



December 19, 2017

MPHA's Privatization Team (aka "The Wrecking Crew")

Minneapolis Public Housing Authority (MPHA), with the backing of the one million dollars from McKnight Foundation, is funding what it calls a "development team" to facilitate the sale of public housing properties to private investors. Through a series of public records requests, the Defend Glendale & Public Housing Coalition (DG&PHC) has learned who comprises this privatization team. Absent from this team is a single representative of the thousands of residents who currently live in public housing owned by MPHA. There are, however, many former public officials, demonstrating the revolving door between public agencies and the private firms who depend on government contracts. The full list of this "Privatization Team," along with background information and details from their contracts, is provided below:

(TMA - Total Maximum Amount designated in contract)

Peter Hendee Brown

Gregory Russ' Right Hand Man. TMA: \$300,000, \$210/hr., May 2017 - May 2019

The project manager for the Minneapolis' Nicollet Mall redesign debacle, a universally reviled \$50 million boondoggle built at the behest of the Downtown Council, which impeded public transportation and pedestrian traffic with its perpetually delayed and behind schedule construction. A bowtied pseudo-academic, adjunct professor at the Humphrey School of Public Affairs at the University of Minnesota, and author of "How Real Estate Developers Think," Peter Brown is an unabashed admirer of developers, who he characterizes as visionary leaders to whom we should all be grateful. Unsurprisingly, he is a popular figure among developers, whose praises adorn his website. Numbered among his admirers is Brian Gorecki, a local developer and fellow member of MPHA's secretive privatization team.

In documents obtained by DG&PHC, Peter inadvertently let the cat out of the bag by revealing MPHA's up-til-now secret plan, set for May 2018, to "ask the City to levy taxes required to back a major bond issue of approximately \$90M in support of the first phase of capital improvements." DG&PHC expects this \$90 million in bonds will not be used for capital repairs, but rather as a means to "leverage" substantial private investment through the sale of properties to private developers. Peter would no doubt describe this as "innovative" and "visionary;" DG&PHC would counter that there is nothing new, innovative, or visionary about privatization. Peter Hendee Brown's website can be found here: <http://www.peterhendeebrown.com>

Ameresco Asset Sustainability Group

“Asset Sustainability Experts” TMA: \$50,000, \$110/hr. - \$225/hr., June 2017 - June 2018

The financial services subsidiary of Ameresco, a Massachusetts energy efficiency provider, ASG has an extensive history of work with public housing agencies, and has participated and profited extensively off privatization efforts in Cambridge, San Francisco, and Chicago. Previous associates of Gregory Russ (having won a \$1.9 Million dollar “energy performance contract” during Gregory Russ’s total privatization of public housing in Cambridge, MA), Ameresco have been tasked with assigning MPHA properties into categories that will determine whether they are demolished, sold, mortgaged, or preserved as truly public housing.

In an email sent to MPHA on September 20, 2017, Ameresco suggested MPHA “return to (a) 1937 mandate that public housing is a 'helping hand' step towards getting back on their feet,” making MPHA a provider of transitional instead of permanent, stable housing. Aside from their cozy relationship with Gregory Russ, Ameresco have worked as consultants with MPHA for years, leading to questions about the nature and scope of their relationship with MPHA and its leadership. Ameresco Asset Sustainability Group’s website can be found here:

<http://www.ameresco.com/solution/asset-planning-solutions>

Rod Solomon

Privatization Expert & Former HUD Official. TMA: \$100,000, \$325/hr., May 2017 - May 2018

A product of the revolving door between HUD and the private sector, Rod Solomon has authored many of the laws that govern public housing, as well as overseeing the implementation of the Moving to Work Demonstration Program during the program’s first five years. The Moving to Work Program was a part of the neoliberal “welfare reform” efforts of the 1990’s which devastated working class and non-white communities across the United States. Essentially designed to slowly destroy public housing by allowing local housing agencies more leeway to sell, demolish, or lease buildings (without having to provide one-for-one replacements for lost units), the MTW Demonstration Program has wreaked havoc on public housing across the country.

Leaving the agency for the far more lucrative world of private contracting, Solomon then joined the legal firm of Hawkins, Delafield, & Wood as a private consultant who helps public housing agencies use the legislation he helped write to privatize their public housing stock. His website brags about his leadership in the privatization of public housing in Cambridge, San Francisco, San Diego, Boulder, Salt Lake City, Columbus, King County, San Jose, and “numerous other” locales. Due to this work, as well as his role as author in much of the legislation governing public housing in the United States, it is no exaggeration to describe Rod Solomon as one of the most prominent leaders in the national movement to privatize public housing.

He is another former associate of Gregory Russ, having helped his privatization efforts in Cambridge, MA. In a 2005 article written for the Brookings Institute, Rod Solomon identified how the federal government can be used by local housing authorities as a scapegoat for their

privatization efforts, a strategy Gregory Russ successfully used in Cambridge and is attempting to use again here in Minneapolis. Solomon is also a consistent donor to the Democratic Party, having donated \$13,650 to various campaigns, PACs, and committees since 2008. Rod Solomon's website can be found here: <https://www.hawkins.com/attorneys/rod-solomon>

CSG Advisors

Financial Consultants. TMA: \$300,000, \$100/hr - \$375/hr, May 2017 - April 2018

CSG are a California-based financial consultants specializing in the privatization of public resources through so-called "public-private partnerships." They have an incredibly deep list of clients, including dozens of agencies, municipalities, and housing authorities, and host conferences attracting the biggest names in the public housing world.

