NOTICE AND AGENDA

July 26, 2017

REGULAR MEETING OF THE MINNEAPOLIS PUBLIC HOUSING AUTHORITY IN AND FOR THE CITY OF MINNEAPOLIS WILL BE HELD AT 1:30 P.M. AT 1001 WASHINGTON AVENUE NORTH, MINNEAPOLIS, MINNESOTA

The Tenant Advisory Committee will meet at 12:00 Noon, same date and place

Commissioners:  
F. Clayton Tyler, Chair  
Charles T. Lutz, Vice Chair  
Mikkel Beckmen, Secretary  
Tom DeAngelo, Commissioner  
Cara Letofsky, Commissioner  
Abdullahi Isse, Commissioner  
Tamir Mohamud, Commissioner  
Hon. James Rosenbaum, Commissioner

GENERAL:

- Roll Call
- Approval of Agenda
- Minutes of Regular Meeting of June 28, 2017

TENANT ADVISORY COMMITTEE – TAC Chairperson Comments

EXECUTIVE DIRECTOR’S UPDATE

DISCUSSION:

1. General Contractor/Consultant (GC/C) Services at Minnehaha Townhomes (Dean Carlson, Development Project Manager)

RECEIVE AND FILE:

- Monthly Performance Report for June 2017 (Gregory P. Russ, Executive Director / CEO)
- MPHA 2018 Draft MTW Plan (Bob Boyd, Director of Policy & Special Initiatives)
MINNEAPOLIS PUBLIC HOUSING AUTHORITY
EQUAL HOUSING OPPORTUNITY – EQUAL EMPLOYMENT OPPORTUNITY

Next Regular Meeting:

Wednesday, August 23, 2017 - 1:30p.m.
1001 Washington Avenue North
Minneapolis, MN 55401

Notice: A portion of this meeting may be closed to the public pursuant to Minnesota Statutes Section 13D.03 or 13D.05.
The Minneapolis Public Housing Authority in and for the City of Minneapolis met in a regularly scheduled meeting at 1:30 P.M. on June 28, 2017, at 1001 Washington Avenue North, Minneapolis, Minnesota, the date, time, and place established for the holding of such meeting.

Roll Call:

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

- Charles T. Lutz, Acting Chair
- Mikkel Beckmen, Secretary
- Tom DeAngelo, Commissioner
- Abdullahi Isse, Commissioner
- Cara Letofsky, Commissioner
- Tamir Mohamud, Commissioner
- Hon. James Rosenbaum, Commissioner

The following members of the Board were absent:
- F. Clayton Tyler, Chair

The following others were also present:

- Greg Russ, Executive Director / CEO

The Chair declared the presence of a quorum.

Approval of Agenda:

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

Approval of Minutes:

The Minutes of the Regular Meeting of May 24, 2017, were presented for approval. Commissioner Rosenbaum moved the minutes be accepted as presented. The motion was seconded by Commissioner Isse. Upon a voice vote, the Chair declared the motion carried.

Executive Director’s Update:

In an effort to keep MPHA Commissioners, staff and the public informed regarding significant activities being addressed by the Agency, Executive Director Russ spoke briefly on the topics show below
upon which the Board took no official action:

- “Save the Date” card for the August 14, 2017 Convening meeting will be sent out soon. This meeting is for those who are interested in fostering mobility and other opportunities, not only in the city, but in the greater region.
  - There’s a MTW Mobility Study meeting in Washington, D.C. today where Kyle Hanson, Managing Director of HCV and Ellen Sahli, Director of Family Housing Fund are in attendance representing MPHA and the City of Minneapolis.

- Met with the McKnight Foundation on June 27, 2017 and participated on a panel sponsored by the Brookings Institution on fostering regional housing opportunities

Travel:

- In July, I will be traveling to Washington, D.C. to attend a CLPHA meeting. We asked HUD Secretary Carson to meet with us.

- Today, a group of staff and I will be traveling to Cambridge, MA to look at some of the work done there on buildings, and the finance and the operation of those buildings, after demolition and rebuilding. At some point, we also would like to take a group of MPHA residents to Cambridge.

- I met last week in Washington, DC with the three large industry groups (CLPHA, NAHRO & PHADA). The industry group is trying to move together to create a platform of reform to pitch to the new administration and Congress.

Other items:

We are moving forward by working to enhance the Housing Choice Voucher Program.

We are also moving forward with Capital Initiatives by announcing today that Laura Dykema is going to be our Director of Planning and Development and Tim Gaetz will be moving to Low-income Public Housing as the Assistant Director handling technical services.

**Receive and File Items:**

The following items were received and filed by the Board:


**Adjournment:**

There being no further business to come before the meeting, and upon a motion duly made and seconded, the meeting was adjourned at 1:40 p.m.
Secretary of the Board of Commissioners

Date These Minutes Approved
REPORT TO THE COMMISSIONERS

FROM: Greg Russ, Executive Director/CEO

SUBJECT: General Contractor/Consultant (GC/C) Services at Minnehaha Townhomes

Previous Directives: The Board previously approved the use of development proceeds for this project at its May 25, 2016 Board Meeting. In addition, this project has been listed on the Agency’s 2016 and 2017 Moving to Work (MTW) Plans.

Resident Council Review/Recommendation: This Report will be discussed with the Tenant Advisory Committee (TAC) immediately prior to the Board’s July 26, 2017 meeting.

