Other	\$ 6,694,324	\$ 6,592,414	\$ (101,910)	-2%
Public Housing Operating Subsidy	\$ 6,681,224	\$ 6,063,644	\$ (617,580)	-9%
HCV HAP Subsidy & Admin Fees	\$ 27,075,520	\$ 27,975,826	\$ 900,306	3%
Other Revenues, Fees, & Grants	\$ 906,836	\$ 868,140	\$ (38,696)	-4%
Transfers-In	\$ -	\$ 224	\$ 224	n/a
Total Sources	\$ 41,357,904	\$ 41,500,248	\$ 142,344	0%
Uses				
Public Housing Operations	\$ 18,464,072	\$ 17,990,993	\$ 473,079	3%
Housing Choice Vouchers	\$ 22,580,841	\$ 23,509,255	\$ (928,414)	-4%
MTW Initiatives and Other Services	\$ 142,336	\$ 75,030	\$ 67,306	47%
Total Uses	\$ 41,187,249	\$ 41,575,278	\$ (388,029)	-1%
Net Sources/(Uses)	\$ 170,655	\$ (75,030)	\$ (245,685)	144%

Year to Date (YTD) Expenses



MTW Capital Fund Program

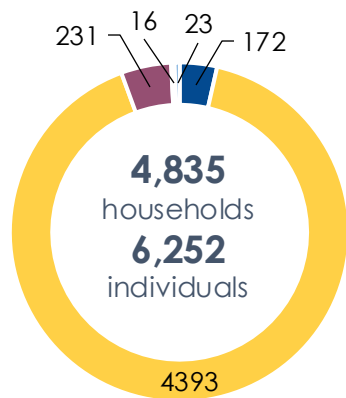


*An additional \$9.4 million is under obligation for capital projects YTD

Public Housing Programs



Occupied Units*

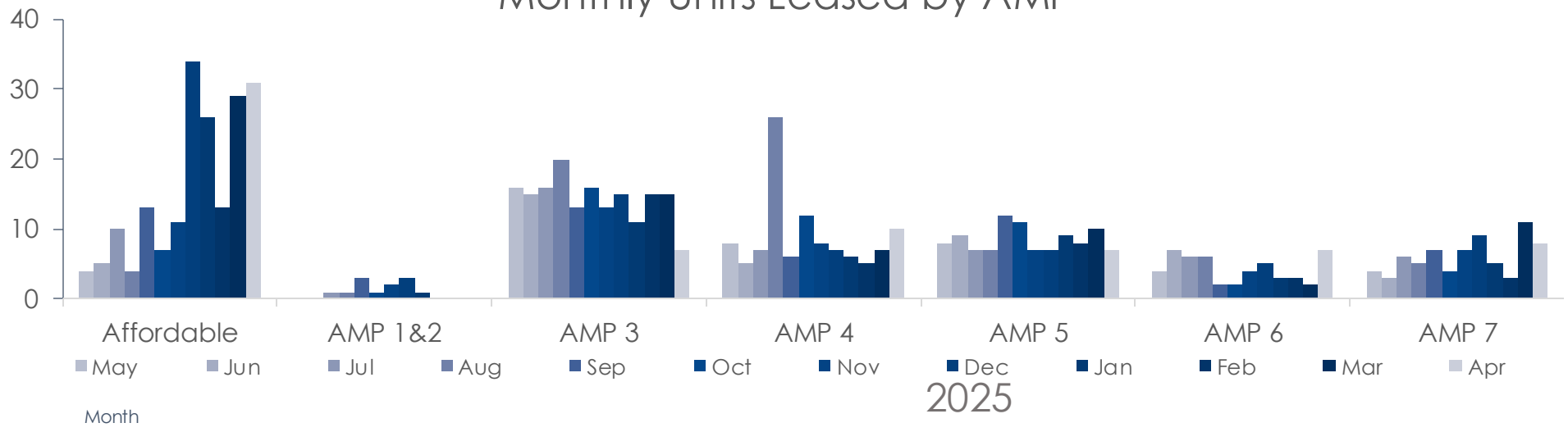


70
new units leased during month

97%
occupancy

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

Monthly Units Leased by AMP

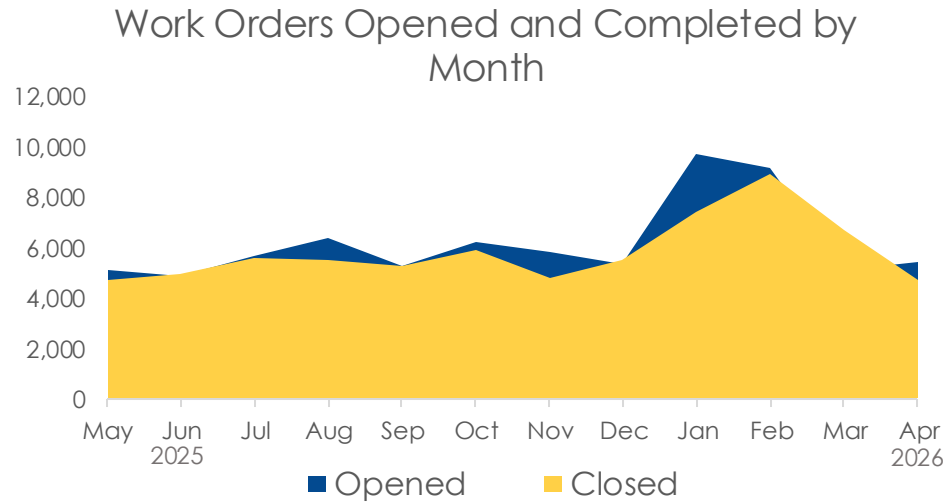


*At any given time, units may be vacant due to normal unit turnaround or because they are undergoing renovations.
 **Metropolitan Housing Opportunities Program (Hollman consent decree units owned and operated by third-parties)

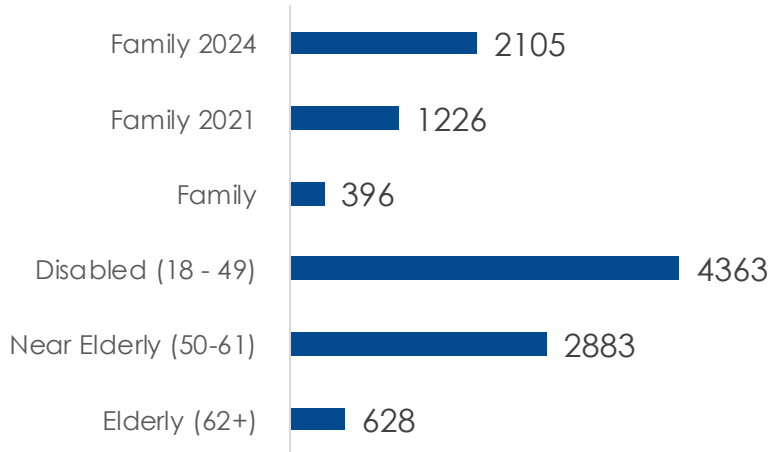
Public Housing Programs



Reason for Vacating Unit	Count
Death	18
Moving in with or closer to Family	9
Found Alternative Housing	7
To Nursing Home	4
Evicted - Non Payment	3
Illness	2
Dislike Unit	2
Other	2
Skip	2
Moving Out of Town	1
Mutual Termination	1
Evicted - Criminal Acts	1
Left Country	1



Applicants on Waiting List

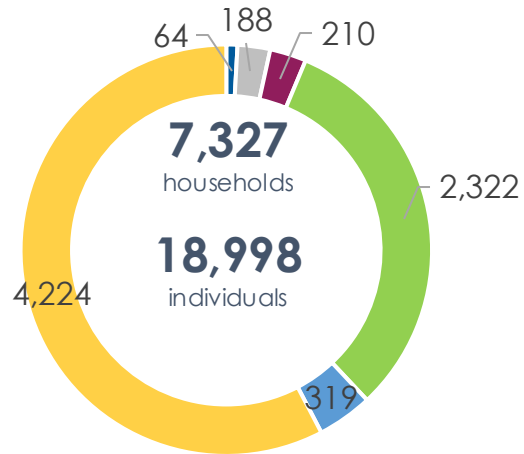


Goal	Total Completed	% Completed within Goal	Average Days Open
Emergency: 24 Hours	124	95%	0
Urgent: 1 Day	818	86%	12
After Hours Non-Emergency: 2 Days	1	100%	0
Important: 3 Days	1090	67%	3
Routine: 10 Days	1,073	78%	7
Non-Routine: 20 Days	123	52%	16
Pest Control	365	100%	10

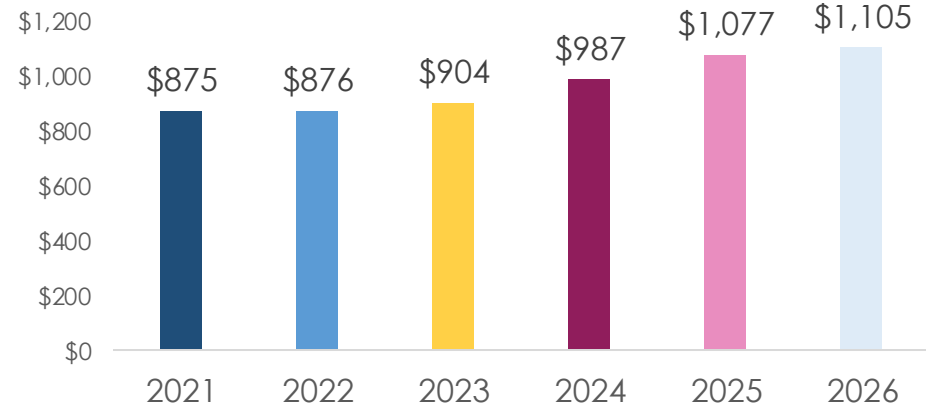
Housing Choice Voucher Programs



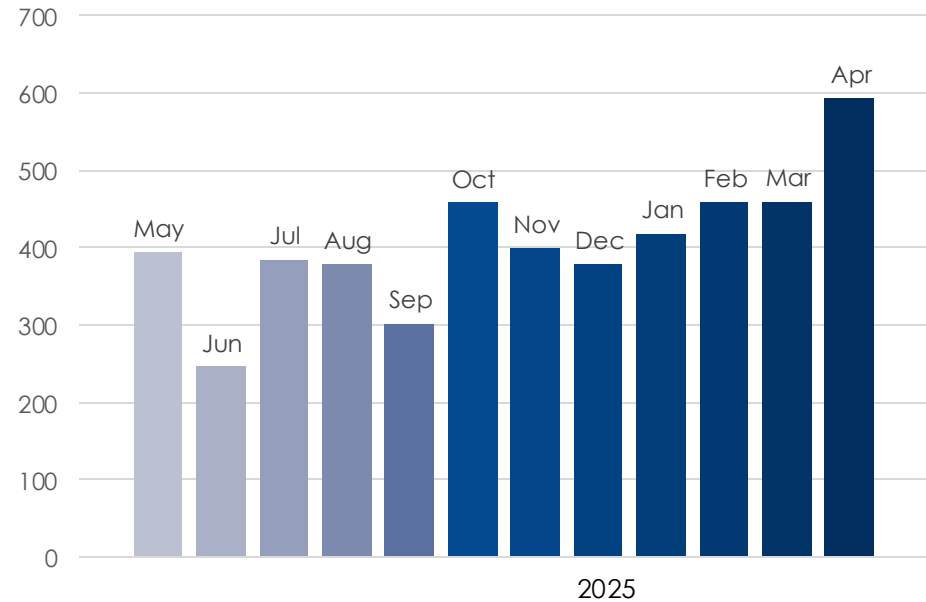
People Served by Program*



Average Housing Assistance Payment per Unit, Year to Date



Annual Inspections Conducted



- 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

Applicants on Waiting List



Major Building Improvement Projects - Planning



ADDRESS	DESCRIPTION OF WORK	STATUS
Cedars Mid-rises	Main electrical switch gear & generator replacement	Bidding
Horn Towers/314 Hennepin/Fifth Aves	Apt electrical panel replacement	Under contract
315 Lowry Ave N	Main electrical switch gear & generator replacement	Under contract
1707 3 rd Ave	Roof replacement	Bidding
1710 Plymouth Ave N	Exterior façade restoration, lower roof replacement	Planning
315 Lowry Ave N	Exterior façade restoration	Planning
1515 Park Ave S	Apartment entry door replacement	Planning
1900 3 rd St NE	Roof replacement, exterior façade restoration	Under contract/planning
630 Cedar Ave S	Exterior façade restoration	Planning
1015 4 th Ave N	Envelope/window repairs	Planning

Development Projects - Planning

ADDRESS	DESCRIPTION OF WORK	STATUS
Scattered Sites – Five Sites	Redevelopment/densification of five sites to create 25 new family units	Planning/pursuing financing
Snellings (3755 Snelling & 3205 E 37 th St)	Conversion & comprehensive rehab	Planning
Glendale Townhomes	TBD – exploring rehab & redevelopment options	Ongoing resident engagement; site studies

