



**Comments to the Minneapolis City's Housing Policy and Development Committee
Regarding the Relationship between MPHA and City Council
July 25, 2018**

We commend the Housing Policy and Development Committee, and its Chair Council Member Cam Gordon for initiating a process for clarifying the relationship between MPHA and the City Council. We welcome the City Attorney's report <https://lms.minneapolismn.gov/File/2018-00866> as a good start on this important conversation. A conversation that is so important to good, effective, and prudent governance, and protection of valuable public assets that are in such critical need by thousands of residents of Minneapolis.

Due to the importance of the public understanding of this relationship, and the acknowledgement that the City Council retains the legal authority, (and hence the special responsibility), to exercise important areas of monitoring the Minneapolis Public Housing Authority, and through ordinance, amendment, City provides additional direction as deemed needed, in addition to its responsibility as the City's elected legislative body to use its good offices to do what it can to protect its residents from bad public policy, we urge the Committee not to quit on this conversation just as it is getting started. Instead, we ask City Council to open a 60 day public comment period to help spotlight the full extent of the current legal and work-a-day relationship, and examine ways to improve the City Council's ability to exercise due diligence oversight of MPHA plans, and operations that impact the lives of so many Minneapolis residents.

The City Attorney's report is particularly helpful in correcting the often stated notion that MPHA is a completely, and irrevocably an independent political body over which the City Council permanently has no say, no opening, or no business even to say anything about MPHA plans, and operations regardless of how imprudent and harmful to Minneapolis residents those plans and operations are. It is clear from this report that MPHA is and remains subject to City Council ordinances and monitoring as underlined by the City Attorney's. For example:

- 1) That under Minneapolis Ordinance Chapter 420, MPHA has been and is obligated to report quarterly to the City Council and, in addition, respond to questions posed by the Mayor and City Council;
- 2) That the Mayor and City Council have authority under Chapter 420 not only to appoint, but to remove the Commissioners they have appointed, with or without cause. This last part ("with or without cause") is quite important because it means the Mayor and City Council retain considerable oversight authority, and can remove Commissioners, for example, for taking positions or pursuing plans and making decisions that, in the Mayor and City Council's view are wrong public policy; and
- 3) That the 1980 Special Law that authorized the City to create the new specifically provided that the City may, by ordinance, impose limitations on the actions of the new agency.

The City Attorney's Report is very helpful. But, we have spotted in the short time we had to review it since it was posted, a few relevant items in the City's Code of Ordinances missing from the report that bear on the City's on-going authority and responsibility over the MPHA. We recommended for more analysis from City's Attorney's Office. For example:

1. Minneapolis Code of Ordinances (Chapter 420.40) includes this: ". . . all commissioners shall be appointed in conformance with the city's open appointments process unless otherwise specifically provided therein." Chapter 14.180, the ordinance prescribing the city's open appointment process does NOT exempt MPHA Commissioners from the open appointments process.
2. Statement of Economic Interest filing requirements: Chapter 15.80 (a)(4) requires MPHA Commissioners to file with the City Clerk an initial Statement of Economic Interest and thereafter annual Statements of Economic Interest. Have the Commissioners been in complaint with this Chapter 15.80 (a)(4)? This is not some long-forgotten ordinance from ages ago. See this ordinance with strikeouts and adds as amended most recently (Jan. 15, 2016) at https://library.municode.com/mn/minneapolis/ordinances/code_of_ordinances?nodeId=753026.

The memorandum provided by the MPHA providing a list of its resident participation requirements omits substantial sources of its resident participation obligations, and the violations they are committing now:

1. City Council Resolution 2015R-402 (October 9, 2015), authored by Council Members Goodman and Gordon, in which the City Council has unanimously required that the planning process for Glendale Townhomes be "*an open, transparent public process that will include participation of the neighborhood association and Glendale residents.*" Online at <http://www.minneapolismn.gov/www/groups/public/@council/documents/proceedings/wcms1p-150422.pdf>. MPHA has failed to have an open and transparent public process when regarding their continued plans to demolish Glendale, privatize the land, and displace residents.
2. MPHA's own "Guiding Principles" adopted by MPHA Board of Commissioners (May 24, 2017) include several promises to honor what it says is the residents' "right to participate":
 - MPHA will engage in a public, portfolio-wide planning process to assess the needs and mission-oriented opportunities at all properties
 - MPHA will encourage active and meaningful resident and community participation throughout the planning and implementation process, and seek collaborations and partnerships with the City of Minneapolis, other governmental agencies, and housing advocates where appropriate.
 - MPHA intends that residents participate and contribute to the planning and design discussions. If MPHA has a redevelopment opportunity that includes strategies not previously anticipated by the agency, MPHA commits to bring these approaches to the residents as soon as possible for an open review and discussion of the options."

3. MPHA's continues to fail in its promise to honor residents' rights to participate by continued marginalization, retaliation, and silencing tactics under Executive Director Greg Russ's and current Commissioners' leadership.
 - MPHA says they will encourage active, meaningful resident and community participation throughout any and all of their planning and implementation process.
 - However, MPHA fails to keep this promise to citizens of Minneapolis and residents of public housing citywide.
 - For example, in their latest privatization plan called, "Strategic Vision and Capital Plan 2018 to 2020" that MPHA submitted to Housing & Policy Committee in order to dismantle public housing through Section 8 project based where 99.9 % of the land and buildings will be turned over to private developer which will displace tens and thousands of public housing residents, MPHA failed to send out notifications about this plan to residents of public housing.
 - Residents were not notified by any means about MPHA's "Strategic Vision & Capital Plan for 2018-2010".
 - Our allies found MPHA's "Strategic Vision & Capital Plan" document online.