Budget Impact: MPHA’s share of development budget will be charged to the Development Proceeds set aside for predevelopment of this project.

Affirmative Action Compliance: The GC/C delivery method provides favorable opportunities for the participation of minority- and women-owned, and Section 3 businesses in major construction projects. Frerichs Construction is aware of MPHA’s W/MBE and Section 3 contracting goals and has submitted a plan for achieving these goals on this project. Although Frerichs Construction is not in itself a minority, women-owned, or Section 3 business, typically 85-90 percent of the overall value of a GC/C project is subcontracted work. Therefore, the GC/C’s outreach and inclusion strategies during the bidding phase and their ability to achieve owner contracting goals with subcontracted work is of greatest importance. Frerichs has a successful track record on other MPHA projects, including their most recent major rehabilitation project where over 60 percent of subcontracted work was awarded to W/MBE and Section 3 businesses.

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 GC/C Agreement with Frerichs Construction for construction of the 16-Unit Minnehaha Townhomes project.
**Scope & Budget**

Minnehaha Townhomes is a 16-unit, new construction project consisting of four nearly identical buildings for families experiencing homelessness. Families will come from homeless shelters and receive services from Hennepin County and a Rapid Rehousing Provider. The supportive services for this project are being designed to replicate Hennepin County’s Stable Families Initiative Pilot Program (SFI), primarily their highly successful Young Parents Program (YPP) and Integrated County Service components (ICS).

The property consists of two separate vacant lots owned by the City of Minneapolis, for which the MPHA has exclusive development rights. The project will consist of 16 two-story wood frame units in four slab-on-grade buildings. Three of the buildings will have one 2-bedroom and three 3-bedroom units. The other building will have one 2-bedroom unit, two 3-bedroom units, and one 4-bedroom unit. The roofs will be closed gable style with asphalt shingles. There are plans for one playground, a community garden, small storage shed, and a surface parking lot with 16 stalls.

Total Project cost is estimated at $4.12 million with construction costs at $3.7 million. The project is primarily funded through public agencies including the Minnesota Housing Finance Agency, City of Minneapolis, Hennepin County, and the Federal Home Loan Bank. In addition, MPHA is requesting that the City of Minneapolis write-down the cost of the parcel to $1.00. See attached Figure One for a listing of the funding sources and amounts.

The project will consist of four phases including a pre-construction, bidding, construction, and final documentation phase.

**Pre-Construction Phase**

- The GC/C and MPHA’s design team will further refine design details and conduct investigative work to determine constructability and, as necessary, engage in the value engineering process to meet the project design intent while maximizing budget, schedule, and phasing.

**Bidding Phase**

- Bid documents are finalized for all project disciplines.
- Project is bid in accordance to MPHA, HUD and Minneapolis Department of Civil Rights procurement guidelines.
- Project schedule is established.
- A final Maximum Allowable Construction Cost (MACC) will be negotiated with the GC/C. MPHA will inform the Board of the final MACC agreement once executed.

**Construction Phase**

- The GC/C will manage all aspects of construction of the project including onsite coordination and supervision.
- The GC/C will be obligated to deliver the project on time and within agreed upon MACC agreement.
Final Documentation Phase

- Upon completion of the project, the GC/C will complete processing and transmittal of all final project and accounting documentation.
- The GC/C will complete all necessary paperwork and closeout documents for the various funding sources.
- The GC/C will provide MPHA with operating manuals, as-built drawings, spare parts and any other associated necessary supplemental material.

Procurement

On June 19, 2017, MPHA issued a best value RFP for GC/C services for the Minnehaha Townhomes project. MPHA received responsive and responsible proposals from the following firms:

Frerichs Construction
Thor Construction (MBE)
Shaw Lundquist Associates (MBE)

MPHA formed an evaluation committee to evaluate and rank proposals based on a best value system as opposed to a hard bid. Evaluation criteria included proposed project team, qualifications and capacity, related experience, proposed fees, knowledge of state and local agency funding requirements, and the firm’s approach to project implementation including past performance in meeting or exceeding affirmative action goals, meeting budget and time constraints, etc. Frerichs Construction was the highest-ranking firm and scored particularly well in their experience with projects of similar size, construction, and funding structure, as well as their proposed project team and this team’s track record delivering projects on time and within budget while accomplishing owner established goals. While Shaw-Lundquist exhibited some experience with similar projects, their proposed team had less experience with and knowledge of new construction projects with state and local funding sources. Thor Construction also illustrated limited experience with similar projects and did not submit complete and detailed information in each of the areas outlined in MPHA’s Request for Proposals. Although Thor submitted the lowest costs, their fees were an outlier in comparison to other proposers’. Frerichs Construction has successfully completed several similar projects and MPHA staff is confident they will perform well on this project.