Major Building Improvement Projects - Active

ADDRESS	DESCRIPTION OF WORK	STATUS
CHR homes – various scattered sites	2026 improvements: unit modernization at turn	Ongoing
CHR homes – State funded investments	Exterior/structural repairs at 7 homes, deep turns at ~20 homes, radon testing & mitigation (as needed)	Underway
800 5 th /31 16 Oliver/1717 Wash/2533 1st	Main electrical switch gear & generator replacement	Suspended; re-bidding
630 Cedar Avenue South	Electrical systems replacements	Underway
2415 North Third Street	Main electrical switch gear replacement, generator install	Under contract; summer 2026 start
Multiple High-rises	Fire alarm system upgrades	Awarding contract/underway
1515 Park Avenue South	ADA shower replacement	Underway
1717 Washington St NE	Roof replacement	Contract awarded; spring 2026 start
Fifth Avenue Highrises	Entry vestibule upgrades	Underway
2415 N 3 rd , Hiawatha Towers	Roof replacement	Underway
350 Van White Memorial Blvd	Boiler replacement, elevator modernization	Underway
901 N 4 th Avenue	Corridor flooring replacement	Underway

Development Projects - Active

ADDRESS	DESCRIPTION OF WORK	STATUS
Scattered Sites	Redevelopment/densification of two sites	Construction ongoing
Spring Manors – 828 & 809 Spring St NE	Conversion, preservation & new unit production	Construction ongoing

Scattered Site/CHR Rehab



- Continue to pursue various funding options to complete major repairs/replacements
- **\$1.3M SHORP: All funds expended**
- **\$3.65M City of Mpls funds: All funds expended**
- **\$5M POHP grant: exterior rehab at ~60 homes complete; 7 add't exterior rehabs & radon testing/mitigation across portfolio underway**
- **Deep turns ongoing; 21 completed YTD**



809/828 Spring Conversion, Preservation & Expansion



- Comprehensive renovation utilizing HUD's RAD/Section 18 blend program & LIHTC/debt financing; serving as agency's Restore-Rebuild (R-R) pilot
- Addresses short- and long-term capital needs for both buildings; other improvements include enhanced resident amenities, new building systems, and adding 15 new units in adjacent building addition
- **Construction started July 21**
- **First three phases of units completed**
- **824 addition weather-tight**

Timeline (subject to change)

Construction Underway

824 Spring Addition Weather-Tight

Construction 50% Complete

Construction Complete

RAD conversion for R-R units

Perm Loan Conversion

July '25

Feb '26

Mar '26

Oct '26

Sept – Dec '26

Apr '27



Snellings Conversion & Preservation



- MPHA's next comprehensive renovation utilizing HUD's RAD/Section 18 blend conversion program; partially funded by MN Housing's POHP cash program
- Will address capital needs for both buildings; other improvements include enhanced amenities, ADA improvements, and building systems improvements.
- **RAD application submitted to HUD; rec'd HUD Commitment to Housing Assistance Payments (CHAP) award in mid-March; finalizing scope of improvements**

Timeline (subject to change)



Public Housing Tax Levy – 2024



Project	Description	Levy Budget	Funds Expended
Highrise Preservation & New Unit Production – 809/828 Spring St NE	Preservation of two high-rises that house over 220 residents. Scope of work includes full building renovation, systems replacement including in-unit air conditioning and fresh air ventilation, enhanced resident amenities and additional community spaces, and the construction of 15 new, disabled-accessible units in adjacent 4-story building addition. Funds fully committed at financial closing 7/10/25. Construction underway.	\$2,371,666*	\$1,125,000
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 two fully accessible units, in an Opportunity Area (SW). Construction underway.	\$750,000	\$344,000
Two-Unit Scattered Sites Infill Demonstration Project	Replacing a single-family scattered site home recently lost to a fire with a two-unit development with one fully accessible unit in a non-ACP50 area. Construction underway.	\$500,000	\$48,000
Highrise Elevator Modernization – 600 18 th Avenue North	Comprehensive elevator modernization at an elderly-designated building housing over 200 residents. Construction complete.	\$700,000	\$700,000
Highrise Elevator Modernization – 1314 44 th Avenue North	Comprehensive elevator modernization at an elderly-designated building housing over 200 residents. Construction complete.	\$550,000	\$550,000

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

*Revised/reduced to reflect actual collection amount.

Public Housing Tax Levy – 2025



Project	Description	Levy Budget	Funds Expended
Highrise Preservation & New Unit Production – 809/828 Spring St NE	Preservation of two high-rises that house over 220 residents. Scope of work includes full building renovation, systems replacement including in-unit air conditioning and fresh air ventilation, enhanced resident amenities and additional community spaces, and the construction of 15 new, disabled-accessible units in adjacent 4-story building addition. Funds fully committed at financial closing 7/10/25. Construction underway.	\$3,500,000	\$0
Highrise Window Replacement – 1717 Washington Street NE	Replacement of high-rise windows of 1980's vintage with energy efficient and code compliant assemblies that include fall protection safety features, at an elderly-designated building. Construction complete.	\$1,500,000	\$1,500,000

Receipt of levy proceeds expected in two installments – mid-year and year-end 2025.

Public Housing Tax Levy – 2026



Project	Description	Levy Budget	Funds Expended
Scattered Sites Infill Project	Five-site, 25-unit infill/redevelopment project in non-ACP50 areas. Redevelops seven units that have a current need of over \$430K. Leveraged with PBV support and 4% bonds/LIHTC, debt, soft sources and MTW resources. Target closing: 2026-2027.	\$1,000,000	\$0
Highrise Preservation	Comprehensive rehab/preservation of two south Mpls high-rises. Scope of work anticipated to address current/upcoming needs including enhanced amenities, unit updates including ADA improvements, and building systems improvements; leveraged with HUD's RAD/S18 Blend Program and MTW resources, as well as state POHP cash resources. Target closing: 2027.	\$1,500,000	\$0
Glendale	Predevelopment activities including extensive resident engagement to advance project goals and objectives. MPHA anticipates preserving the existing number of units (184) and is exploring options for new unit creation. Opportunity to address \$30+M of current and future needs and add units in an area of opportunity.	\$1,000,000	\$0
Highrise Elevator Modernization – 350 Van White Mem Blvd	Comprehensive elevator modernization at an elderly-designated building. Construction underway March 2026.	\$500,000	\$278,000
Highrise Boiler Plant Replacement – 350 Van White Mem Blvd	Boiler plant replacement with new, energy-efficient condensing boilers at an elderly-designated building. Construction underway spring 2026.	\$1,000,000	\$0

Receipt of levy proceeds expected in two installments – mid-year and year-end 2026.

Community Update

Prepared for the MPHA Board of Commissioners



May 2026 Community Update

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Agency Press Releases/Blog Posts

Sustainability and Energy Efficiency is Year-Round Work

April 22, 2026

Whether its incorporating energy efficient solutions in building developments or supporting resident-led community gardens, MPHA is committed to being a good steward of the environment and working to reduce its carbon footprint. Here are just a few ways MPHA is prioritizing environmental sustainability:

Building with an Eye on Sustainability

In 2023, MPHA celebrated the grand opening of the modular construction, [Family Housing Expansion Project](#) that brought 26 two- and 58 three-bedroom units across 16 multiplexes in Minneapolis. This project incorporates modular design, rooftop solar panels, and a variety of other energy efficiency, health, and green measures to meet the [Minnesota Enterprise Green Communities criteria](#).

This project provided MPHA with a blueprint for delivering more sustainable family housing. Both building project waste and neighborhood disruption was reduced by using modular building design because the structures were mostly built in an off-site manufacturing facility rather than on-site. Each building leverages a 22.6 kW rooftop solar which generates enough energy to cover an estimated 30 percent of the buildings' electrical usage and provide energy cost savings.

More recently, MPHA [broke ground on two new multiplexes](#) replacing high-needs, long vacant single-family homes. The project will bring three four-bedroom and two two-bedroom family units to South Minneapolis. Both the multiplexes will be all-electric and energy efficient, including rooftop solar arrays on the homes. Prioritizing these sustainable features is both financially smart and responsible for the agency.

Greening Up High-Rises with Resident Gardens

Every spring, MPHA residents across the city do their part to steward the local environment through gardening. These gardens support local wildlife, provide food for the community, and brighten up the neighborhood.

At Oliver Manor, residents have worked with the University of Minnesota Extension program to help maximize their space over the past few years. Master gardener volunteers plan, plant, maintain, and harvest vegetables, herbs, and flowers. After expanding their gardens last year, the group is looking to maintain the bed space this year.

At the Cedar High Apartments, residents team up with the Korean Service Center (KSC) to bring their many garden beds to life. The residents maintain vegetable gardens and pass along the harvest to KSC to incorporate into the meals they prepare and provide to residents participating in their program.

As part of the [Highrise Health Alliance \(HHA\)'s mini grant program in 2025](#), several buildings—Lyndale Manor, Art Love Manor, Lowry Towers, and The Riverside—received funding to invest and expand their buildings' community garden spaces. Raised beds were added at Lowry Towers and Lyndale Manor making the gardens more accessible to those with mobility issues. At the buildings that received mini

grant funding, residents saw this community investment as a catalyst to work together, get to know each other better, and share in the success of their harvest.

MPHA is committed to prioritizing environmental sustainability around the year across its many functions. From supporting resident garden projects to weaving energy efficient initiatives into new builds and renovations, the agency is working to be a good steward of the local environment.

###

New Momentum and Leadership at Minneapolis Highrise Representative Council

April 29, 2026

Over the past year, the [Minneapolis Highrise Representative Council](#) (MHRC) has been revitalized with new leadership, an expanded team, and a renewed focus on its mission. Following the retirement of numerous long-time staff in recent years, the MHRC Board of Directors appointed Ryan Vasquez as the organization's new Executive Director in September 2025. The MHRC board also reorganized the organization's staffing, creating new on-the-ground roles to improve responsiveness to resident concerns and better support resident councils in MPHA's 42 high-rises.

For more than 40 years, MHRC has advocated for more than 5,000 MPHA high-rise residents. The organization voices high-rise resident concerns to public officials, service providers, and MPHA while also working to ensure resident voices are reflected in MPHA's plans and policies. Additionally, MHRC supports resident councils in MPHA's high-rises. Resident councils provide feedback to MPHA building managers, oversee building laundry room operations, and coordinate building events to help strengthen social connections between residents.

“Residents know that they own this organization,” said Ryan Vasquez, Executive Director of the Minneapolis Highrise Representative Council. “They see MHRC as a manifestation of residents’ voices coming together. Often residents come to us first with their concerns, and that’s an honor.”

Of the five new staff members, two have previously served MPHA residents through service partner roles. Tracy Thoraldson, serving as community organizer for the North and Northeast buildings, comes from East Side Neighborhood Services. Sahra Shireh, the new Southside community organizer, previously worked at Volunteers of America assisting MPHA residents as a community service worker. These new team members join Britta Moen, Lead Community Organizer, Gretta Obeid, Administrative Assistant, and Laura Murphy, Operations Director, to round out the full team. Together, this team will leverage lived experience and existing resident relationships to support resident councils, encourage cross-cultural connection, and be strong advocates for public housing residents.

“As community organizers, we are here to support residents with ground organizing,” said Sahra Shireh, Community Organizer at the Minneapolis Highrise Representative Council. “Our goal is to help unite the buildings, helping residents connect with each other and build a stronger community.”

With the new team set, MHRC is looking to greatly enhance resident programming that has struggled to return since the pandemic. One top of the team's top priorities is to reinvigorate Project Lookout.

Project Lookout is a resident-led safety program that stations resident volunteers throughout buildings to supplement MPHA security teams. Resident volunteers help ensure guests sign in when visiting, monitor package pick-ups, and patrol buildings' halls and campuses to report security incidents or concerns.

Currently, Project Lookout operates at 12 high-rises, with two additional buildings launching in the coming weeks. With safety/security often cited as MPHA residents' top concern, MHRC is focused on expanding and improving this successful program with [new funding from the Minneapolis City Council](#) to help recruit residents to be a part of the solution in their community.

Additionally, MHRC will capitalize on the excitement of the successful [mini grant program](#), organized last year by the Highrise Health Alliance with one-time grant funding. The program encouraged connection and sparked joy across MPHA high-rises, supporting resident-led building events and projects. MHRC will continue this community building momentum as it reenergizes building resident councils.

With resident council elections coming up in May, MPHA residents are encouraged to help shape their community's future by volunteering to join their building's resident council. Supported by a rejuvenated MHRC, the next generation of MPHA resident leaders will have an opportunity to expand connection and community among public housing residents across MPHA's 42 high-rises across the city.

###

MPHA Announces Heather Pacheco as Chief Financial Officer

May 7, 2026

Today, MPHA announced the appointment of Heather Pacheco as the agency's new Chief Financial Officer (CFO). Heather has spent the past 16 years working at MPHA in a variety of finance roles, most recently serving as Assistant Director of Finance. Heather will begin in her new role on Tuesday, June 2. Heather is replacing long-time MPHA CFO Tim Durose, who announced his retirement earlier this year.

“During Heather’s 16 years at MPHA, she has built a career creating solutions for some of MPHA’s most complex challenges,” **said Abdi Warsame, Executive Director/CEO of the Minneapolis Public Housing Authority.** “Heather has helped navigate MPHA’s finances through everything from the COVID-19 pandemic to a historic 43-day federal government shutdown with little to no interruption to the agency’s activities. Her work has been instrumental in MPHA’s finance team achieving operational excellence in recent years, and I am confident Heather will help continue MPHA’s legacy of being a nationally recognized, high-performing housing authority.”

“After working at MPHA for 16 years, I am ready and excited to take on this new challenge,” **said Heather Pacheco, incoming CFO of the Minneapolis Public Housing Authority.** “The MPHA finance team has delivered exceptional results in recent years, and I am honored at the opportunity to lead this incredible group. This team will continue leading MPHA through all manners of transformation, including diminished federal funding, increased state and local funding, and meeting the need for more affordable housing in Minneapolis. I look forward to helping preserve and produce the affordable housing opportunities our community needs.”

