



**Comments, Objections, and Recommendations
Provided by Defend Glendale Public & Public Housing Campaign,
a Voluntary Association of Public Housing Residents,
Regarding the Minneapolis Public Housing Authority's (MPHA'S)
Proposed Moving to Work (MTW) Annual Plan for 2019 submitted to U.S.
Department of Housing & Urban Development (HUD)**

I. Executive Summary:

Since MPHA has proposed no MTW activities for 2019 [MPHA 2019 MTW Annual Plan](#) and MPHA's MTW Annual Plan for 2018 has not been approved by HUD, the only MTW activities that MPHA is entitled to implement at this point are those approved by HUD prior to 2018.

MPHA's proposed Annual Plan for 2018 merits continued non-approval by HUD since MPHA has not cured the defects previously identified in that proposal. In support of HUD's continued non-approval of MPHA's proposed MTW Annual Plan for 2018, we re-submit comments from 2018-MTW-MPHA-Plan.

<https://tinyurl.com/DGPHC-Comments-HUD-12-15-2017>.

MPHA continues to push non approved plans. This agenda is based on a misrepresentation of the facts, and it was crafted without the input or support of residents. Here is our link to our comments on the draft 2019 MTW Annual Plan

<https://tinyurl.com/MPHA-2019-MTW-Analysis>.

Although MPHA could have re-submitted a revised, acceptable MTW Annual Plan for 2018, it has been unable or unwilling to do so. Instead, MPHA's MTW Annual Plan for 2019 takes the position that MPHA is entitled to implement the activities proposed in its plan for 2018 and indeed announces that it has already done so for several of these activities. In so doing, MPHA is acting as if its MTW Annual Plan for 2018 has been approved, and that the agency is authorized to implement this Plan and its proposed MTW activities for 2018 without HUD approval. Given the plain language of the HUD-MPHA MTW Agreement, and history of regulatory relations to date, this is, of course, an unfounded, unprecedented, irresponsible, confrontational, and unacceptable position.

This report contains our comments, analysis, and recommendation to HUD regarding MPHA's 2019 MTW Annual Plan and the major changes they have made from the draft to the final. Here, we will show the flaws, misleading statements, legal shortcomings, secretive plans, and issues that expose MPHA's dysfunction as a public agency and lack of transparency that puts the lives of thousands of public housing residents at risk of displacement and homelessness.

To start, let us look at the opening letter by MPHA Director Greg Russ on page 3 of MPHA's 2019 MTW Annual Plan. In this letter, Greg Russ makes it clear that MPHA does not believe in public housing. He is stretching to redefine "public housing" to fit his own privatization agenda, which does not fit public housing. He juxtaposes his plans to privatize public housing through RAD and Section 18 disposition/demolition against the traditional definition of public housing which is public housing remaining to be under public ownership the prevents unnecessary displacement, demolition and loss of public housing stock. To be clear, public ownership of public housing is not a "technical" definition of public housing, it is *the* definition of public housing. The reality is that MPHA has not made any effort to maintain public housing as a public good, and in fact MPHA has only spent 19% of the capital funding they receive from the federal government each year to maintain public housing over the past three years. If MPHA were really short on funding, they would not be stockpiling their federal capital funding. By combining these federal funds with available local and state funding, MPHA could easily afford to maintain public housing as a public good.

II. Fundamental Requirement: Timely Submission of an Acceptable MTW Annual Plan Prior to Implementation

The most basic requirement of a MTW Agency such as the MPHA is that they timely prepare an Annual Plan that is acceptable to and accepted by HUD. In fact, the MTW Agreement between HUD and MPHA makes it quite clear that MPHA is entitled to act as an MTW Agency only pursuant to an Annual Plan that HUD has approved. The MTW Agreement states:

- This Restated [MTW] Agreement [between HUD and MPHA, empowering MPHA to act as an MTW Agency] supersedes the terms and conditions of one or more ACCs between the Agency and HUD, to the extent necessary for the Agency to implement its MTW demonstration initiatives **as laid out in the Agency's Annual MTW Plan, as approved by HUD.**

This means that MPHA must receive HUD approval in order to implement MTW activities. MPHA has not received HUD approval for their 2018 MTW Annual Plan, so therefore they cannot implement any activities from this plan.