This Report was prepared by Dean Carlson, Development Project Manager. For further information, please contact Mr. Carlson at (612) 342-1213 or dcarlson@mplspha.org.
<table>
<thead>
<tr>
<th>Sources</th>
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<tr>
<td>MHFA</td>
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<td>Met Council</td>
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<tr>
<td>City of Minneapolis</td>
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<tr>
<td>Hennepin County</td>
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<td>Federal Home Loan Bank</td>
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<td>Minneapolis Land Cost Write Down</td>
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<tr>
<td>MPHA</td>
<td>$850,000</td>
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<tr>
<td>MHFA</td>
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<tr>
<td>TOTAL</td>
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<th>Amount</th>
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<tr>
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<tr>
<td>Soft Costs</td>
<td>$410,000</td>
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<td>Total</td>
<td>$4,120,000</td>
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Performance Report for June 2017

Board of Commissioners Meeting -
July 26, 2017
This Month’s Report

- Asset Management Project (AMP) Reports
- Procurement
- Rent Collections
- Facilities and Development
- Finance
- Housing Choice Voucher Program
- Human Resources
- Policy & Special Initiatives
Asset Management Project (AMP) Report
(Units Leased/Turnaround/Work Orders/Occupancy)
Headquarters: 2709 Essex St. SE
June 2017

Glendale AMP 1 -

Total Units 184

► Units Leased: 4
► Average Turnover: 32
  ○ Down Time: 3
  ○ Days Make Ready: 17
  ○ Days for Re-rental: 11
► Total Work Orders
  ○ 1 emergency work order completed in 24 hours - 100%
  ○ 226 non emergency work orders completed - 83%
► Occupancy Level: 98%

Scattered Sites AMP 2 -

Total Units 736

► Units Leased: 12
► Average Turnover: 22
  ○ Down Time: 4
  ○ Days Make Ready: 9
  ○ Days for Re-rental: 9
► Total Work Orders
  ○ 7 emergency work orders completed in 24 hours - 100%
  ○ 712 non emergency work orders completed - 79%
► Occupancy Level: 98%
Asset Management Project (AMP) Report
(Units Leased/Turnaround/Work Orders/Occupancy)
June 2017

North AMP 3 - Headquarters:
315 Lowry Total Units 1296
- Units Leased: 23
- Average Turnover: 9
  - Days Down Time: 2
  - Days Make Ready: 3
  - Days for Re-rental: 4
- Total Work Orders
  - 8 emergency work orders completed in 24 hours - 100%
  - 618 non emergency work orders completed - 62%
- Occupancy Level: 99%

Northeast AMP 4 Headquarters:
1815 Central - Total Units 944
- Units Leased: 12
- Average Turnover: 22
  - Days Down Time: 2
  - Days Make Ready: 10
  - Days for Re-rental: 10
- Total Work Orders
  - 1 emergency work orders completed in 24 hours - 100%
  - 460 non emergency work orders completed - 68%
- Occupancy Level: 100%
Asset Management Project (AMP) Report (Units Leased/Turnaround/Work Orders/Occupancy) June 2017

Hiawatha AMP 5 Headquarters: 2123 - 16th - Total Units 886
- Units Leased: 18
- Average Turnover: 22
  - Days Down Time: 2
  - Days Make Ready: 10
  - Days for Re-rental: 10
- Total Work Orders
  - 7 emergency work orders completed in 24 hours - 100%
  - 306 non emergency 82%
- Occupancy Level: 100%

Cedar AMP 6 Headquarters: 1611 So. 6th - Total Units 895
- Units Leased: 18
- Average Turnover: 12
  - Days Down Time: 1
  - Days Make Ready: 6
  - Days for Re-rental: 5
- Total Work Orders
  - 13 emergency work orders completed in 24 hours - 100%
  - 273 non emergency 55%
- Occupancy Level: 100%
Asset Management Project (AMP) Report
(Units Leased/Turnaround/Work Orders/Occupancy)
June 2017

Horn AMP 7 - Headquarters:
3121 Pillsbury - Total Units 937

- Units Leased: 6
- Average Turnover: 20
  - Days Down Time: 4
  - Days Make Ready: 4
  - Days for Re-rental: 12
- Total Work Orders
  - 12 emergency work orders completed in 24 hours - 100%
  - 418 non emergency work orders completed 48%
- Occupancy Level: 100%
Rent Collections

2017 Rent Collections

- Jan: 102%
- Feb: 100%
- Mar: 102%
- Apr: 98%
- May: 102%
- Jun: 100%
- Jul: 100%
- Aug: 100%
- Sep: 100%
- Oct: 100%
- Nov: 100%
- Dec: 100%
Facilities & Development
Capital Fund Program
Obligation & Expenditure Report

1992 through June 30, 2017

Funds Received: $334,137,578
Funds Obligated: $330,021,588
Funds Expended: $324,463,730
Procurement
Construction Contracting Activity for June

YTD Percentage of Total Construction Contract Payments

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<tr>
<th>Women Owned Businesses</th>
<th>2016</th>
<th>2017</th>
<th>Change</th>
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<tbody>
<tr>
<td>Q1</td>
<td>34.21%</td>
<td>17.36%</td>
<td>-16.85%</td>
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<tr>
<td>Q2</td>
<td>18.41%</td>
<td>29.72%</td>
<td>+11.31%</td>
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<tr>
<td>Q3</td>
<td>18.29%</td>
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<tr>
<td>Q4</td>
<td>9.32%</td>
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<tr>
<th>Section 3 Businesses</th>
<th>2016</th>
<th>2017</th>
<th>Change</th>
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<tbody>
<tr>
<td>Q1</td>
<td>5.41%</td>
<td>9.36%</td>
<td>+3.95%</td>
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<tr>
<td>Q2</td>
<td>7.36%</td>
<td>8.74%</td>
<td>+1.38%</td>
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<td>Q3</td>
<td>11.47%</td>
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<tr>
<td>Q4</td>
<td>8.16%</td>
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<th>Minority Owned Businesses</th>
<th>2016</th>
<th>2017</th>
<th>Change</th>
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<tbody>
<tr>
<td>Q1</td>
<td>4.51%</td>
<td>7.55%</td>
<td>+3.04%</td>
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<tr>
<td>Q2</td>
<td>9.44%</td>
<td>13.18%</td>
<td>+3.75%</td>
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<td>Q3</td>
<td>9.98%</td>
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<tr>
<td>Q4</td>
<td>17.19%</td>
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June 2017 Performance Report
Security Fencing Improvements