In her role as Assistant Director of Finance, Heather leads a team of seven, coordinates the agency’s annual budget planning process, develops financial reporting for new programs, and manages backend system changes. Her work has been instrumental in helping MPHA’s finance team achieve operational excellence in recent years.

As the agency’s work to address the city’s affordable housing crisis has grown increasingly innovative in recent years, Heather has helped build novel compliance and reporting systems to accommodate new funding programs and grants. Her work includes overseeing the accounting and financial reporting for [\\$8.2 million in Minnesota Housing’s Publicly Owned Housing Program](#), a one-time [\\$1.3 million grant from Minnesota Housing’s Stable Housing Organization Relief Program](#), and a [\\$350,000 Pohlad Family Foundation grant](#) supporting the nationally acclaimed [Stable Homes Stable Schools](#).

Heather has earned several promotions throughout her time with MPHA, entrusting her with increasing responsibilities. Heather began her career at MPHA in 2010 as a financial analyst and earned her first promotion within a year. In 2014, Heather was promoted to a manager-level role within the department. And in 2019, Heather was promoted into an assistant director of finance role, helping CFO Tim Durose lead the department.

“I have built my career here at MPHA,” **said Heather.** “My time at the agency has spanned the entirety of my career, so I’m excited to enter this new chapter of leading the department. And I am grateful for mentors like Tim Durose who have encouraged me along the way.”

Heather is stepping into the role of CFO at a time the agency faces uncertainty and volatility with its nearly \$200 million in annual federal funding, including a historic 43-day federal government shutdown in October. Despite the headwinds coming from Washington, MPHA continues to advance numerous local projects, including the [largest public housing redevelopment in the city's history](#), a new [city-funded emergency housing voucher](#), and planning for a [large-scale construction project at Glendale](#).

MPHA provides stable, affordable housing for more than 26,000 people through its various housing assistance programs. This includes owning and operating nearly 6,000 units across 42 high-rises, 184 family townhomes at Glendale, and nearly 800 deeply affordable family homes collectively serving nearly 10,000 residents. MPHA also administers roughly 7,500 federally subsidized Housing Choice Vouchers, serving nearly 18,500 participants.

###

[Encouraging Her Community: Belinda Walker](#)

May 12, 2026

For years, Belinda Walker escaped homelessness by living with her daughter. But when her daughter had plans to move to a new place that wouldn't be able to accommodate Belinda anymore, she needed a living arrangement she could afford on her own. In 2019, she applied for MPHA housing. Shortly after, Belinda moved into MPHA's [Lyndale Manor](#).

“Sometimes as a senior you can feel overlooked, but living with MPHA I feel seen and important,” **said Belinda Walker, a Minneapolis Public Housing Authority resident.**

Since living with MPHA, Belinda has been a strong leader in the community. Belinda is the president of her building's resident council, serves as the chair of MPHA's Board of Commissioner's Resident Advisory Board, and is on the Minneapolis Highrise Representative Council's Advisory Board. Belinda also advocated for the [city reinstating the tax levy](#) bringing MPHA \$5 million annually throughout 2023, testified in support of MPHA funding at the state legislature in 2025, and helps out with the monthly food shelf events at her building.

“I want to live fully and that means being involved in the community,” **said Belinda.** “My mom always said, ‘don't let the grass grow under your feet.’ So, I have lived that way, choosing to always be going, going, going.”

Belinda says her involvement in the community is a lifeline. It helps get her out of her apartment, helping with her mental health. She's able to be a resource for her building neighbors; When she learns new information from the various committees, she's able to funnel that knowledge around. And Belinda is grateful she can help her neighbors in this way.

“There is life in these high-rises,” **said Belinda.** “We learn from the other MPHA buildings. When we see a different building doing something fun, we bring that idea to our building.”

Belinda says it's thanks to other resident leaders that she started getting involved in the committees several years back. She was encouraged by her neighbors to step up to her role as resident council president. And other MPHA resident leaders from across the city have been mentors to her, as well.

Although this community building work can be tiring, leaders like Belinda keep showing up and making things better for their neighbors. And together, these residents are making the MPHA community stronger day after day.

###

[MPHA Program Helps Veterans Like Rajean Stay Housed](#)

May 21, 2026

This time last year, Rajean Paulus was living in an RV on family land. Struggling with Post-Traumatic Stress Disorder (PTSD) from her time serving in the National Guard, finding and holding a job was difficult. Though she always dreamed of a place of her own to call home, she struggled to make and save enough money to escape the confined RV walls. After serving in the National Guard, dealing with PTSD, going through a divorce, and caring for her children, Rajean felt like she had lost herself.

But last December, when working with a case worker from the [Minnesota Assistance Council for Veterans](#), Rajean learned about MPHA's Veterans Affairs Supportive Housing Voucher (HUD-VASH) program. A collaboration between the U.S. Department of Housing and Urban Development (HUD) and the Veterans Affairs Department (VA), HUD-VASH provides housing and supportive services to homeless veterans by combining vouchers with case management and clinical services. For Rajean, this was the lifeline she needed.

“I don't know what I would have done without this program,” said Rajean Paulus, Veteran Affairs Supportive Housing program participant.

She completed the intake meeting with the [Minneapolis Veterans Affairs Medical Center](#) (VAMC) and was referred to MPHA for income eligibility screening and was quickly approved. In a few months' time, Rajean's dream of living in a place of her own came true.

This past March, Rajean used her HUD-VASH voucher to move into an apartment with her youngest son. Since moving into her new apartment, she feels free to be herself, and even her apartment's decor reflects that with her own original paintings lining the walls.

“It's because of this program that I was able to find my fight and freedom again,” said Rajean. “I always felt like I was living in someone else's world. I never trusted who I was. But now I am making my own world, living to no one's expectations but my own.”

With stable and affordable housing, Rajean can focus on healing. And in just a few months in her new place, she has seen an improvement in her relationship with her adult children and gained a deep sense of security she has never felt before.

In Minneapolis, MPHA maintains a partnership with the Minneapolis VAMC to administer 347 HUD-VASH vouchers for veterans like Rajean. The Minneapolis VAMC screens homeless veterans for initial eligibility and establishes a case management plan to provide social services, including healthcare, mental health services, and employment resources and support. Eligible veterans who agree to participate in case management are then referred to MPHA for a voucher where they are evaluated for income eligibility before being issued a voucher.

MPHA's HUD-VASH vouchers have been instrumental in [effectively ending homelessness among veterans in Hennepin County](#), providing more vouchers than every other jurisdiction in Hennepin County combined. The “functional zero” designation comes from the United States Interagency Council on Homelessness, HUD, and the VA to establish that in Hennepin County, veterans' homelessness is

considered rare, brief, and non-reoccurring.

For veterans like Rajean, the VASH program is a safety net. It connects veterans with stable, affordable housing and social services from which they can thrive.

###

If you are a veteran experiencing housing instability and need affordable housing and case management services, reach out to the Minneapolis Veterans Affairs Medical Center. The Veterans Affairs Medical Center screens homeless veterans for eligibility. Eligible veterans who agree to participate in case management are referred to MPHA for a voucher.

###

Media Clips

Heritage Park’s rental phases enter court receivership as MPHA studies disposition of remaining parcels (Insight News)

By Al McFarlane

May 6, 2026

The Heritage Park development on the Near North side of Minneapolis — the HOPE VI replacement community built on the former Sumner Field, Olson, Lyndale, and Glenwood public housing footprint — has entered a new chapter, and not by anyone’s design. The four rental phases of Heritage Park are now under court-appointed receivership. The original master developer, McCormack Baron Salazar, is no longer in operational control of those phases. The City of Minneapolis is moving public dollars into the property to address what staff describe as existing life-safety issues. And the Minneapolis Public Housing Authority — which owns the underlying land — is openly studying disposition of the southern parcels and a separate site at 555 Girard Terrace.

Each of those facts is on the public record. Together, they raise a question this newspaper has been asking for half a century. Whose history do public institutions affirm? In April 1995, a federal consent decree in *Hollman v. Cisneros* promised North Minneapolis a new chapter — deconcentrated, sustainable, mixed-income housing to replace four demolished public housing complexes. Three decades in, that promise is being tested in a Hennepin County courtroom.

Whose history do public institutions affirm? In April 1995, a federal consent decree promised a new chapter. Three decades in, that promise is being tested in a Hennepin County courtroom.

What the City Council action says

Request for Council Action 2025-01373 — a staff document accompanying a proposed grant agreement with Certus Financial LLC — sets out the situation in plain language. McCormack Baron Salazar, known by the initials MBS, owned the buildings in the four rental phases of Heritage Park. The Minneapolis Public Housing Authority owns the underlying land beneath those phases and leases it to MBS. MPHA also operates 200 separate units of public housing within Heritage Park.

According to the staff report, a motion was filed in Hennepin County District Court to appoint Certus Financial LLC as a receiver for the benefit of creditors over the four phases of rental housing previously under MBS’s ownership and management. Under the receivership arrangement, the staff report states, a local receiver “will step into the shoes of MBS as operator and work to stabilize the property.”

The Council action authorized a \$500,000 grant from the City’s 2025 budget for rehabilitation across all four phases, identified by the receiver in coordination with City staff. Staff specifically recommended waiving the Unified Housing Policy’s standard requirement of 30 years of additional affordability — a waiver justified, in the staff report, by the urgent need to deploy funds for repairs. Existing Low-Income Housing Tax Credit affordability restrictions on the four phases run only through 2033 to 2035, depending on the phase.

Translation: public money is going in to address life-safety conditions at a property a for-profit developer

let deteriorate, and the standard tradeoff — that public investment buys a longer affordability commitment — was set aside for speed.

What the receiver confirms

Certus Financial, the court-appointed receiver, confirms the engagement on its corporate website. The firm describes the property as 440 units of multifamily housing across 76 structures on 31 acres in Minneapolis, with a capital stack of approximately \$62 million from multiple sources. An engagement post dated April 10, 2026, on the firm’s website, indicates the engagement is current. Certus describes its work, on the same site, as turning around underperforming assets and, when warranted, executing campaigns to sell.

What MPHA is studying

The Minneapolis Public Housing Authority’s draft 2026 Moving to Work Annual Plan, released in August 2025, contains a paragraph that warrants close reading. MPHA, the document states, is studying “the long-term vision for the entire Heritage Park neighborhood including the Phase III and IV parcels located south of Olson Highway and the 4.3-acre 555 Girard Terrace site.” Options, the agency writes, “may include disposition and/or development.” The study continues into 2026.

Disposition, in housing-authority language, means selling. At the same moment a private developer’s failure has produced a court receivership over the four rental phases, the public agency that holds the underlying land is openly weighing whether to part with the parcels south of Olson Highway — parcels included in the original master plan but never fully built out — and the separate Girard Terrace site.

At the same moment a private developer’s failure has produced a court receivership over the rental phases, the public agency that holds the underlying land is openly weighing whether to part with parcels included in the original master plan but never fully built out.

The Hollman promise, in present tense

Heritage Park exists because of a lawsuit. On July 27, 1992, fourteen minority families and the NAACP filed *Hollman v. Cisneros* in the U.S. District Court for the District of Minnesota, represented by the Legal Aid Society of Minneapolis. The complaint charged the U.S. Department of Housing and Urban Development, the Minneapolis Public Housing Authority, the City of Minneapolis, the Minneapolis Community Development Agency, and the Metropolitan Council with operating public housing under what the suit called “a longstanding policy of de jure racial segregation dating back to the 1930s.” On April 20, 1995, Judge James M. Rosenbaum entered the consent decree.

The decree committed the defendants to demolish 770 units of family public housing on the 73-acre Near North site and to replace them, with most of the replacement units distributed throughout suburban communities and a smaller share rebuilt within Minneapolis. Sumner Field Homes — completed in 1938 as the first federally funded public housing project in Minnesota — was demolished in 1998. The Olson, Lyndale, and Glenwood projects followed. The superblock that had isolated the public housing from the surrounding street grid was reopened. The land that had held the four projects was leased by MPHA to McCormack Baron Salazar in joint venture with Legacy Management and Development Corporation. The new community was named Heritage Park in 2001 and celebrated its grand opening in 2005.

The original Heritage Park master plan, unanimously adopted by MPHA and the Minneapolis City Council in March 2000, called for 900 homes — 440 rental units, 360 for-sale units, and 100 senior

public housing units. The 2009 financial crisis stopped construction. About one-third of the neighborhood land sat undeveloped. Net rental unit count went from 770 demolished public housing units to 440 rental units in the Heritage Park master plan — a reduction community advocates including Defend Glendale and Public Housing Coalition have long noted as a net loss of deeply affordable housing in the Hollman bargain.

The promise of Hollman, as the consent decree itself stated, was to “deconcentrate racially concentrated public housing projects” and “improve living conditions in remaining family public housing units.” That promise was to be kept by a partnership of public agencies and — once MBS was selected through a 1999 procurement — a national for-profit developer. That developer is now in receivership over the four rental phases. That, too, is the promise of Hollman, in present tense.

Ward 5 and the new council member

Heritage Park sits in Ward 5. The ward’s new representative, Council Member Tinitha “Pearl” Warren, was sworn in on January 5, 2026, replacing Jeremiah Ellison, who did not seek re-election. Warren’s professional background is unusual in its direct relevance to the situation she inherits. She serves as Homeownership Development Manager at Twin Cities Habitat for Humanity, holds HUD-certified housing counselor credentials, and previously worked with Urban League Twin Cities and East African Housing Services. Her campaign signature was the phrase “safe, suitable, and sustainable housing.”