III. MPHA's Flagrant Violation of/Failure to Fulfill its Most Fundamental Responsibility Under the HUD/MPHA MTW Agreement And What HUD Will Do About

In its July 20, 2018 Draft MTW Annual Plan for 2019, MPHA clearly acknowledges that its MTW Annual Plan for 2018 has not received HUD approval. For each proposed MTW activity for 2018 that it has not withdrawn from consideration, MPHA referred to HUD's approval of its proposed Plan not as "approved" but either as "anticipated" or "pending". Note that notwithstanding HUD's non-approval of these proposed activities, MPHA also reports in its draft that despite HUD's non-approval, MPHA has proceeded to implement several MTW activities proposed for 2018 (2018-1, 2, 4, 5, and 7) without having received HUD's approval and has done so apparently simply because it says HUD's approval of MPHA's Annual Plan for 2018 is "anticipated". One example is Activity 2018 - 1 **"Property Owners Incentive Program"** which would use more tax dollars to try to incentivize landlords who discriminate against Section 8

Voucher recipients instead of working with the city to create strong laws that prevent discrimination. Another activity is **“Goal Oriented (GO!) Housing Initiative”** (2018 - 2). Tying housing and a stable community to your children’s grades is unprecedented, and immoral. Trying to displace children and families because they are not doing well in school, and therefore blocking their access to housing is not what HUD stands for. This demonstrates MPHA’s intention to limit access to public housing through this activity by imposing various requirements on public housing residents without any evidence that these requirements are necessary or beneficial. This will lead to more displacement and homelessness.

Although we have highlighted some of the specific problems with Activities 2018 - 1 & 2, none of the activities described above have been approved, and therefore none of these activities can be implemented. For each of these unapproved activities, MPHA attempts to justify their unauthorized implementation by stating:

“Implemented in 2018 in anticipated approval of 2018 MTW Annual Plan”

Implementation of a proposed MTW Annual Plan prior to HUD’s approval, of course, is a clear violation of the HUD-MPHA MTW Agreement, a violation for which HUD should be expected to hold MPHA accountable.

In addition, with respect to proposed MTW Activity Nos. 2018-3 and 2018-6, MPHA’s July 20, 2018 draft reports that it has not implemented these activities by stating: “Pending 2018 Plan Approval; Not Yet Implemented.” Non-implementation, of course, is the proper approach to proposed but unapproved MTW activities.

However, between the July 20 draft available to the public, and without informing either the public or the MPHA Commissioners, the MPHA staff altered the Draft language, as if the HUD-MPHA MTW Agreement requirement that HUD approve proposed MTW activities before they are implemented did not exist, altering the draft language regarding these proposed activities to “deem” them approved.

“Deemed approved and self-implemented, 2018”

In addition, MPHA’s staff moved proposed activities 2018-3 (Release the Declaration of Trust) and 2018-6 (Conversion of 106 Public Housing Operating Subsidy and Capital Funds for MHOP Units to Housing Choice Voucher Funding) from Part IV, Section B: “Not Yet Implemented; Pending 2018 Plan Approval” to Part IV, Section A: “Implemented”, stating that all the MTW activities proposed for 2018 were

“Deemed approved and self-implemented, 2018”

<p align="center">Draft MTW Annual Plan for 2019 (July 20, 2018)</p>	<p align="center">MTW Annual Plan for 2019 Submitted to HUD (October 1, 2018)</p>
<p>IV, Section B: Activities Not Yet Implemented ... Release Declaration Of Trust (DOT) To Preserve Public Housing (2018 – 3) Pending 2018 Plan Approval; Not Yet Implemented ... Conversion of 106 Public Housing Operating Subsidy and Capital Funds for MHOP Units to Housing Choice Voucher Funding (2018 - 6) Pending 2018 Plan Approval; Not Yet Implemented (page 58 ...</p>	<p>IV, Section A: Activities Implemented ... Release the Declaration of Trust (DOT) To Preserve Public Housing (2018 – 3) Deemed approved and self-implemented, 2018 ... Conversion of 106 Public Housing Operating Subsidy and Capital Funds for MHOP Units to Housing Choice Voucher Funding (2018 - 6) Deemed approved and self-implemented, 2018 ...</p>

Clearly, MPHA is publicly daring HUD hold it accountable to the most basic requirement of the HUD/MPHA MTW Agreement, in the apparent belief that HUD will blink or turn a blind eye and let MPHA self-amend that document and do whatever it wants. This is an example of how risky it is when public housing agencies have gone rogue and attempt to use the MTW program to put families at risk. This is simply a bid to exert unprecedented, unregulated/unlimited power and authority over the future of public housing residents and properties in Minneapolis. If HUD allows MPHA to unilaterally eviscerate the HUD/MPHA MTW Agreement on this very basic point, what confidence can residents and the public have that HUD will enforce ANY of MPHA’s obligations under federal law? This is clearly a watershed moment for HUD, since as the recent USGAO Report noted in the context of HUD’s RAD Program, resident protections under the

future redevelopment of Minneapolis public housing relies so strongly on proper oversight by HUD.