PARK CENTER & RAINBOW TERRACE
1710 Plymouth Avenue North is an 84 unit, 7-story seniors facility. 1515 Park Avenue South is a 182 unit, 21-story highrise. Both buildings are located in higher crime neighborhoods with high foot traffic. MPHA implemented $50K in fencing improvements to address vulnerabilities at these sites:
- 1710 Plymouth: 6’ high steel fence was installed around the perimeter of the building from the parking lot to front entry.
- 1515 Park: Over 400 lineal feet of fencing were added to the existing 4’ high fence, extending it to 6’.
Since completion, MPHA Command Center calls and reported criminal incidents have fallen.
1710 Plymouth Avenue North

Completed fencing with pedestrian gate
Before – the existing 4’ high fencing was not sufficient to prohibit trespassing

After – 6’ high extended fence
Housing Choice Voucher Program Utilization June 2017

Annual HAP Budget

$19,751,669

$19,553,929

- HAP Spent
- Budgeted HAP Remaining

Waitlist Size by Month

HAP Spent vs Funded

MTW Units Leased

Baseline:
Housing Choice Voucher Program Utilization June 2017

Port Ins and Port Outs Per Month

<table>
<thead>
<tr>
<th>Month</th>
<th>Port Ins</th>
<th>Port Outs</th>
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<tbody>
<tr>
<td>Jan-16</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Feb-16</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>Mar-16</td>
<td>15</td>
<td>26</td>
</tr>
<tr>
<td>Apr-16</td>
<td>29</td>
<td>22</td>
</tr>
<tr>
<td>May-16</td>
<td>30</td>
<td>21</td>
</tr>
<tr>
<td>Jun-16</td>
<td>21</td>
<td>18</td>
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Per Unit Cost by Month

<table>
<thead>
<tr>
<th>Month</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Feb-16</td>
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<tr>
<td>Mar-16</td>
<td>$688</td>
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<tr>
<td>Apr-16</td>
<td>$691</td>
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<tr>
<td>May-16</td>
<td>$696</td>
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<tr>
<td>Jun-16</td>
<td>$677</td>
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Mobility and FSS Participants

<table>
<thead>
<tr>
<th>Month</th>
<th>FSS</th>
<th>Mobility Intake</th>
<th>Mobility Leased/ Port Out</th>
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<tbody>
<tr>
<td>Jan-16</td>
<td>24</td>
<td>3</td>
<td>26</td>
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<tr>
<td>Feb-16</td>
<td>22</td>
<td>3</td>
<td>29</td>
</tr>
<tr>
<td>Mar-16</td>
<td>16</td>
<td>3</td>
<td>27</td>
</tr>
<tr>
<td>Apr-16</td>
<td>6</td>
<td>3</td>
<td>21</td>
</tr>
<tr>
<td>May-16</td>
<td>8</td>
<td>0</td>
<td>18</td>
</tr>
<tr>
<td>Jun-16</td>
<td>12</td>
<td>0</td>
<td>17</td>
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</table>
Housing Choice Voucher Program Utilization June 2017

Failed and Passed Inspections

HCV Households by Area Income Level

Definitions

Area of Opportunity: Median household income of census tract above $60K.

Moderate Income Area: Median household income of census tract between $48K-$60K.

Area of Concentrated Poverty: Median household income of census tract less than $48K.

<table>
<thead>
<tr>
<th>Area of Opportunity</th>
<th>17%</th>
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<tbody>
<tr>
<td>Moderate Income Area</td>
<td>17%</td>
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<tr>
<td>Area of Concentrated Poverty</td>
<td>66%</td>
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<table>
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<tr>
<th>Wards</th>
<th># Households</th>
<th>% HCV</th>
<th>Disabled</th>
<th>Elderly</th>
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<td>111</td>
<td>2%</td>
<td>49%</td>
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<td>46%</td>
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<td>302</td>
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<td>6</td>
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<td>24%</td>
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<td>8</td>
<td>131</td>
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<td>42%</td>
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<td>36%</td>
<td>9%</td>
<td>56%</td>
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<td>204</td>
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<td>40%</td>
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<td>100%</td>
<td>39%</td>
<td>15%</td>
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June 2017 Performance Report
**Human Resources Quarterly Report**

2nd Quarter: June 2017

- **Diversity**
  - **Gender:** All Employees vs. Supervisory Staff
    - Female: 57%, Male: 43%
  - **Ethnicity:** All Employees vs. Supervisory Staff
    - White: 37%, Black: 4%, Hispanic: 2%, Native American: 3%, Asian: 4%, Two or More Races: 1%
  - **Age Demographics**
    - Under 30: 1, 30 to 39: 25, 40 to 49: 52, 50 to 59: 46, 60 to 69: 14, Over 70: 1