Therefore, regarding Strategic Vision & Capital Plan for 2018-2010", MPHA failed to:

- Provide access to the document by mailing or delivering the documents to all and any public housing residents.
 - Hold public meetings to explain about their latest plan
 - To provide 30 day notice for public comments.
 - Collect and refuse to hear public comments during their Board meeting on May 23, 2018 where they approved this policy without public input.
 - MPHA violated the public comments by failing to provide transparent and fair community engagement process.
- Somali residents of Elliot Twins filed written complaints to MPHA of harassment, racism, and xenophobia by individuals handpicked by MPHA to silence residents so they do not speak out on MPHA's plans to displace residents thorough any of MPHA's privatization mechanism including their latest "Strategic Vision & Capital Plan for 2018-2010". Greg Russ continues to normalize this behavior by ignoring the current abuses, and protecting the individuals who are violating residents' rights.
 - Greg Russ and Communication Director, Jeff Horwich, continue to demonize and target through social media resident leaders of our campaign. In addition, Jeff Horwich trolls allies who signed our petition to Mayor Jacob Frey and City of Minneapolis that is currently at over 18, 200 signatures.
<https://campaigns.organizefor.org/petitions/minneapolis-public-housing-authority-dont-auction-off-our-homes-to-the-highest-bidder>
 - The many public housing residents do not speak English. Therefore, MPHA continues to violate its obligation for Limited English Proficiency, which is a part of federal and state

laws by failing to notify residents about this meeting including the notices, and interpreting.

- MPHA continues to misrepresent their financials to the City, and the public by claiming that they do not have funds to continue operating public housing as a public good. We have yet to receive financial audits, and line items of the backlog they claim for the upcoming years. However, MPHA's own records show that they are financially very sound and healthy. MPHA's latest plan is turning the buildings over to Section 8 project based where 99.9 % of the buildings will be owned by private developers. Even though residents have not approved these plans, and MPHA failed to notify residents, MPHA is now lobbying the city, and it says this will bring in more funds. The evidence show that these funds will go to private developers, MPHA will no longer be a public agency, and once the developers take over the buildings, low- income residents will be displaced by the thousands with no protection as the buildings turn to high-end luxury apartments. This will be the end of public housing. In addition, MPHA has a surplus of \$23 million dollars, HUD increased their capital funding in 2018 by 42%, and HUD plans to increase their capital funding in 2019. Why are they not using these funds now to keep public housing public? **With the current lack of oversight, how can the public trust MPHA?**

4. MPHA has repeatedly said that it expects the residents and community to hold them accountable to honor the rights of residents, but it is clear that MPHA continues to violate the rights of residents throughout.

- MPHA has made further, basic public promises that we expect the community to hold us to.”
Source: MPHA's MTW Annual Plan for 2018, APPENDIX C: Responses to Public Comments on the 2018 Draft MTW Annual Plan, page 3.
- “Extensive resident engagement is essential to any project, and we expect residents and the community to hold us to these.”
Source: MPHA Commentary, Minneapolis Star Tribune, September 5, 2017.

Now the City Council is part of “the community” that MPHA says should hold MPHA accountable for its resident participation promises, and resident treatment, we expect City Council to begin acknowledging its authority and responsibility over MPHA.

Conclusion and Recommendations

We mention these issues to document the materials provided to the Committee so far should be viewed as a good way to open public comment on the tools currently and potentially available to the City Council for exercising authority and responsibility over the actions of the MPHA, but not be taken as the final, comprehensive word on the subject.

In addition to opening, a 60-day public comment period on the documents received by the Committee to-date, there are several prudent steps that the Committee may wish to take at this time to expeditiously follow up on, based on information brought to light so far. For example, decide:

1. How it will respond to the fact that MPHA has not been complying with Chapter 420's requirement that it file quarterly reports?

2. How (going forward) it will ensure that MPHA files quarterly reports and respond to financial audits/ oversight that needs to be completed?
3. What questions about MPHA activity it (or the City Council) will ask MPHA to include in its future reports?
4. How it will ensure that all MPHA commissioners are selected pursuant to the Open Appointment process and confirmed (or rejected) by the Mayor or City Council?
5. How it will ensure that the MPHA's list of resident participation obligations be amended to include 1) the City Council's September 2015 Resolution and 2) the resident and participation promises made by the MPHA to be monitored and enforced?
6. How it will monitor MPHA Commissioners' obligation to timely file annual Statements of Economic Interest as required by Minneapolis ordinance?
7. How it will respond about MPHA's discriminatory treatments towards residents to marginalize, silence and target residents participation and organizing to save their homes and community?

If the Committee believes that MPHA has not been complying with 1) the quarterly reports requirement of Chapter 420; 2) the requirements of Chapter 15.180 regarding the filing of Statements of Economic Interest with the City Clerk; or 3) the Open Appointments Process for each of MPHA's current nine Commissioners, the Committee could ask the MPHA (or the City Clerk) to provide copies of the documents that confirm compliance with these items or request that Committee staff make relevant inquiry, and report back for the Committee's next meeting.

Respectfully Submitted:

Defend Glendale & Public Housing Coalition

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