In a candidate interview published by Better Minneapolis on September 21, 2025, Warren raised concerns, in the publication’s paraphrase, about out-of-state investors who acquire “fleets” of homes, perform minimal rehabilitation, and outsource management. McCormack Baron Salazar is headquartered in St. Louis. Warren has not yet, to Insight News’s knowledge, issued a public statement specifically on the Heritage Park receivership or on MPHA’s disposition study. Insight News has submitted a press inquiry to her office.

The questions on the table

Several questions are now live for the City Council, MPHA, and the residents of Ward 5 and surrounding North Minneapolis communities.

First, the buyer question. Receivers typically conclude their work by stabilizing or selling. When Certus Financial concludes its work, who acquires Heritage Park’s 440 rental units, on what terms, with what affordability commitments, and with what community accountability?

Second, the post-2035 question. Existing LIHTC affordability restrictions on the four rental phases expire between 2033 and 2035. The Council waived the standard 30-year affordability extension that public investment typically triggers. What is the affordability future of these units after the existing restrictions sunset?

Third, the MPHA disposition question. The public housing authority owns the underlying land at the rental phases and the southern parcels. It is studying disposition of the parcels south of Olson Highway and the Girard Terrace site. Will the people who live in North Minneapolis — and the people displaced when Sumner Field, Olson, Lyndale, and Glenwood were demolished — be at the table when those decisions are made?

Fourth, the developer question. McCormack Baron Salazar markets itself as the nation’s leading for-profit

developer of economically integrated urban neighborhoods. What does it mean that this developer, on this site, with this much public investment, allowed conditions to deteriorate to the point that a court appointed a receiver and the City wrote emergency funds for life-safety repairs?

What comes next

Insight News will continue covering the Heritage Park receivership, the MPHA disposition study, and the response from Ward 5, MPHA leadership, and community advocates. Press inquiries have been submitted to Council Member Warren’s office and to MPHA. We will report what they say. We will report what they decline to say.

The Hollman consent decree is one of the most consequential housing settlements in Minnesota history. The community it was supposed to serve is still here. The question is whether the institutions that signed the decree are still serving the community.

Acknowledge the gift. Redemption is at hand.

###

[Council advances a working-class vision for Minneapolis \(Insight News\)](#)

By Al McFarlane

May 12, 2026

The morning after Mayor Jacob Frey delivered his 2026 State of the City address — framing his third-term agenda around public safety, downtown development, and what he called "getting back to basics" — the council's progressive leadership stepped to the microphone with a different set of priorities. Council President Elliott Payne, Vice President Jamal Osman, and Minority Leader Robin Wonsley offered a pointed rebuttal: the city's most urgent work is protecting the people who can no longer afford to stay.

Wonsley, who was elected Minority Leader at the council's January 5 organizational meeting — the first democratic socialist to hold that title in this council term — represents the four-member bloc of democratic socialist council members who collectively serve more than 120,000 Minneapolis residents. She emerged from Tuesday's address not to celebrate the common ground, but to name the fault lines.

"The truth of the matter is we're relying heavily on property taxes, which means working people are having to keep our city afloat at a way higher scale than previously before." — Council Member Robin Wonsley

"The truth of the matter is we're relying heavily on property taxes, which means working people are having to keep our city afloat at a way higher scale than previously before," Wonsley told reporters after the address. "So this is why this body — the council — is looking at how do we actually advance additional revenue options like income taxes or empty homes fees, especially if we're talking about prolonged vacant properties that has the ability to bring in between tens of millions to hundreds of millions of dollars in additional revenue so that we can make sure we're preserving the programs that actually help our residents have a good quality of life."

The context matters. Frey's address, delivered Tuesday morning at the American Swedish Institute in south Minneapolis, was his first State of the City since the federal Operation Metro Surge — a 12-week immigration enforcement operation that overwhelmed city resources and finances. Frey called for renewed focus on police staffing, rising to 733 officers this year and exceeding 800 before he leaves office. He highlighted affordable housing production and downtown revitalization through tax increment financing. His three organizing themes: public safety, housing and growth, and what he called "getting the basics right."

Council President Payne — whose job is to steward a "shared agenda" across the council's political diversity — did not dismiss those priorities. But he widened the frame. "Governance is not an individual sport," he said. "We govern collectively and we move our city forward together. And so we're looking forward to a four-year term where we have deeper collaboration with the mayor and can actually advance a working-class agenda that really puts the people first."

Payne also took direct aim at the mayor's budget math on public safety. He called it "a remarkable admission of a lack of diligence in budgeting," and pointed to what he described as a major miss on overtime spending. His challenge to Frey was not rhetorical: "We would like the mayor to set his veto pen down and meet me at the whiteboard so that we can actually come up with the solutions to a lot of those intractable problems."

The veto pen is not a hypothetical. In recent weeks, Frey has vetoed a council ordinance that would have temporarily extended the eviction notice filing period — twice — and vetoed an ordinance that would have decriminalized drug paraphernalia such as pipes and syringes, aligning the city with Minnesota state law and harm reduction principles. The council also rejected his reappointment of Community Safety Commissioner Toddrick Barnette, citing absence and mishandling of domestic violence cases.

"We would like the mayor to set his veto pen down and meet me at the whiteboard so that we can actually come up with the solutions to a lot of those intractable problems." — Council President Elliott Payne

Vice President Jamal Osman — who represents Ward 6, one of Minneapolis's most densely immigrant and working-class communities — expressed cautious optimism about the relationship with Frey's office even as he signaled the council's independent course. "The relationship can always grow," Osman said. "I think that our vision, what we're bringing forward, is policy that will reflect the residents, what they're looking for."

That vision, built over four years and now entering a new term with institutional power, is grounded in a concrete legislative record. The democratic socialist bloc on the council helped close a minimum wage loophole for rideshare drivers — a workforce that is majority Black and immigrant — resulting in pay increases for more than 10,000 workers statewide. They expanded renter protections, strengthened civil rights ordinances, and successfully led budget amendments to restore Emergency Housing Voucher funding after it was excluded from Mayor Frey's proposed 2026 budget. Wonsley personally led the effort to secure \$1.4 million for the Stable Homes Stable Schools program — the nationally recognized initiative that keeps Minneapolis families and students housed — over the mayor's objection.

On public housing, the council's progressive bloc has been among the most consistent advocates for the Minneapolis Public Housing Authority at a moment of acute federal risk. The 2026 city budget, finalized last December, invested more than \$11 million in MPHA programs, including the \$5 million annual housing tax levy, \$3.6 million in ongoing funding for Stable Homes Stable Schools, and a three-year, \$1 million-per-year pilot for city-funded Emergency Housing Vouchers. Wonsley co-authored that voucher program alongside Osman, establishing a local alternative as federal housing assistance faces uncertainty under the Trump administration.

On rent stabilization, the council has not yet enacted an ordinance — Minneapolis voters approved a charter amendment in 2021 granting the council authority to regulate rent, but a specific policy has not followed. The progressive bloc continues to press the issue. Wonsley has been a vocal advocate for rent stabilization since her first term, and the council's January 2026 agenda included an eviction moratorium ordinance introduced by Wonsley, Osman, Chavez, and Stevenson — a measure that speaks to the immediate pressure renters face even before a stabilization ordinance is in place.

The broader fiscal argument Wonsley is making — that property taxes are an insufficient and regressive revenue base — points toward a structural recalibration that goes beyond any single ordinance. Income taxes on higher earners, fees on vacant and speculative properties, a reassessment of the \$260 million police department budget. These are not peripheral issues. They are the architecture of the working-class agenda Payne describes.

Wonsley's ascent to Minority Leader was itself a marker. She is the first Black democratic socialist to hold a formal leadership title on the Minneapolis City Council, representing a ward that spans Cedar-Riverside, Seward, Longfellow, Como, Prospect Park, the University of Minnesota District, and Augsburg. That geography — dense with renters, immigrants, students, and working-class families — is the constituency her agenda is built around.

As Minneapolis enters the back half of 2026, with a challenging budget cycle ahead and federal housing and social service funding under sustained attack, the question Wonsley and her colleagues are pressing is not rhetorical. It is structural: who bears the burden of keeping this city afloat? The mayor says public safety is the foundation. The council's progressive bloc says the foundation is the working people who pay property taxes on fixed incomes and rent checks that have no ceiling.

That argument — and the policy instruments that follow from it — will define the budget season ahead.

"Governance is not an individual sport. We govern collectively and we move our city forward together." — Council President Elliott Payne

###



NOTICE AND AGENDA

MPHA HOLD. CO. Regular Meeting of the Board of Directors

May 27, 2026

The Regular meeting of the MPHA Hold. Co. Board of Directors will be held immediately following the adjournment of the MPHA Board of Commissioners Meeting at 1001 Washington Avenue North, Minneapolis, Minnesota.

DIRECTORS:

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

OFFICERS:

- | | |
|----------------|--------------------|
| • Kevin Reich | President |
| • Elfric Porte | Vice-President |
| • Abdi Warsame | Executive Director |
| • Tim Durose | CFO |

GENERAL:

- Roll Call
- Approval of Agenda May 27, 2026
- Minutes of the Last Hold Co. Meeting

PROPOSED RESOLUTION:

- Item No. 1: ***Formation of Glendale Housing Resources Mgmt. LLC and Glendale Housing Resources LP – Resolution 2026-01***
[Lisa Griebel, General Counsel]



NEXT REGULAR MEETING:

- TBD
1001 Washington Avenue North
Minneapolis, Minnesota 55401

NOTICE:

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



MINUTES OF THE ANNUAL MEETING OF THE MPHA HOLD CO. BOARD OF DIRECTORS

January 28, 2026

The Board of Directors of the MPHA Hold Co. met in the annual meeting at 1:50 PM on January 28, 2026, at 1001 Washington Avenue North, Minneapolis, MN 55401, the hour, date, and place duly noticed for the holding of such meeting.

ROLL CALL:

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

- | | |
|---------------------|------------|
| • Kevin Reich | Chair |
| • Elfric Porte | Vice-Chair |
| • Alyssa Erickson | Director |
| • Medaria Arradondo | Director |
| • Gloria Freeman | Director |
| • Abdullahi Isse | Director |
| • Tamir Mohamud | Director |
| • Tom Nordyke | Director |
| • Danielle Werder | Director |

OFFICERS:

- | | |
|----------------|-------------------------|
| • Kevin Reich | President |
| • Elfric Porte | Vice-President |
| • Abdi Warsame | Executive Director |
| • Tim Durose | Chief Financial Officer |

The vice chair declared the presence of a quorum.

APPROVAL OF AGENDA:

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



APPROVAL OF MEETING MINUTES:

The minutes of the annual meeting of July 26, 2025, were presented for approval. Director Nordyke moved the minutes be accepted as presented. The motion was seconded by Director Mohamud. Upon a voice vote, the vice chair declared the motion carried.

-
- CONSENT AGENDA:
 - There were no items for the Board’s approval at this time.
-

There being no further business to come before the Board, and upon a motion duly made (Director Isse) and seconded (Director Mohamud), the meeting was adjourned at 1:52 PM

Secretary of the Board of Directors



May 27, 2026

REPORT TO THE COMMISSIONERS OF MPHA HOLD CO.

FROM: Abdi Warsame, Executive Director / CEO

SUBJECT: Formation of Glendale Housing Resources Mgmt. LLC and
Glendale Housing Resources LP

Previous Directives: The MPHA Board of Commissioners ratified the incorporation of MPHA Hold Co., a corporation of which MPHA is the sole member. In addition, the Board approved the 2026 MTW Plan considering the use of RAD and Section 18 to redevelop and fund major improvements to the Glendale Townhomes.

Budget Impact: None.

Procurement Review: Not Applicable

RECOMMENDATION: It is recommended that the Board of Commissioners of MPHA Hold Co. form Glendale Housing Resources Mgmt. LLC and Glendale Housing Resources LP.

The Glendale RAD conversion, also referred to as Glendale Redevelopment, requires the formation of two corporate entities to effectuate the transfer from public housing subsidy to that of housing choice voucher subsidy under the RAD and Section 18 program, to potentially construct new units utilizing MPHA's Faircloth authority, and to accomplish certain tax implications as contemplated by the low-income housing tax credit program. In 2020, MPHA Hold. Co. was formed as a tax-exempt 501 (c)(3) nonprofit corporate entity to allow for the election of accelerated tax depreciation of the property improvements relating to MPHA development projects involving tax credits.

MPHA Hold. Co. needs to form two single purpose entities (SPEs) in order to effectuate the RAD and Section 18 transaction and the tax benefits contemplated by the Low-Income Housing Tax Credit component of the Project. The two entities are as follows:

1. A general partner entity, in this instance Glendale Housing Resources Mgmt. LLC, to act as a General Partner. Glendale Housing Resources Mgmt. LLC will be the managing and controlling member of Glendale Housing Resources LP, the acquiring entity of Project.
2. Glendale Housing Resources LP, the limited partnership that will consist of a General Partner (Glendale Housing Resources Mgmt. LLC) and a limited partner. MPHA will transfer a real estate interest in the form of a capitalized ground lease to Glendale Housing Resources LP as part of the development of the Project.