- **Employee Recruitment**
  - **Hires & Turnover**
    - Our turnover rate in 2016 was 13.9%.
    - Our current turnover rate, rolling 12 months, is 19.6%.
  - **High Turnover Positions**
    - Building & Grounds Specialist: 3
    - Eligibility Technicians: 6
    - Management Aides: 5
    - Painter: 3

- **Temporary Employee Usage**
  - Field Departments 2nd Quarter: 7, YTD 2017: 14, Direct Hire Q2: 0, Direct Hire YTD: 0
  - COCC Departments 2nd Quarter: 4, YTD 2017: 10, Direct Hire Q2: 2, Direct Hire YTD: 2

- **Succession Planning**
  - **Generations**
    - Pre Baby Boomers: 25%, Baby Boomers: 43%, Generation X: 31%, Millennials: 1%
  - **Retirement Eligibility (65+)**
    - Supervisors: 8, Employees: 18

- **Minneapolis Public Housing Authority:**
  - March 2017
  - To date in 2017, 15% of supervisors and 8% of non-supervisory employees are eligible for retirement.
**Benefits Participation**

**Medical, Dental, Vision**

MPHA has 278 employees. 243 employees are benefits eligible as of July 1, 2017. **High-deductible medical plan enrollments are shown in striped pattern.**

Approximately 20% of employees enroll in the high-deductible plan.

**FSA & 457b**

- Healthcare FSA: 54 employees
- Dependent Care FSA: 10 employees
- 457b Deferred Compensation: 42 employees

(employees participating)

**401(a) Retirement Plan**

- New enrollees: 5
- Total Enrolled Employees: 229
- Retirees/former EEs w/ balances: 71

Note: Eligibility rules for the MPHA Retirement Plan allow for employees to be enrolled into the plan on the first of the month following six months of service.

**Wellness Initiatives**

The MPHA Wellness Committee hosted a Health & Wellness Fair for all MPHA employees in June 2017. This fair was attended by over a quarter of our staff, with exhibits from benefits vendors, transit and biking, and the City’s “Rethink your Drink” program about the benefits of drinking water. Beginning at this event, we are issuing every employee a gift of a Mayo Clinic Guide book and a reusable shopping bag. This event was also our kick-off for MPHA walking clubs and 2017 wellness seminars.

**Quarterly Payroll**

<table>
<thead>
<tr>
<th>Wages</th>
<th>Taxes</th>
<th>Benefits</th>
<th>Total Quarterly Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,091,635.69</td>
<td>$906,056.68</td>
<td>$539,448.36</td>
<td>$5,537,140.73</td>
</tr>
</tbody>
</table>

Second Quarter 2017 payroll included six paychecks: two in April, two in May, and two in June.
Medical costs account for an average of 57.2% of Total Costs and Indemnity/Lost Time accounts for 23.3%. Remaining costs include reserves and miscellaneous expenses.
Minneapolis Public Housing Authority has established a number of goals focused on its core business of labor relations, employee engagement, recruitment and retention in 2017 and beyond.

**Reduction in Costs of Workers Comp Claims/Reduction in Number of Workers Comp Claims**

In 2014 MPHA saw a rise in its workers compensation costs to a level not seen in the past. This caused a concern about how the agency manages its costs in this area and how it manages the overall safety of its employees. In January 2016, the responsibility of safety was assigned to the HR Department, as such the department has begun an analysis of the current safety program to determine the future of the safety needs at MPHA. Throughout 2016 the safety program expanded to include additional training; increased safety coordination with field operations and a more focused effort around safety in general. In 2017 the safety committee will take on the role of providing recommendations that will further improve the way we manage safety in the workplace.

**Develop Recruitment Strategy**

MPHA will develop a proactive recruitment strategy aimed at establishing partnerships with community contacts, colleges, trades schools and others. As Social Media continues to become a method to attract qualified talent we need to build a presence on Facebook, Twitter and LinkedIn. We will also look for building a paid/ unpaid internship program which will allow the agency the opportunity to get students involved in our work and to hopefully have them become future employees. Currently we are working with MCTC Human Service program that provides student interns in HCV and in the Fall of 2017 in LIPH.

**Develop Succession and Workforce Planning Model**

MPHA has a large population of its employees that have long tenure with the agency and will be mostly likely retiring in the next few years. Our median age of employees is 51 and in years 2017 and 2018 we will have 65 employees who have reached the age of retirement (65); assuming no retirements within that time frame. Through the development of a succession and workforce planning model, we can seek the opportunity to work with our employees who have the skills, knowledge and desire to expand their careers within the organization. This means giving them stretch goals and the ability to shadow others to learn more about all areas of MPHA. In 2016, 5 employees have been promoted within MPHA.

**Maintain Diversity Levels**

As the demographic population of the talent pools changes so does the need to ensure that the organization is reflective of the populations we service. With this in mind, MPHA has a current population of employees that is very reflective of the community and we need to do everything possible to ensure that is continued moving forward. Therefore, our recruitment efforts will seek to find diverse qualified talent to fill open positions and to promote current qualified employees within the organization.