Tanya Dempsey, who will be the lead on many of the tasks MPHA has assigned CSG, previously worked for New York City Housing Authority (NYCHA) while they underwent an extensive "portfolio modernization" effort not unlike the current "portfolio assessment" MPHA has undertaken. NYCHA hired CSG to act as a financial advisor during this process. Apparently impressed with CSG's work, Dempsey decided it would be appropriate to apply for a job at CSG while continuing to work with them on behalf of NYCHA. According to NY Daily News, "for months, she continued signing off on checks for CSG and working with the firm on NYCHA projects while emailing back and forth about snagging a job at CSG." She succeeded in changing employers, but was later forced to pay a \$9,500 fine to settle charges filed by New York City's Conflict of Interest Board. To read more about this stunning example of corruption and the revolving door between public office and the private firms that depend on government contracts, please see: <http://www.nydailynews.com/new-york/nycha-warned-conflict-interest-hiring-firm-article-1.3218293>

CSG's website describes their work as "being implementation-oriented, working backwards from the end-goal, incorporating incentives we know will work and implementing new strategies that optimize our clients' financial position." To translate, they will help MPHA plan for how to push through privatization regardless of what the public wants, while manipulating public opinion to support their efforts. Notably, over \$27,000 of CSG's contract has been set aside to develop plans for the redevelopment of Glendale, in spite of a 2015 City Council resolution demanding that any plans for Glendale be undertaken with full public accountability and input. CSG's website can be found here: <http://csgadvisors.com>

Brian Gorecki

Real Estate Consultant. TMA: \$200,000, \$200/hr. May 2017 - May 2019

A high profile consultant for local developers, Brian Gorecki is a former member of Sherman Associates and frequent DFL donor. Gorecki's portfolio includes the Zenith Condominiums (which helped initiate the development boom around Gold Medal Park), as well as facilities in Heritage Park, the privately owned development that sits on the same site as public housing that was demolished in the 1990's as a result of the "Hollman Decree."

On August 11, 2017, Brain Gorecki, along with Dean Carlson of MPHA, tried to stop a DG&PHC meeting in Glendale with residents and City Council Member Cam Gordon. At this meeting, residents voted unanimously for Cam Gordon to initiate the Heritage Preservation process for Glendale in order to preserve its buildings and obtain more funding for repairs. Brian and Dean forcefully told residents that “the way residents are conducting this meeting is not how it works,” justifying their bullying and condescending behavior by saying Cam Gordon had invited them. Brian never revealed he was a private consultant, pretending instead to be a member of MPHA staff. In spite of knowing this to be false, Dean Carlson did not put a stop to this charade, actively colluding in the intentional deception and intimidation of residents. Brain Gorecki’s website can be found here: <http://briangoreckiconsultants.com>

John Cann & Tim Thompson, Housing Justice Center

Legal Consultants. TMA: \$100,000, \$225/hr, July 2017 - July 2018

A Minneapolis law firm that makes much of their money from Section 8 lawsuits, Housing Justice Center stands to make substantial amounts of money should MPHA privatize public housing because of the former public housing residents who would now rely on Section 8 vouchers to find housing. Tim Thompson and John (Jack) Cann are the founders of HJC. In spite of their local and national reputation as advocates for affordable housing, they were intimately involved in the legal battle that resulted in the Hollman Decree, which led to the destruction of Northside public housing in 1995 in the Sumner Glenwood and Willard-Hay neighborhoods. This privately owned area is now known as Heritage Park, and is owned by the McCormack, Baron, Salazar development firm. The Housing Justice Center’s website can be found here: <http://hjcmn.org>

Intep

Real Estate Consultants. TMA: \$55,000, \$30/hr. - \$190/h., June 2017 - December 2018

The local office of an international “sustainable” real estate consulting firm, Intep are a classic example of the modern “greenwashing” trend. Only working with those wealthy enough to afford their substantial fees, Intep’s vision for sustainability begins and ends with their bottom line. MPHA has hired Intep to give their privatization schemes the veneer of “progressive” or “eco-friendly” design while ensuring the marketability of these plans to private developers and financiers. Apparently sustaining the vibrancy of longstanding communities isn’t a part of Intep’s vision for a “sustainable” future. Intep’s website can be found here: <http://www.intep.us>

Reno & Cavanaugh

Legal Consultants. TMA: \$50,000, \$250/hr. - \$360/hr., August 2017 - August 2018

A national law firm with offices in Nashville, Washington DC, and Maryland specializing in real estate development. Similar to Rod Solomon, Reno & Cavanaugh have worked on most of the legislation governing public housing, including the reviled Hope VI program, Moving To Work Demonstration Program, and Low Income Housing Tax Credit Program. After writing these laws, Reno & Cavanaugh make money from guiding local housing authorities on how to use the legislation to privatize their public housing stock and attract private investment.

The have been tasked with consulting regarding the status of the Heritage Park neighborhood, which was built on the site of public housing demolished in the 1990s, and whose ownership status is now in question after a 15-year agreement with private owners McCormack, Baron, Salazar is expiring. MPHA's current plans bear many similarities to the Heritage Park development, so residents and allies of public housing must watch what happens at Heritage Park closely. Reno & Cavanaugh's website can be found here: <http://www.renocavanaugh.com>

Sincerely,

Defend Glendale & Public Housing Coalition

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