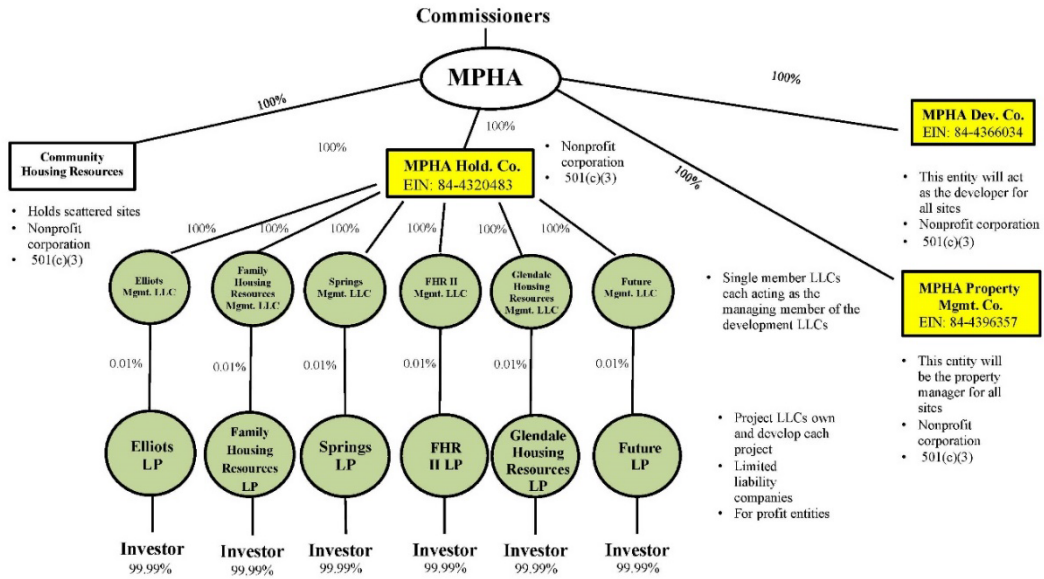


MPHA is recommending that the Board of Commissioners of MPHA Hold. Co. form Glendale Housing Resources Mgmt. LLC and Glendale Housing Resources LP and authorize its Executive Director to execute such documents on behalf of these entities as necessary to accomplish the Project.

The MPHA corporate entities organizational chart, updated, is attached hereto for your information. This report has been prepared by Lisa Griebel, MPHA General Counsel. For further information, please contact Ms. Griebel at 612-342-1395, or lgriebel@mplspha.org.



MPHA Corporate Entities Organizational Chart



**RESOLUTION No. 26-xx
MPHA HOLD. CO.**

**FORMATION OF
GLENDALE HOUSING RESOURCES MGMT. LLC**

WHEREAS, the Corporation desires to form a Minnesota limited liability company in which this Corporation is the sole member, to be known as Glendale Housing Resources Mgmt. LLC, to serve as the general partner in Glendale Housing Resources LP and to manage and cause Glendale Housing Resources LP to lease land, perform site preparation and demolition, purchase improvements and revitalize, own, maintain and operate multi-family residential properties consisting of the property, buildings, and units that make up Glendale Townhomes for rental to low-income eligible households. The project will be referred to as Glendale Redevelopment (the "Project") pursuant to the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration Program (RAD) and Section 18 programs, Faircloth authority, the Housing Choice Voucher program as well as low-income housing tax credit program under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Corporation desires to approve the following resolutions related to the formation of Glendale Housing Resources Mgmt. LLC,

NOW, THEREFORE, BE IT RESOLVED, that the Corporation ratifies every action of Lisa R. Griebel as Organizer of Glendale Housing Resources Mgmt. LLC, including but not limited to the preparation, execution and filing of (i) the Articles of Organization for Glendale Housing Resources Mgmt. LLC, and (ii) the Appointment and Agreement of the Initial Member of Glendale Housing Resources Mgmt. LLC.

FURTHER RESOLVED, that the Executive Director is directed to execute the Appointment and Agreement of the Initial Member of Glendale Housing Resources Mgmt. LLC and to insert a copy in the record book of Glendale Housing Resources Mgmt. LLC.

FURTHER RESOLVED, that the Operating Agreement in the form attached hereto is hereby adopted and approved as the Operating Agreement of Glendale Housing Resources Mgmt. LLC and this Corporation acknowledges that Glendale Housing Resources Mgmt. LLC shall be a member-managed limited liability company under Minnesota Statutes Chapter 322C with this Corporation being the sole member.

FURTHER RESOLVED, that the Executive Director is directed to execute the Operating Agreement on behalf of Glendale Housing Resources Mgmt. LLC and to insert a copy of the Operating Agreement in the organization's record book.

FURTHER RESOLVED, that the following persons are hereby elected as officers of Glendale Housing Resources Mgmt. LLC effective as of the date of these resolutions:

Chair	Chair of MPHA
Vice Chair	Vice Chair of MPHA
Treasurer	CFO of MPHA
Executive Director	Executive Director of MPHA

FURTHER RESOLVED, that the officers are authorized signers for the Glendale Housing Resources Mgmt. LLC's checking and other financial accounts.

FURTHER RESOLVED, that the fiscal year of Glendale Housing Resources Mgmt. LLC for accounting, tax and all other purposes shall be the same as the fiscal year of MPHA.

FURTHER RESOLVED, that the conflict of interest policies of MPHA shall be the conflict of interest policies of Glendale Housing Resources Mgmt. LLC, as they may be amended from time to time.

FURTHER RESOLVED, that this Corporation and Glendale Housing Resources Mgmt. LLC accept Lisa R.Griebel's resignation as the Organizer of Glendale Housing Resources Mgmt. LLC.

FORMATION OF
Glendale Housing Resources LP

WHEREAS, the Corporation desires to form Glendale Housing Resources LP, a Minnesota limited partnership, to own the Project with the Glendale Housing Resources Mgmt. LLC as the general partner and this Corporation as the initial limited partner until other investors are secured; and

WHEREAS, this Corporation desires to approve the following resolutions related to the formation of Glendale Housing Resources LP,

NOW THEREFORE, BE IT RESOLVED, that the Limited Partnership Agreement of Glendale Housing Resources LP in the form attached hereto is hereby adopted and approved as the Limited Partnership Agreement of Glendale Housing Resources LP and the Corporation acknowledges that Glendale Housing Resources Mgmt. LLC shall be the general partner of Glendale Housing Resources LP and this Corporation shall be the limited partner.

FURTHER RESOLVED, that the Executive Director is directed to execute the Limited Partnership Agreement of Glendale Housing Resources LP on behalf of both Glendale Housing Resources Mgmt. LLC and this Corporation and to insert a copy of the agreement in the record books of both organizations.

FURTHER RESOLVED, that the Executive Director is directed to execute the Certificate of Limited Partnership and Lisa R. Griebel is directed to file the Certificate of Limited Partnership with the Minnesota Secretary of State.

FURTHER RESOLVED, that the fiscal year of Glendale Housing Resources LP for accounting, tax and all other purposes shall be the same as the fiscal year of MPHA.

FURTHER RESOLVED, that the conflict of interest policies of MPHA shall be the conflict of interest policies of Glendale Housing Resources LP, as they may be amended from time to time.

FURTHER RESOLVED, that this Corporation ratifies every action of Lisa R. Griebel in the development and formation of forming Glendale Housing Resources LP.

FURTHER RESOLVED, that the Executive Director and the Treasurer of the general partner, Glendale Housing Resources Mgmt. LLC, are hereby appointed as the authorized signers for the Glendale Housing Resources LP's checking and other financial accounts.

OTHER ITEMS

RESOLVED, that the Corporation's Executive Director is authorized to perform and do such acts and things and to execute and file such documents as in the opinion of the Executive Director may be necessary, desirable or convenient in order to carry out the purposes of the foregoing Resolutions and of the Corporation.

FURTHER RESOLVED, that the acts and conduct of Lisa R. Griebel, the directors, and officers of this Corporation, together with all acts and conduct of those persons at the request of or under the direction of Lisa R. Griebel, the member, directors, and officers, taken in the establishment of the existence of the Corporation, Glendale Housing Resources Mgmt. LLC and Glendale Housing Resources LP and the related business activities, to the date of this Resolution, are hereby approved and ratified.

**OPERATING AGREEMENT
OF
GLENDALE HOUSING RESOURCES MGMT. LLC**

This Operating Agreement ("**Agreement**") of Glendale Housing Resources Mgmt. LLC (the "**Company**"), effective as of May __, 2026 (the "**Effective Date**"), is entered into by MPHA Hold. Co., a Minnesota nonprofit corporation and the sole member of the Company (the "**Member**") pursuant to Sections 322C.0110 through 322C.0112 of the Minnesota Revised Uniform Limited Liability Company Act, codified at Minn. Stat. § 322C.0101 et seq., as amended (the "**Act**").

RECITALS

WHEREAS, the Organizer formed the Company on behalf of the Member pursuant to Section 322C.0201 of the Act, as amended, by filing Articles of Organization (the "**Articles**") of the Company with the Secretary of State of the State of Minnesota on May __, 2026;

WHEREAS, Member desires the Company serve as the general partner to Glendale Housing Resources LP, a Minnesota limited partnership ("**Partnership**") and cause the Partnership to lease land, perform site preparation and demolition, purchase improvements and revitalize, own, maintain and operate multi-family residential properties consisting of the property, buildings, and units that make up Glendale Townhomes for rental to low-income eligible households. The project will be referred to as the Glendale Redevelopment (the "**Project**"), pursuant to the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration Program (RAD) and Section 18 programs, Faircloth authority, the Housing Choice Voucher program as well as the low-income housing tax credit program under Section 42 of the Internal Revenue Code of 1986, as amended. (the "**Code**");

WHEREAS, to that end the Company, as general partner, will execute a Limited Partnership Agreement and Certificate of Limited Partnership (the "**Certificate**") for the formation of the Partnership pursuant to the terms of the Minnesota Uniform Limited Partnership Act 2001, codified at Minn. Stat. § 321.010 et seq., which Certificate will be subsequently filed with the Secretary of State of the State of Minnesota on _____, 2026; and

WHEREAS, Member desires to enter into this Agreement to confirm its agreements and arrangements with respect to the Company, its business, and operations.

AGREEMENT

NOW, THEREFORE, Member, in consideration of the foregoing premises, the mutual promises hereinafter set forth, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby agrees as follows:

**ARTICLE I
NAME; PURPOSE; TERM**

1.1 Formation; Name; Governed by Act. The Company was formed by filing the

Articles with the Secretary of State for the State of Minnesota in accordance with the Act on May __, 2026. The name of the Company shall be Glendale Housing Resources Mgmt. LLC. All business and affairs of the Company shall be conducted under the Company's name or as otherwise agreed to by the Members. The Company shall be governed by the Act and the terms and provisions of this Agreement and the Company's Articles.

1.2 Place of Principal Office. The principal office of the Company in the State of Minnesota shall be located at 1001 Washington Avenue North, Minneapolis, MN 55401. The Member may change the location of such principal office and may establish such additional offices as it shall deem advisable.

1.3 Registered Office and Registered Agent. The location of the registered office and the name of the registered agent (if any) of the Company in the State of Minnesota are stated in the Company's Articles, as amended. The registered office and registered agent of the Company in the State of Minnesota may be changed, from time to time, by the Member.

1.4 Purpose. The purpose of the Company is to (i) act as the general partner of the Partnership and in such capacity to cause the Company to perform all acts and things required of the general partner of the Partnership under the Limited Partnership Agreement of the Partnership ("**Partnership Agreement**"), (ii) do all things necessary, convenient or incidental to the achievement of the foregoing, and (iii) engage in any other business or activity approved by the Member.

1.5 Powers. In furtherance of its purposes, but subject to all of the provisions of this Agreement, the Company will have all of the powers specifically granted by the Act and all other powers necessary or convenient to its business and purposes.

1.6 Term. The Term of the Company commenced on the date of the filing of the Articles and shall be perpetual unless terminated pursuant to the Act or the terms of this Agreement.

ARTICLE 2 MEMBERS

2.1 Initial and Sole Member. The Member owns one hundred percent (100%) of the membership interests ("**Interests**") in the Company. For purposes of this Agreement the Member's Interests includes all of the Member's rights and interests in the Company in the Member's capacity as a member of the Company, all as provided in the Articles, this Agreement and the Act, including the Member's interest in the capital, income, gain, deductions, losses, and credits of the Company. Unless otherwise expressly separated, the Member's Interests includes one hundred percent (100%) of the transferable interests under the Act.

2.2 Initial Contribution; Additional Contributions. The Member's initial capital contribution is founding expenses and other good and valuable consideration. The Member is not required to make any additional capital contributions to the Company. However, the Member may make additional capital contributions to the Company, provided that such contributions are recorded

in writing deposited in the Company's books and records.

2.3 Member Loans to the Company. In order to meet the financial needs of the Company, the Company may borrow, from time to time, such amounts as the Member is willing to lend and the Company may require. Such amounts will be repaid by the Company on demand and bear interest at a rate per annum to be agreed upon by the Member and the Company. The Member and the Company's officers are authorized, empowered and directed to execute and deliver to the Member promissory notes containing terms consistent with this Agreement and to perform, execute and deliver such other documents or acts as the Member or officers of the Company determine appropriate in the exercise of their discretion.

2.4 Additional Members. The Member shall be the sole member of the Company and no other members shall be admitted to the Company.

2.5 Membership Interests; Certificates. The Company will not issue any certificates to evidence ownership of the membership interests.

2.6 Declaration of Distributions. The Member shall have the authority to declare distributions upon the Interests of the Company owned by the Member, to the extent permitted by law and subject to the provisions of this Agreement and any amendment hereto.