**Enhance Benefit Portfolio**

In an effort to stay competitive, MPHA will continue to review its benefit package and make changes as appropriate and reasonable. Today’s qualified talent pool is looking at all aspects of what employers offer, not just salary. We know through current research that the next generation of employees are looking for expanded levels of benefits, flexible schedules and career advancement opportunities, MPHA must attempt to stay current with these new trends.
Goals (in priority order)

Minneapolis Public Housing Authority has established a number of goals focused on its core business of labor relations, employee engagement, recruitment, and retention in 2017 and beyond.

### Reduction in Costs of Workers Comp Claims/Reduction in Number of Workers Comp Claims

| % Reduction in costs of Workers Comp Claims | Dec-2017 |
| % Reduction in number of Workers Comp Claims | Dec-2017 |

- **Status**: Ongoing

### Develop Recruitment Strategy

- **Develop recruitment strategy using local partners**
  - Target completion: Jun-2016
  - Status: Resource, Twin Cities Rise
- **Reduced dependency on temporary employees**
  - Target completion: Dec-2017
  - Status: YTD Usage down 1%
- **Develop internship program with colleges & universities**
  - Target completion: Dec-2017
  - Status: University of MN – Carlson

### Develop Succession and Workforce Planning Model

- **Develop succession and workforce planning model**
  - Target completion: Dec-2018
  - Status: Compensation and Classification and Job Eval. study in review
- **Establish partnerships with community, colleges, and others**
  - Target completion: Dec-2017
  - Status: University of MN – Carlson Intern

### Maintain Diversity Levels

- **Maintain diversity levels**
  - Target completion: Ongoing
  - Status: 4% increase of diversity within front-line Leaders

### Enhance Benefit Portfolio

- **Enhance benefit portfolio**
  - Target completion: Dec-2017
  - Status: Modification of Medical options levels for 2018 being discussed at Benefits LMC
In response to concerns of Minneapolis Rental Property Owners and in an ongoing effort to promote participation in the MPHA Housing Choice Voucher (HCV) Program, we have streamlined the process and the turn-around time to request the initial (move-in) Housing Quality Standards (HQS) Inspection. Effective June 1, 2017 the rental subsidy start date can be effective the date the unit passes HQS Inspection, the participant has possession of the unit and the participant has fulfilled their previous lease agreement. This is a major change in policy because previously MPHA’s HCV Program only started payments on either the 1st or the 15th of every month and if a participant moved in on a different date they would have to pay a prorated rent until the Housing Assistance Payment would come into effect. Also, this was a challenge for timing a move in with landlords and participants who were in need to move into their unit as soon as possible. This change will make the move process much more flexible for all parties involved.

MPHA’s HCV Program chose the proposal from Applied Real Estate Analysis (AREA) to provide payment standards and submarket consulting services. The objective of this study is to examine the rent ranges of the submarkets within the city of Minneapolis and analyze the potential financial impact it would have on MPHA if we implemented the determined payment standards. AREA has a clear understanding of the context of the project and what deliverables are expected throughout the project. AREA plans to analyze the housing stock of Minneapolis through evaluating the supply and demand of housing in neighborhoods and pairing them off with neighborhood data. Additionally, AREA will contract out the financial impact analysis to Edgemere Consulting Corporation. Edgemere is also modifying MPHA’s Administrative Plan per a different contract. Having Edgemere conduct the financial impact analysis is a major benefit since they have a deep and comprehensive understanding of the policies of MPHA which will benefit their forecasting of MPHA’s costs. The qualifications of AREA are stellar, consisting of a team with a deep history of experience working in the industry of affordable housing, Public Housing Authorities and examining the issue of Areas of Opportunity. MPHA’s staff are optimistic about the positive impact the implications of the study can make on the lives of the population we serve.
Policy & Special Initiatives

Policy:
Moving To Work (MTW)

- 2018 MTW Plan
  - MTW Resident Advisory Board (RAB) met two times in June
  - Drafted 11 possible MTW initiatives for consideration in 2018 MTW Plan
  - Drafted Plan Summary in separate memo to Board
  - Readied MTW Plan for publication (July 10, 2017)

- MTW Governance Development Strategies
  - Continued work on MTW governance structures for possible creation of MTW organizational structure
Policy & Special Initiatives

Policy:

MTW Other:

- Continued planning efforts with Family Housing Fund (FHF), Creating Moves To Opportunity (CMTO) and MDRC to establish a Convening related to Regional Mobility and creating a Regional MTW - Scheduled for August 14 - 15 2017.
  - Created and sent (Save the Date) Communication
  - Drafted Invitation
  - Established date for Convening
  - Worked with CMTO researchers, staff and FHF on draft Agenda for Convening
Policy & Special Initiatives

Policy:

MTW Other:

- Finalized language on collaboration with City of Minneapolis to combine MPHA MTW Families Out of Shelter with City Housing Trust Fund RFP
- Continued Conversations with HUD on Conflict of Interest Waiver for Better Futures
- Finalized HUD approval to permit proceeds from sale of Lease to Own units to be used for other low-income housing purposes
- Engaged with HUD on MTW PHAs conference call on HUD Operations Notice on expansion of MTW Agencies

Other Policy:

- Coordinated with Legal to transfer legislative activities from PSI to Legal as part of the Agency Reorganization
Policy & Special Initiatives

Special Initiatives: Development

- Heritage Park
  - Continued work on long-term status of Heritage Park
    - All plans include preservation of deeply-subsidized housing and seamless transition for residents.
    - Continued conversations with HUD on strategies for moving forward with RAD conversion.
    - Established meeting with McCormack Baron to discuss other options.
      - Explored (with Legal Counsel) possibility of Tenant Protection Vouchers.
Policy & Special Initiatives