2.7 No Personal Liability. Except as otherwise provided by applicable law or as expressly set forth in this Agreement, the debts, obligations, or other liabilities of the Company, whether arising in contract, tort or otherwise (a) are solely the debts, obligations or other liabilities of the Company, and (b) do not become the debts, obligations or other liabilities of the Member or any officer solely by reason of the Member acting as a member or any officer acting as an officer; provided that any repeal of this provision as a matter of law or any modification of this subpart shall be prospective only, and shall not adversely affect any limitation on the personal liability of the Member or any officer existing at the time of such repeal or modification.

2.8 Qualification as a Member. The Member agrees to use commercially reasonable efforts to comply with all HUD rules and regulations, as such rules and regulations relate to individuals or entities that own interests either directly or indirectly in persons that own projects that are subject to such rules and regulations. In the event that the Member (or the association of the Member with any owner, partner, member, stockholder, director, officer or employee of such Member) jeopardizes the ability of the Company to continue to operate its business in compliance with HUD rules and regulations, or in the event the Member shall, at any time, receive notice from HUD that the Member (or any owner, partner, member, stockholder, director, officer or employee of the Member) does not satisfy HUD's rules and regulations, then such Member shall immediately notify the Company. If such Member is unable to, or fails to, promptly remedy the situation and the officers receiving such notice in good faith determines that the Company's ability to continue to own the general partnership interest in the Partnership and permit the Partnership to operate its property is reasonably likely to be compromised as a result of such situation, the Company shall have the absolute right and option to redeem the Interests of such Member at its book value determined by

the accountants then serving the Company, subject to any required approvals from the investor or limited partners of the Partnership or HUD.

ARTICLE 3 MANAGEMENT

3.1. Governing Power. The Company shall be "member-managed." The management and conduct of the Company shall be vested in the Member. In accordance with the Section 322C.0407, Subd. 2 of the Revised Act, the Member will have the authority to bind the Company and will have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Minnesota. The Member shall devote itself to the business and purposes of the Company to the extent necessary for the prudent and efficient carrying on thereof in accordance with the Project Documents. In performing its services and obligations under this Agreement, the Member shall use the same level of skill and care that it employs in the performance of services and operation of businesses as it does for its own account. For purposes of this Agreement, "Project Documents" shall mean this Agreement, Partnership Agreement and all other documents executed to effectuate the conveyance financing and operation of the Project.

3.2. Action by Member.

- a. The Member shall take action by the affirmative vote of the Interests owned by the Member.
- b. Any action required or permitted to be taken at a meeting of the Member may be taken without such meeting by written action signed by the Member. The written action is effective when signed by the Member, unless a different effective time is provided in the written action.

3.3. Appointment of Officers. The officers of the Company shall be a Chair, a Vice-Chair, an Executive Director, a Chief Financial Officer and such other officers as the Board of Directors may, from time to time, appoint. The Chair, Vice-Chair, Executive Director and Chief Financial Officer of the Minneapolis Public Housing Authority shall serve, ex officio, as the officers of the Company and shall have the same duties and responsibilities for the Company as they have for the Minneapolis Public Housing Authority as well as any additional duties and responsibilities as may be assigned by the Member from time to time. Any number of offices may be held simultaneously by the same person.

3.4. Removal and Vacancies. Any officer or agent elected or appointed by the Member shall hold office at the pleasure of the Member and may be removed, with or without cause, at any time by action of the Member.

3.5. Delegation. Unless prohibited by the Member, an officer may delegate in writing

some or all of the duties and powers of such person's management position to other natural persons.

3.6. Limitation on Powers. Notwithstanding any other provision of this Article 3, the Member must approve by affirmative act any of the following actions prior to such action being taken by any officer to:

- a. incur, create, or authorize the creation of, or issue, or authorize the issuance of any debt security or indebtedness for borrowed money, other than trade credit and accounts payable incurred or created in the ordinary course of the Company's business;
- b. acquire capital stock or other equity interest in, or acquire all or substantially all of the assets of, another entity;
- c. enter into any contract or arrangement with any third party that provides for payments to or by the Company in an aggregate amount in excess of that which is permitted by the current policy of the Member in any calendar year;
- d. effect any sale, lease, assignment, or transfer or other conveyance of all or substantially all of the Company's assets;
- e. cancel any promissory notes issued, or forgive any other consideration granted, to the Company as consideration for securities of the Company;
- f. approve loans or advances to employees of the Company, excluding ordinary and reasonable business and travel related advances;
- g. approve any guarantees except in the ordinary course of business; or, any mortgage, pledge, or otherwise create a security interest in any of the assets of the Company.

3.7. Other Business of Members. The Member and its respective affiliates may engage or hold interests in other business ventures of every kind and description for their own account. The Company will not have any rights by virtue of this Agreement in such other business ventures or to the income or profits derived there from.

ARTICLE 4 INDEMNIFICATION

4.1. Limitation of Liability. No person or entity will be liable to the Company or the Member for any loss, damage, liability, or expense on account of any action taken or omitted to be taken by the same as an officer, other than for (a) breach of the duty of loyalty; (b) a financial benefit received by the officer to which the officer is not entitled; (c) a breach of a duty under Section 322C.0406 of the Act; (d) intentional infliction of harm on the Company or the Member; or (e) an intentional violation of criminal law. This Section 4.1 shall be construed to limit the liability of officers of the Company to the greatest extent permitted by Minnesota law. If

Minnesota law is hereafter amended or interpreted by a Minnesota Appellate Court to authorize the further elimination or limitation of the liability of the Member or officers, then, without requiring any action by the Member, the liability of Member and officers of the Company shall be further limited to the fullest extent permitted by the amended Minnesota law. Any repeal of this provision as a matter of law or any modification of this Section by the Member shall be prospective only, and shall not adversely affect any limitation on the personal liability of the Member or officer of the Company existing at the time of such repeal or modification.

4.2. Entitlement to Indemnity.

- a. The Company shall indemnify and advance expenses to the Member, officers and other persons acting in their "official capacity" (as defined in Section 322C.0408 of the Act) with respect to "proceedings" (as defined in Section 322C.0408 of the Act) (each such person, a "**Covered Person**") to the fullest extent permitted or required by Section 322C.0408 of the Act.
- b. This indemnification does not include claims made for pre-existing environmental conditions, but may include claims made related to Member's actions or inactions to remedy such conditions.
- c. This indemnification shall include claims by third parties for consequential damages. This indemnification shall also include any and all claims based on the death of or the injury to persons, destruction of property or consequential damages incurred by third parties to the extent caused by: (i) any negligent acts or omissions of the Member, its officers, partners, members, representatives, employees, subcontractors, agents, affiliates, and/or servants at the Project; (ii) the performance of any work (or conduct related to the performance of work) directly by Member or under any contract entered into by Member for testing, demolition, construction, or similar activities, or under any subcontract or sub-subcontract implementing such work, regardless of whether the claim is based on the negligence of Member; (iii) the failure of Member, its officers, partners, members, representatives, employees, subcontractors, agents, affiliates, and/or servants to comply in any respect with the provisions and requirements of all applicable permits, licenses, laws, statutes, regulations, ordinances, codes, orders and all other legal requirements of federal, state, regional, county and local government authorities and agencies having jurisdiction over the Project or relevant activities of the Member, its officers, partners, members, representatives, employees, subcontractors, agents, affiliates and/or servants; or (iv) any release or emission of hazardous materials by Member, its officers, partners, members, representatives, employees, subcontractors, agents, affiliates, and/or servants at the Project.

4.3. Limitation on Indemnity. The indemnity provided in Section 4.2 shall not cover any claims: (a) initiated by the Minneapolis Public Housing Authority ("**MPHA**") or against its officers, employees, agents or servants of either, (b) to the extent caused by MPHA's sole and gross negligence or intentional wrongful acts or omissions, (c) arising from any pending or threatened

litigation against MPHA or as of the date of this Agreement, (d) arising exclusively from allegations that terms of this Agreement or actions of MPHA consistent with the Agreement violate the law, or (e) arising from allegations that actions taken by Member, or its affiliate violate the law, but only if such actions are not violations of the Agreement, not the result of negligent acts or omissions of the Member or its affiliate or in default of obligations under the Agreement. Should any such claim include allegations described in both Section 4.1(a) and Section 4.3(d) and 4.3(e), the cost of complying with the indemnity obligations shall be allocated proportionally unless or until a court, an arbitrator or other fact-finder apportions the claim otherwise.

4.4. Funding of Indemnification Obligation. Notwithstanding anything contained herein to the contrary, any indemnity by the Company relating to the matters covered in this Article 4 shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof or shall be required to make additional capital contributions to help satisfy such indemnity by the Company.

4.5. Savings Clause. If this Article 4 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Covered Person pursuant to this Article 4 to the fullest extent permitted by law.

4.6. Insurance. The Company may purchase and maintain insurance on behalf of any Covered Person against any liability asserted against and incurred by such person in or arising from that capacity, whether or not the Company would otherwise be required to indemnify the person against the liability.

4.7. Survival. The provisions of this Article 4 shall survive the dissolution, liquidation, winding up and termination of the Company.

ARTICLE 5 REQUIRED RECORDS; FISCAL YEAR; BANK ACCOUNTS; SEAL

5.1. Books and Information. The books and records of the Company shall be maintained at the principal executive office of the Company, or at such other place within the United States as maybe determined by the Member. Such books and records shall be maintained and made available as required in connection with the Act, as may be revised from time-to-time.

5.2. Tax and Fiscal Year. The Company's taxable and fiscal year shall be a calendar year, unless another period is approved by the Member and such change in fiscal year is permitted under the Code.

5.3. Bank Accounts. Other than as required by HUD or the regulatory authority having jurisdiction, all funds of the Company currently needed for the Company's operations (other than petty cash) shall be deposited in its name in an account or accounts maintained with such federally insured banking or other financial institutions as the Member may approve. Funds of

the Company shall not be commingled with funds of any other person. Checks shall be drawn upon the Company's account or accounts only for the purposes of the Company and shall be signed by the Member and/or by such other persons as may be approved or permitted by the Member.

5.4. Seal. The Company shall have no seal.

ARTICLE 6 TRANSERS

6.1. Transfers. Subject to Section 6.2, the Member may transfer in whole or in part the Member's Interests in the Company; provided that such transfer shall be made in writing and be delivered to the Company promptly upon the effectiveness of such transfer. If the Member transfers any part of its Interest in the Company pursuant to this Article 6, the transferee will be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement. Any such transferee acknowledges that this Agreement, unless amended to accommodate multiple members, contemplates only one member and the Member shall have automatically become the sole manager in a manager managed limited liability company (as defined in the Act) for all purposes until such time as all the members enter into a new operating agreement. If a member transfers all of its interests in the Company pursuant to this Section, such admission will be deemed effective immediately prior to the transfer, and, immediately following such admission, the transferor member will cease to be a member of the Company.

6.2. Restrictions.

- a. Approval Requirements.** The Member shall not sell, assign, transfer, hypothecate, pledge, encumber, delegate, or otherwise dispose of all or any portion of its Membership Interest or its rights under this Agreement without first obtaining (i) HUD's participation or approval, if required; and (ii) any other approvals required under the Project Documents. Any attempted sale, assignment, transfer, hypothecation, pledge, encumbrance, delegation or disposition without such consent and approvals shall be void.

- b. Seller Related Entities.** Notwithstanding anything to the contrary herein, for so long as the Company has a direct or indirect ownership interest in the Partnership, no assignment or transfer of all or any portion of a Member's Interests in the Company or the Company's interest in the Partnership shall occur that would result in MPHA or any "related person" to any of the foregoing within the meaning of Section 42(d)(2)(D)(iii) of the Code (each, a "**Seller Related Entity**" and collectively, the "**Seller Related Entities**"), having, either individually or collectively, more than a forty-nine percent (49.00%) interest in the capital or profits of the Partnership within the meaning of Sections 179(d), 267(b) and/or 707(b) of the Code and the Treasury Regulations promulgated thereunder. The Member acknowledges and agrees that any provision of this Agreement that conflicts with

the foregoing shall be reformed to comply with this Section 6.2.

ARTICLE 7 DISSOLUTION AND LIQUIDATION

7.1. Dissolution. Notwithstanding Section 322C.0701, the Company will be dissolved upon the first to occur of the following events: (a) upon the approval of the Member; or (b) upon the entry of a decree of judicial supervision permitted under Section 322C.0701 of the Revised Act. To the full extent permitted by applicable law, the foregoing events which cause dissolution of the Company shall be the exclusive events which cause the dissolution of the Company.

7.2. Windup and Liquidation. In the event of dissolution, the Company will be wound up and terminated in accordance with Section 322C.0702 of the Act. Upon the occurrence of an event of dissolution, the Member will be entitled to receive the remaining funds of the Company after paying or making reasonable provision for all of the Company's creditors and other payments required by Section 322C.0702 of the Act.

ARTICLE 8 MISCELLANEOUS

8.1. Sole Operating Agreement. The Member intends that this Agreement govern all aspects of the Company's business, activities and affairs. Notwithstanding Section 322C.0102, Subd. 17 of the Act, the Member acknowledges and agrees that this Agreement, as may be amended pursuant to this Agreement, together with any schedules or exhibits, shall be the Company's sole operating agreement for purposes of the Act, and at no time shall any operating agreement be created by oral or implied means. The Member intends that, during the entire term of this Agreement, the provisions of this Agreement shall supersede any provisions of the Act, as they now exist or as may be subsequently amended or restated, that are inconsistent or conflict with the provisions of this Agreement to the maximum extent permitted by law in respect of the foregoing.

8.2. Entire Agreement. This Agreement constitutes the entire agreement of the member(s) with respect to the subject matter hereof and supersedes all prior agreements with respect to each member's Interest in the Company. The heirs, executors, administrators, legal or personal representatives, successors and/or assigns of each member shall be bound by this Agreement and shall be obligated to take any further action necessary or proper to fulfillment hereof.

8.3. Amendments. This Agreement may only be amended in writing in the manner provided by law when approved by the Member. No oral agreement will be effective to amend this Agreement or supplement the terms hereof.

8.4. Construction. In the event of any conflict or inconsistency between this Agreement, as amended, and the terms of any applicable member control agreement, whenever adopted, the terms of such member control agreement shall control.

8.5. Notices. Any notice to be given or to be served by the Member upon the Company in connection with this Agreement must be in writing and will be deemed to have been given when delivered personally or mailed to the Company at its registered office or its principal executive office. Notice to the Member will be deemed to have been given when (a) delivered personally to the Member or (b) deposited in the United States mail, postage prepaid and addressed to the Member's address on file with the Company's records, which may be amended from time to time.

8.6. Governing Law. This Agreement will be governed by, and construed under, the laws of the State of Minnesota (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

8.7. Severability of Provisions. Each provision of this Agreement will be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality will not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

8.8. No Third-Party Beneficiary. This Agreement is made solely and specifically between and for the benefit of the Member and its respective legal representatives, successors and permitted transferees, and no other person whatsoever shall have any rights, interests, or claims hereunder or be entitled to any benefit under or on account of this Agreement as a third party beneficiary or otherwise.

8.9. Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the legal representatives, successors and permitted transferees of the respective parties hereto.

8.10. Waiver. No provision or condition of this Agreement shall be waived by any act, omission, course of dealing or knowledge of a party except by an instrument in writing expressly waiving such provision or condition and signed by the waiving party.

8.11. Securities Disclosure. THE INTERESTS REFERRED TO IN THIS OPERATING AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933 OR ANY OTHER SECURITIES LAWS, STATE OR FEDERAL, AND SUCH INTERESTS MAY NOT BE TRANSFERRED WITHOUT APPROPRIATE REGISTRATION OR THE AVAILABILITY OF AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS.

IN WITNESS WHEREOF, the sole Member has caused this Agreement to be executed as of the date first written above.

MEMBER:

MPHA Hold. Co.

DATE: _____

By: _____
Abdulkadir Yassin Warsame

Its: Executive Director

**LIMITED PARTNERSHIP
AGREEMENT OF
GLENDALE HOUSING RESOURCES LP**

This Partnership Agreement ("**Agreement**") is made _____ 2026, by and between Glendale Housing Resources Mgmt. LLC, a Minnesota limited liability company, as the general partner ("**General Partner**"), and the persons listed as limited partners on Exhibit A attached hereto and incorporated herein (together with any subsequently admitted limited partner(s) referred to as the "**Limited Partners**"). The General Partner and Limited Partners are sometimes collectively referred to as the "**Partners**" and individually as a "Partner."

RECITALS

WHEREAS, the Partners desire to form this Partnership under the Act for the purpose of pursuing the business activities stated herein; and

WHEREAS, the Partners desire to enter into this Agreement to confirm its agreements and arrangements with respect to the Partnership, its business, and operations.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants, conditions and agreements herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Partners agree as follows:

**ARTICLE I
DEFINITIONS**

For this Agreement, the following words shall have the following meanings:

- 1.1 "**Act**" means the Uniform Limited Partnership Act 2001, codified at Minnesota Statutes Chapter 321.
- 1.2 "**Agreement**" means this Limited Partnership Agreement as amended from time to time, including any Schedules or Exhibits attached to it.
- 1.3 "**Available Cash**" means, at the time of determination: Partnership cash, demand deposits, and short-term marketable securities, reduced by such amounts as a majority of the Partners shall deem reasonable to provide for any anticipated or contingent expenditures or liabilities of the Partnership, including, without limitation, reserves for replacements and capital improvements.
- 1.4 "**Capital Account**" means the capital account established for each Partner under Article III, as adjusted from time to time.

- 1.5 **"Capital Contribution"** means the capital required to be contributed by the Partners under this Agreement, excluding interest and late fees on overdue amounts, but only to the extent such amount have been contributed by or for a Partner.
- 1.6 **"Code"** means the Internal Revenue Code of 1986, as amended. Any reference in this Agreement to specific sections of the Code or the Treasury Regulations promulgated in the Code shall be deemed to include a reference to any corresponding provisions of future laws and regulations.
- 1.7 **"Distribution"** means any transfer of money or property to or for a Partner as a repayment of a Capital Contribution or in fulfillment of a Partner's distributive share under this Agreement.
- 1.8 **"General Partner"** means any person or persons named as a General Partner in Exhibit A of this Agreement, and any substituted or additional General Partner admitted to the Partnership under this Agreement.
- 1.9 **"Limited Partner"** means any person or persons named as a Limited Partner in Exhibit A of this Agreement, and any substituted or additional Limited Partner admitted to the Partnership under this Agreement.
- 1.10 **"Net Income"** and **"Net Losses"** shall mean the income or losses of the Partnership from the ownership and operation and management of the Partnership as reported for federal income tax purposes.
- 1.11 **"Partner"** means a party to this Agreement and any additional or substitute General Partner or Limited Partners permitted by this Agreement.
- 1.12 **"Percentage Interest"** means, regarding a Partner, such Partner's percentage for sharing and operating profit and loss, as the same may be modified from time to time.
- 1.13 **"Transfer"** means any action or event, whether voluntary or involuntary, which causes or results in any conveyance, disposition, ownership change or transfer of such interest or property.
- 1.14 **"Treasury Regulations"** mean the proposed, final or temporary regulations promulgated from time to time by the United States Treasury Department under the Code.

ARTICLE II FORMATION, NAME AND BUSINESS

- 2.1 **Name.** The parties hereby form a limited partnership under the Act with the name Glendale Housing Resources LP ("**Partnership**").

- 2.2 **Purpose.** The Partnership may engage in any business that the Partners may from time to time agree upon, to lease land, perform site preparation and demolition, purchase improvements and revitalize, own, maintain and operate multi-family residential properties consisting of the property, buildings, and units that make up Glendale Townhomes for rental to low-income eligible households. The project will be referred to as the Glendale Redevelopment (the "**Project**"), pursuant to the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration Program (RAD) and Section 18 programs, Faircloth authority, the Housing Choice Voucher program as well as the low-income housing tax credit program under Section 42 of the Internal Revenue Code of 1986, as amended. (the "**Code**");
- 2.3 **Place of Business.** The registered office of the Partnership is at 1001 Washington Avenue North, Minneapolis, MN 55401, or may be at such other location as the General Partner may determine from time to time.
- 2.4 **Term.** The Partnership shall commence as a limited partnership upon the filing of its Certificate of Limited Partnership with the Secretary of State for the State of Minnesota and shall continue until terminated under this Agreement, by applicable state law, by completion of the purpose intended, or by the death, withdrawal, resignation, retirement or disability of all of the Partners.
- 2.5 **Powers of the Partnership.** The Partnership is empowered and authorized to do any and all acts necessary or convenient for the furtherance and accomplishment of the purpose of the Partnership.
- 2.6 **Certificate of Limited Partnership.** The General Partner shall file a Certificate of Limited Partnership ("**Certificate**") of the Partnership with the Secretary of State of Minnesota as required by the Act, and shall cause to be filed such other certificates or documents, or amendments to such certificates or documents, as determined by the General Partner to be reasonable and necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership in Minnesota or any other jurisdiction in which the Partnership may elect to conduct business. The Certificate shall state that the Partnership is not a limited liability limited partnership.

ARTICLE III CAPITAL CONTRIBUTIONS AND ACCOUNTS

- 3.1 **Original Capital Contributions and Percentage Interest.** The Partners are contributing the amount next to each Partner's name to the Partnership as their original Capital Contribution as set forth in Exhibit A. The Partners' initial Percentage Interest is also set forth on Exhibit A.
- 3.2 **Additional Capital Contribution.** If during the existence of the Partnership it shall

become necessary to increase the capital with which the Partnership is doing business, then upon a majority vote of the Partners, the Partners shall contribute according to each Partner's Percentage Interest in proportion to the total amount of all of the Partners' Percentage Interests. The Partners will make all such contributions within 60-days' notice of the amount required to be contributed.

- (a) Limited Partners are not liable for the debts or obligations of the Partnership or required to contribute any capital or lend any funds to the Partnership, except as expressly provided in this Agreement.
- (b) The General Partner is not obligated to contribute cash or other assets to the Partnership to make up deficits in Capital Accounts of Limited Partners either during the term of the Partnership or upon liquidations.

3.3 **Interest.** No interest shall be paid on the initial Capital Contributions to the Partnership or on any subsequent additional Capital Contributions.

3.4 **Return of Capital Contribution.** No Partner shall have the right to demand the return of his, her or its Capital Contribution except as provided herein.

3.5 **Capital Accounts.** An individual capital account shall be maintained for each Partner in accordance with Treasury Regulation Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such regulation. The capital interest of each Partner is comprised of the Partner's original Capital Contribution, increased by (a) additional capital contributions made by the Partner, and (b) the fair market value of property contributed by the Partner to the Partnership, and (c) allocations to the Partner under Section 4.1 of realized Partnership income and gain, and decreased by (x) distributions in reduction of Partnership capital, and (y) the fair market value of property distributed to the Partner by the Partnership, and (z) allocations to the Partner under Section 4.1 of realized Partnership loss. It is the intention of the Partners that the capital accounts maintained under this Agreement be determined and maintained throughout the full term of this Agreement in accordance with the accounting rules of Treasury Reg. § 1.704-1(b)(2)(iv). Where Section 704(c) of the Code applies to Partnership property, a Partner's Capital Account shall be adjusted in accordance with Treasury Regulation Section 1.704-1(b) as to allocations to the Partners of depreciation, depletion, amortization, and gain or loss, as computed regarding such property.

ARTICLE IV

ALLOCATION OF NET INCOME AND NET LOSSES AND DISTRIBUTIONS

4.1 **Allocation of Net Income and Net Losses.** Except as otherwise provided herein or as may be required by Section 704(c) of the Code, Net Income and Net Losses for each fiscal year of the Partnership shall be credited or charged to the Partners in proportion to their Percentage Interests.

- (a) Net Losses allocated to any Limited Partner under Section 4.1 shall not exceed the maximum amount of such losses that can be so allocated without causing the Limited Partner to have a deficit balance in such Limited Partner's Capital Account at the end of any fiscal year. If some, but not all, Limited Partners would have a deficit balance in their Capital Accounts because of an allocation of Net Losses, the limitation in this Section 4.1(a) shall be applied individually as to each Limited Partner until all Limited Partners have a Capital Account balance of zero. Net Losses over the amount which may be allocated to the Limited Partners under this Section 4.1(a) shall be allocated to the General Partner.
- (b) If Net Losses have been subject to the special allocations in Section 4.1(a), notwithstanding Section 4.1, subsequent allocations of any Net Income shall first be allocated among the Partners to offset in reverse order any special allocations of Net Losses.
- (c) The allocation provisions herein are intended to comply with applicable provisions of Section 704 of the Code and the Treasury Regulations promulgated thereunder (in particular, with the requirements for satisfaction of the "alternate test for economic effect" that are set forth in Treasury Regulations Section 1.704-1 (b)(2)(ii)(d)), and shall be interpreted and applied in a manner consistent with such statutory and regulatory provisions.
- (d) If any Partner unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1 (b)(2)(ii)(d)(5) or 1.704-1(b)(2)(ii)(d)(6), which adjustment, allocation or distribution would cause the Partner to have an adjusted capital account deficit, items of Partnership income and gain (including gross income) shall be specially allocated to each such Partner in an amount and manner sufficient to eliminate the adjusted capital account deficit of such Partner as quickly as possible. The allocation contained in this Section is intended to be a "qualified income offset" within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(d), and shall be interpreted consistently therewith.

4.2 **Distribution of Available Cash.** Available Cash shall be distributed to the Partners in proportion to their respective Percentage Interests as of Distribution, at such times as the Partners determine in their discretion.

4.3 **Distribution of Net Proceeds of Capital Transactions**

- (a) Any net proceeds shall be distributed as follows and in the following order of priority:
 - (i) To the creditors of the Partnership in payment of the unpaid liabilities

of the Partnership to the extent required under agreements with such creditors;

- (ii) To the setting up of any reserves which a majority in interest of the Partners may deem reasonably necessary for any anticipated, contingent or unforeseen liabilities or obligations of the Partnership arising out of, or in connection with, the conduct of the Partnership's business;
 - (iii) To the Partners as a return of their net Capital Contributions not yet returned;
 - (iv) To the Partners in proportion to their respective Percentage Interests.
- (b) If the Partnership realizes gains or losses for federal income tax purposes for transactions or events contemplated by this Article IV, such gains or losses shall be allocated as set forth in Section 4.3(a)(iv).