Special Initiatives:

Development:

❖ Glendale:

➢ Continued work with Executive Administration, Facilities and Development and Policy and Special Initiatives to address communication and other challenges facing Glendale

❖ Faircloth:

➢ Continued collaboration with Facilities and Development, Finance and Partner Agencies on MPHA’s Minnehaha Townhome Development

☐ Draft MOU between MPHA and Hennepin County for Supportive Services

➢ Continued exploring strategies for expanded use of Faircloth Units for partnerships with other affordable housing developers

☐ Continued exploring strategies with Red Lake Tribe representatives about possible use of Faircloth and/or Section 8 Vouchers for Minneapolis Development
Policy & Special Initiatives

Special Initiatives:

Development:

❖ Urban Garden:
   ➢ Continued progress on purchase of Urban Garden MHOP Development

❖ Lease To Own (LTO):
   ➢ Waiting List Remains Open
     ❑ MPHA initiated outreach effort to identify and respond to new applicants to program.
   ➢ There were five vacant townhomes at the end of June - MPHA is initiating a recruitment strategy to fill the vacancies
     ❑ MPHA LTO has approved an additional application for the program and it has been sent to the Leasing Department for approval as a MPHA public housing resident
     ❑ MPHA has closed on its fifth LTO unit
Policy & Special Initiatives

❖ MHOP AMP 8 and AMP 9:

➢ MPHA continues to monitor MHOP contracts and work with MHOP providers on compliance requirements and filling vacant units.
➢ Reporting for mixed-finance developments shows there were five vacancies in AMP 8, and 0 vacancies in AMP 9
Policy & Special Initiatives

Website Contacts:

- MPHA Received and Responded to 141 Website Contacts Requesting Assistance with Housing in June
Policy & Special Initiatives

Communication / Marketing Activities:

- Increased coordination with MHRC, Mpls Health Department, and Live Smoke Free on refreshed education efforts and upcoming expansion (to family housing) of smoke free public housing policies.

- Distributed “Guiding Principles” to all MPHA residents, local officials, and the general public, and managed the many questions and requests for additional information that continue to arise from this process.

- Various Glendale-related publicity and outreach, including documenting on social media the successful weatherization pilot of one building, and representing MPHA at evening neighborhood event.
Policy & Special Initiatives

Communication / Marketing Activities:

- Multiple off-site meetings with elected officials and, upon request, candidates for office. (MPHA has an open invitation to all candidates who wish to learn more about our work.)
- Coordinated multiple marketing and outreach efforts with new McCorvy Center tenants Odom Health and Wellness and The Learning Lab.
- Assisted with marketing and processing activities related to MPHA Lease-to-Own properties.
- Various media coverage, including profile of ED Russ in Mpls-St. Paul Business Journal and coverage of Guiding Principles by Minneapolis Star-Tribune.
- Provided considerable content for successful launch of new Employee Portal home page.
- Consulted on branding and framing of MPHA MTW initiatives.
Policy & Special Initiatives

Other:

- MPHA staff continued working with the Brookings Institute on its Community of Practice efforts around establishing Regional Mobility Initiatives. MPHA Executive Director Greg Russ presented at this meeting regarding MPHA’s efforts to establish regional partnerships related to Mobility and Moving To Work.

- Responded with MPHA General Counsel to data request for research opportunity with Myron Orfield - University of Minnesota on Hollman Families and Hollman Mobility Voucher program participants.

- Established MPHA Step Up Summer Youth Employment program for 2017 - Nine Step Up Interns are working with various MPHA Departments in gaining first time work experience.
MPHA’s Website

You can view information about the Minneapolis Public Housing Authority on our Website

www.mphaonline.org
July 20, 2017

To: MPHA Board of Commissioners

From: Greg Russ, MPHA Executive Director/CEO

Subject: MPHA 2018 Draft MTW Plan

The MPHA Policy and Innovations Department has published MPHA’s Draft FY2018 Moving To Work (MTW) Plan; it is open for review and comment until September 8, 2017. Below you will a link to the full Draft MTW Plan, as well as, a summary description of the Plan including the Agency’s eleven proposed MTW initiatives. The MPHA Board will host a public hearing on August 23, 2017 as part of its monthly Board of Commissioners meeting.


Summary of MPHA 2018 MTW Plan:

➢ The introductory elements provide a description of the Agency’s annual plan with information about the MPHA Board, Agency Mission and Executive Staff along with information about MPHA’s programs including: Low Rent Public Housing, Housing Choice Voucher program and Capital Fund. Also, there is an overview of MPHA’s draft 2018 budget including financial information on the Agency’s Working Capital Fund recently approved by the Board.

This section of the Plan was crafted so that it can be utilized for other MPHA communication and information purposes.

The HUD Requirements Section includes elements specified in MPHA’s MTW Agreement.

➢ Section I: Information related to the long and short-terms goals of MPHA.

➢ Section II: Details of the Agency’s General Housing Authority Operation Information Including:
  ▪ Housing Stock Information;
  ▪ Leasing; and
  ▪ Waiting Lists information
Section III: The proposed new initiatives section lists the eleven Draft MTW Initiatives and identifies the required MTW Statutory Objectives:

**HOUSING CHOICE: {Statutory Objective}**

- **Regional MTW Designation and Other Region-wide Initiatives** – MPHA will create partnerships with neighboring PHAs and others to enhance mobility options for HCV participants to move to opportunity areas. This effort will include and enhancing administrative efficiencies across HCV programs and, by separate request to HUD, creation of a Regional MTW Agency.

- **Property Owner Incentive Program** – MPHA has established a partnership with the City of Minneapolis to create a Property Owner Incentive Fund that encourages and rewards property owners for participating in the HCV program by providing options for damage or vacancy claims.

- **Explore Neighborhood Based Payment Standards** – MPHA will work with a consultant to conduct an up-to-date market analysis of Minneapolis Neighborhoods, define and identify areas of opportunity by Census tract and/or Neighborhood and use MTW Authority to adjust payment standards for the Minneapolis rental market to increase access to areas of opportunity.

- **Expanding Housing Choices through Faircloth** – MPHA will use its MTW authority to decoupled tenant rent from the subsidy determination. This will serve as an incentive to private owners to create additional public housing units under the limited subsidies provided by Faircloth and allow for shallow or flat rents should those subsidy levels be adequate to support the unit.

**HOUSING CHOICE/SELF-SUFFICIENCY: {Statutory Objectives}**

- **Establish Resident/Participant ‘Goal Oriented (GO)’ Services Program for MPHA Low Rent Family and Voucher Programs** – MPHA will establish a MTW initiative with non-profits, the school district, and other partners to enhance and expand an FSS+ Program with specific goals and incentives that encourage families to be part of an intensive program of education, training, and employment opportunities. This initiative will also involve flexible subsidies and incentives provided to participating families; the initiative will offer access to housing or housing subsidies that our modified to closely support the families economic and educational goals. This initiative may also be linked to the Public Housing Educational Initiative described below.
SELF-SUFFICIENCY: {Statutory Objective}

✓ Public Housing Educational Initiative – MPHA will use its MTW Authority to create a set-a-side of public housing or other subsidized units in one or more of its developments or an adjacent neighborhood to make the units available through a Master Service Lease to community partners who in turn will provide education/training opportunities for public housing eligible residents living in the master leased units. The program will connect the housing to the education/training program. (Note: Both the city schools and the other local non-profit training partners have reported homeless students struggling to attend classes, this initiative will attempt to provide a housing option to those eligible families.)

COST EFFECTIVENESS: {Statutory Objective}

✓ Redefine Program Income to Create Leverage Funds – MPHA will use its MTW Authority to redefine ‘program income’ and convert it to nonfederal income and allow MPHA to use this funding to support implementation of the Agency’s Guiding Principles for Redevelopment and Capital Investments at MPHA by setting aside ‘program income’ in a leverage fund reserved for development and redevelopment. Such a fund can be used to meet non-Federal liquidity requirements sought by many equity investors and lenders; could be used to provide other guarantees, loans, or other support as MPHA embarks on a $350M capital investment program. The capital investment is intended to preserve and improve all MPHA’s existing housing stock.

✓ Release of Declaration of Trust (DOT) – MPHA will use its MTW Authority to waive HUD’s DOT requirement and give the agency more flexibility in leveraging funds by releasing DOT’s. In place of the DOT the MPHA will attach a 40-year Affordability Restriction Agreement, keeping the units as low income, but offering improved opportunities for borrowing to support needed capital investments

✓ MTW Conversion of the Metropolitan Housing Opportunity Program (MHOP) Units to Project Based Vouchers (PBVs) – MPHA will use its MTW Authority to move funding for its MHOP units from Public Housing Funding to Housing Choice Voucher PBV and using a RAD like model to effectuate.

✓ Rent Determinations – Two Years for Non-Fixed Income Families – MPHA will use MTW Authority to revise its Low Rent public housing recertifications from annually to every two years for households not receiving a fixed income. Currently, MPHA Low Rent households on a fixed income are recertified every three years. Under this proposal families need not report increased earnings during the two-year period, thus encouraging work and a chance for the family to put additional money into the household without a rent increase.

✓ Third Party Asset Verification Threshold – MPHA will use its MTW Authority to increase the threshold required for third party verification of assets from $5,000 to $50,000.
Section IV: The Approved MTW Activities Section of the Plan provides updated information on MTW initiatives that have been approved by HUD and whether these activities have been – implemented, not implemented, on hold or closed out. MPHA has eighteen MTW initiatives that are identified and, where appropriate, have been updated in this section of the plan.

Section V: The Sources and Uses section of the Plan provides estimates of the Sources of MTW Funding for the upcoming fiscal year and how those sources will be used to support the MPHA MTW activities for the fiscal year. This section also provides an update to MPHA’s Local Asset Management Plan (LAMP) – Details on MPHA’s LAMP are included in Exhibit A of the Plan.

Section VI of the Plan details the Agency’s administrative activities related to the 2018 MTW Plan process including formation of the MTW Resident Advisory Board, the HUD requirements for approval of the MTW Plan and the public processes MPHA utilized in getting feedback on the plan.

The Plan also includes a number of Exhibits that support elements noted in the plan.

If you have questions or need additional information related to the Draft 2018 MTW Plan, please contact Bob Boyd at (612) 342-1437 bboyd@mplspha.org or Mary Abrahamson (612) 342-1401 mabrahamson@mplspha.org.