ARTICLE V TRANSFER OF PARTNERSHIP INTEREST

- 5.1 **Restriction on Transfer.** Except as is otherwise expressly provided, no Partner may voluntarily or involuntarily sell, transfer, mortgage, assign or otherwise encumber his, her, or its interest in the Partnership without the written consent of a majority interest of the remaining Partners, nor shall any Partner cause or allow his, her, or its interest in the Partnership or its property to be subject to a security interest or other lien, pledged, attached or otherwise encumbered.
- 5.2 **Right to Admit Partners.** There shall be no right to admit additional Partners, except by the written consent of a majority interest of the Partners.
- 5.3 **Seller Related Entities.** Notwithstanding anything to the contrary herein, no assignment or transfer of all or any portion of a Partner's interests in the Partnership shall occur that would result in the Minneapolis Public Housing Authority or any "related person" to any of the foregoing within the meaning of Section 42(d)(2)(D)(iii) of the Code (each, a "**Seller Related Entity**" and collectively, the "**Seller Related Entities**"), having, either individually or collectively, more than a forty-nine percent (49.00%) interest in the capital or profits of the Partnership within the meaning of Sections 179(d), 267(b) and/or 707(b) of the Code and the Treasury Regulations promulgated thereunder. The Partners acknowledge and agree that any provision of this Agreement that conflicts with the foregoing shall be reformed to comply with this Section 5.3.

ARTICLE VI
MANAGEMENT BY GENERAL PARTNER

- 6.1 **Management, Duties, and Restrictions.** The General Partner shall have the full power, right and authority to manage the Partnership business in all matters and shall have the sole and exclusive power for the Partnership to conduct and control the conduct of the Partnership business, including, but not limited to, those activities set forth in Section 1.5. The following agreements, duties and restrictions apply to the management and operation, of the Partnership:
- (a) The General Partner shall not receive any salary or other compensation for services rendered to the Partnership as a Partner or otherwise, except as otherwise agreed upon by the Partners.
 - (b) The General Partner shall diligently employ itself in the business of the Partnership, shall be faithful to all Partners in all transactions relating to the Partnership, and shall give, whenever required, a true account of all business transactions arising out of or connected with the conduct of the Partnership. The General Partner shall pay and satisfy its own debts.
- 6.2 **Other Business Activities and Competition.** Any Partner may engage in or possess an interest in other business ventures of every nature and description, independently or with others, and neither the Partnership nor the other Partners shall have (or have the right to acquire) by virtue of this Agreement any interest in such independent venture or in the income or profits derived therefrom.
- 6.3 **Transactions with Partner.** No sale of an interest in Partnership property shall be made to any Partner, individually, or to any entity controlling, controlled by, or in direct or indirect common control with a Partner, or to any entity or business venture in which any Partner has a financial or other interest, other than at its fair market value. Neither a Partner nor any such entity of business venture shall be compensated for services rendered to the Partnership by them other than at the fair value; provided, however, this provision shall not be deemed to apply to any such transaction expressly provided for in the Agreement.
- 6.4 **Partnership Property.** All real and other property of the Partnership is and will be owned by the Partnership as an entity, and no Partner owns such property in the Partner's name alone, nor shall any Partner seek partition or sale of the property from a court or other authority having jurisdiction.

ARTICLE VII
RIGHTS AND DUTIES OF LIMITED PARTNERS

- 7.1 **Limitation of Liability.** Limited Partners shall have no liability to the Partnership regardless of any deficit that may exist in the Capital Account of any

Partner, and no Limited Partner shall have any liability or obligation for any debts, liabilities or obligations of the Partnership.

- 7.2 **Management of Business.** No Limited Partner shall participate in the operation, management or control of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership.
- 7.3 **Return of Capital.** A Limited Partner may rightfully disassociate from the Partnership and withdraw its interest in the Partnership in whole or in part prior to the dissolution and winding up of the Partnership upon written notice to the Partnership.
- 7.4 **Power of Attorney.** By the execution of this Agreement, each Limited Partner irrevocably appoints the General Partner, with full powers of substitution, as such Limited Partner's true and lawful attorney-in-fact with the power to execute, acknowledge, swear to and file any instruments necessary to qualify and to continue the Partnership as a limited partnership and any amendments thereto as may be required or permitted by law or this Agreement.

ARTICLE VIII BANKING, BOOKS AND ACCOUNTING

- 8.1 **Banking.** All funds of the Partnership shall be deposited and kept in its name in such Partnership bank account or accounts as designated by the General Partner. The General Partner is authorized to sign all checks, withdrawal slips or other orders regarding such accounts and to endorse all checks payable to the Partnership for deposit in such accounts.
- 8.2 **Partnership Books.** The Partnership shall maintain full and accurate books and records at its principal office and all Partners shall have the right to inspect and examine the same at reasonable times. The books shall be kept on an accrual basis and the fiscal year of the Partnership shall be the calendar year. If the records and books are kept at any place other than at the principal office of the Partnership, each Partner shall be immediately notified in writing. The books shall be closed and balanced at the end of each fiscal year at the expense of the Partnership by an independent certified public accountant designated by the General Partner.
- 8.3 **Accounting.** The Partnership will furnish to each Partner, within ninety (90) days after the close of each fiscal year, copies of the Partnership's annual financial statements, including a written balance sheet and statement of income or loss, which shall be prepared by an independent certified public accountant designated by the General Partner. Such financial statements will also indicate the share of each Partner of the Net Income, Net Loss, depreciation and other relevant fiscal items of the Partnership for such fiscal year. Each Partner shall be entitled to receive, upon request, copies of all federal, state and local income tax returns and information returns that the Partnership

must file.

- 8.4 **Partnership Representative.** The General Partner shall serve as the "Partnership Representative" pursuant to the Bipartisan Budget Act of 2015, Pub. L. No. 114-74, the Protecting Americans from Tax Hikes Act of 2015, P.L. 114-113, div. Q, the Consolidated Appropriations Act of 2018, P.L. 115-141, and the Treasury Regulations promulgated thereunder (collectively, the "**Partnership Audit Rules**"). The Partnership Representative shall timely designate the "designated individual" (the "**Designated Individual**") to serve as the sole individual through whom the Partnership Representative will act for purposes of the Partnership Audit Rules. The Partnership Representative shall not be removed or changed except with the consent of all the Partners. The Partnership Representative shall have the authority to perform any and all actions permitted by Section 6221 through 6241 of the Code in connection with any proceedings pertaining to federal income tax issues. The Partnership Representative shall make or cause to be made such accounting and tax elections with the consent of all the Partners. The Partnership Representative shall have the right to engage counsel to represent the Partnership in connection with any audit or other investigation, and the fees and expenses of such counsel and of any litigation arising out of or in connection with such audit or investigation shall be borne by the Partnership. The Partnership Representative and the Designated Individual, as applicable, shall be indemnified and held harmless by the Partnership for any act or omission performed or omitted by it in its capacity as the Partnership Representative or the Designated Individual, as applicable (except to the extent of its gross negligence or willful misconduct). All expenses incurred by the Partnership Representative in connection with any administrative proceeding before the Internal Revenue Service (the "**IRS**"), any state or local taxing authority or any other governmental authority and/or judicial review of such proceedings, including, without limitation, reasonable attorneys' fees, shall be deemed a Partnership expense. In the event the Partnership Representative elects to file a petition for readjustment of any Partnership tax item (in accordance with Section 6226(a) of the Code), such petition shall be filed in any court having jurisdiction over any tax or other matter. In the event that the IRS, or any other governmental agency with jurisdiction, shall conduct, commence or give notification of intent to conduct or commence any audit or other investigation of the books, records, tax returns, documents or affairs of the Partnership, the Partnership Representative shall respond to such audit or other investigation for and on behalf of the Partnership and shall keep all other Partners informed with respect thereto. The Partnership Representative shall promptly send copies of all tax returns and substantive correspondence with any taxing authority to each Partners. In the event the General Partner is not the Partnership Representative, the General Partner shall cooperate fully with the Partnership Representative in the conduct of any audit or tax contest.

ARTICLE IX DISSOLUTION OR TERMINATION OF PARTNERSHIP

- 9.1 **No Dissolution.** The Partnership shall not be dissolved by the Transfer of any

Partnership interest, the admission of an additional or a substitute Partner, or the death, withdrawal, insolvency, bankruptcy or other disability of a Limited Partner. The Partnership shall not be dissolved by the dissociation of the General Partner under the Act, unless there is no General Partner then acting and no General Partner is admitted to replace the dissociated General Partner.

9.2 **Termination of Partnership.** The Partnership shall be terminated and its affairs shall be wound up upon the occurrence of:

- (a) Final decree of a court ordering the termination under applicable law;
- (b) Occurrence of any event which terminates the Partnership under the Act;
- (c) Disposition by any means of substantially all of the assets of the Partnership; or
- (d) Consent to dissolution of the Partnership by a majority vote of the Partners.

9.3 **Liquidation of Partnership.**

- (e) Upon any dissolution or termination of the Partnership, the assets of the Partnership shall promptly be liquidated, but in an orderly and businesslike manner so as not to involve undue sacrifice, and the Partners shall cause to be prepared by the firm of certified public accountants then retained by the Partnership (or such other firm as designated by a majority of the interests held by the Partners) a statement setting forth the assets and liabilities of the Partnership as of dissolution, which statement shall be furnished to all of the Partners.
- (f) Upon the dissolution or termination of the Partnership, the net proceeds from the liquidation of the assets of the Partnership and any gain or loss relating thereto shall be distributed and allocated:
 - (i) first, to discharge the debts and liabilities of the Partnership and the expenses of liquidation;
 - (ii) second, to pay each Partner or his, her or its legal representative any unpaid salary, interest, drawing account or profits to which such person is entitled, and to repay to each Partner such Partner's Capital Contributions over such Partner's original Capital Contribution; and
 - (iii) third, to divide any surplus among the Partners by first distributing to the individual Partners in proportion to such Partner's then-existing Capital Account, and then distributing any remaining surplus according to each Partner's Percentage Interest.

- 9.4 **Distributions in Kind.** Notwithstanding anything to the contrary, the Partners may distribute in kind, upon liquidation, any assets of the Partnership, provided that the assets distributed in kind shall be valued as of Distribution.

ARTICLE X MISCELLANEOUS

- 10.1 **Governing Law, Jurisdiction, and Venue.** This Agreement shall be governed by, interpreted, and enforced under the laws of Minnesota, without giving effect to its conflict of laws provisions. Any litigation between the parties shall be conducted exclusively in the state and federal courts in Hennepin County, Minnesota, and any arbitration or similar
- 10.2 **Binding Effect; No Third-Party Beneficiaries.** Except as otherwise provided to the contrary, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their personal representatives, heirs, successors, and assigns. No other person has any rights, interest, or claims hereunder or is entitled to any benefits under or on account of this Agreement as a third-party beneficiary or otherwise.
- 10.3 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.
- 10.4 **Severability.** All provisions of this Agreement are fully severable. If any provision is held to be illegal, invalid, or unenforceable under the present or future laws effective during the term of this Agreement, then this Agreement will be construed and enforced as if such provision had never comprised a part of this Agreement and the remaining provisions of this Agreement will remain in full force and effect.
- 10.5 **Additional Documents and Acts.** Each Partner agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out, and perform all of the terms, provisions, and conditions of this Agreement and the transactions contemplated.
- 10.6 **Notices.** Any notice, demand, or request required to be given to a Partner under this Agreement shall be given to the Partner's address on file with the Partnership's records by personal service, by overnight service from a nationally-recognized courier, or by United States mail, certified with return receipt requested and postage prepaid. Notices, demands or requests to the Partnership shall be sent to the Partnership's principal office as set forth in Section 2.3. A Partner may change its address for notice by delivering notice of the new address to the other parties as required above. Any notice, demand, or request shall be deemed received: (a) if sent by personal service, when such personal service is effected; (b) if sent by overnight service from a nationally-recognized courier, on the business day immediately following timely deposit with the courier; and (c) if sent by United States mail, three (3) business days following deposit in the mail.

- 10.7 **Gender, Number, Headings and Titles.** As used herein, unless the context clearly indicates the contrary, the singular number shall include the plural, the plural the singular, and using any gender shall apply to all genders. Article, section, and paragraph headings are included for descriptive purposes and the convenience of reference only and shall not control or alter the meaning of this Agreement.
- 10.8 **Partner Expectations.** All of the Partners agree this Agreement incorporates and includes all (and not less than all) of the expectations of the Partners regarding their interests in the Partnership.
- 10.9 **Modifications.** No modification of this Agreement shall be valid unless such modification is in writing and signed by the parties hereto.
- 10.10 **Waiver.** The failure of a party to enforce a right under this Agreement shall not be construed as a waiver of that right. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the person or party against whom the waiver is charged.
- 10.11 **Entire Agreement.** This Agreement contains the entire agreement among the parties and supersedes all prior understandings and agreements, whether oral or written.
- 10.12 **Waiver of Partition.** Except as expressly permitted hereunder, the Partners hereby waive any right of partition or any right to take any other action which otherwise might be available to them for the purpose of severing their relationship with the Partnership.

{Separate Signature Page Follows}

IN WITNESS WHEREOF, the undersigned have executed this Agreement, effective as of the date first above written.

GENERAL PARTNER:

Glendale Housing Resources Mgmt. LLC

DATE: _____

By: _____
Abdulkadir Yassin Warsame

Its: Executive Director

LIMITED PARTNER:

MPHA Hold. Co

DATE: _____

By: _____
Abdulkadir Yassin Warsame

Its: Executive Director

**EXHIBIT A
PARTNER TABLE**

Name and Address of Partner	Capital Contribution	Type of Partnership Interest	Percentage Interest
Glendale Housing Resources Mgmt LLC 1001 Washington Avenue North Minneapolis, MN 55401	\$1	General Partner	1%
MPHA Hold. Co. 1001 Washington Avenue North Minneapolis, MN 55401	\$99	Limited Partner	99%
TOTAL			100%