IV. Evaluation Framework for MPHA's Submitted MTW Annual Plans

The principal legal framework for evaluating the adequacy of MPHA's MTW Annual Plans is found in the MTW Agreement between the MPHA and HUD. A copy of that Agreement is online at https://www.hud.gov/sites/documents/DOC_10229.PDF.

MPHA's MTW Agreement with HUD on page 9 lists several requirements that MPHA must fulfill before being entitled to submit a proposed MTW Annual Plan:

f. The Annual MTW Plan will be submitted to HUD only after:

- (i) The Agency has provided for citizen participation through public hearing and other appropriate means and is approved by the Board of Commissioners or Directors, as applicable, and
- (ii) The Agency has taken into account public comments on the program design, including comments from current tenants/participants, to the extent such comments were provided. To document the foregoing, the Agency will submit with the Annual MTW Plan documentation that at least one public hearing was held, that the Plan was available for public comment for at least thirty (30) days, and that the Agency took no less than fifteen (15) days between the public hearing and the approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan. The Agency will submit these documents to HUD in accordance with Attachment B, or equivalent HUD form as approved by OMB, and will keep these documents on file for HUD review.

In addition, the MPHA's MTW Agreement with HUD lists on page 10 several additional grounds on which for HUD can object to/reject a proposed MTW Annual Plan:

g. Reasons that HUD may object to a provision or information in the Annual MTW Plan include, but are not limited to, the following:

- (i) The information required in Attachment B, or equivalent HUD form as approved by OMB, is not provided or is deemed insufficient;
- (ii) The Agency's planned MTW activities are not permissible under MTW Authority or are inconsistent with requirements outside the 1937 Act;³
- (iii) The Agency's planned MTW activities do not have a clear connection to the statutory goal of the MTW demonstration, which is to provide Agencies with the flexibility to design and test various approaches for providing and administering housing assistance that:
 - (a) reduce cost and achieves greater cost effectiveness in Federal expenditures; (b) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and (c) increase housing choices for low-income families; or

(iv) There are other good cause factors, such as material misrepresentation, in the submission.

V. Status of MPHA's Submitted MTW Annual Plans

- **For 2019:** In its submitted MTW Annual Plan for 2019, MPHA has not proposed any MTW activities for 2019. See MPHA's MTW Annual Plan for 2019, page 38: "MPHA is not proposing new MTW activities in the 2019 MTW Annual Plan."

MPHA has not even re-submitted (modified and clarified) any of the proposed MTW activities that it proposed in 2018. Consequently, there are no MTW activities for 2019 that have been submitted for evaluation pursuant to the HUD/MPHA MTW Agreement cited above and none that, as a consequence, that HUD can approve for 2019.

- **For 2018:** As noted previously, MPHA has not secured HUD approval of a MTW Annual Plan for 2018. Multiple adequate reasons why MPHA's proposed MTW Annual Plan was and remains ineligible for HUD's approval are identified in our comments regarding MPHA's 2018 MTW Annual Plan <https://tinyurl.com/DGPHC-Comments-HUD-12-15-2017>

VI. See in these comments, <https://tinyurl.com/DGPHC-Comments-HUD-12-15-2017>: List of Defects in MPHA's Proposed MTW Annual Plan for 2018 Warranting on-Going Non-Approval of That Proposed Plan

VII. Of particular concern: MPHA's Stance Taken in its Proposed Annual Plan for 2019 Regarding the DOT Release Activity it Proposed in its MTW Annual Plan for 2018

In its MTW Annual Plan for 2019 (page 56), MPHA declares that despite HUD's non-approval, MPHA deems its proposed MTW activity to release itself from its Declaration of Trust (DOT) to be approved and indicates that it is ready, willing, and able to act free of the DOT's obligations. MPHA's disregard for HUD's responsibility oversight role (gatekeeper role) under the HUD-MPHA MTW Agreement, is disturbing, given the grave consequences of the potential lease, encumbrance, or sale of public housing property that MPHA's declared freedom from DOT represents. As MPHA has shown in its proposed Annual Plan for 2019, it is quite capable of deeming its proposals "approved" and moving ahead with them with no one's approval but its own. Consequently, with respect to MPHA's self-declared release from DOT obligations, it is quite conceivable that MPHA will arrogate to itself the authority to encumber, lease, or sell Minneapolis public housing property without HUD's further involvement. After all, page 18 of its proposed Annual Plan for 2018 announces a will and readiness to do just that:

The Working Capital Fund was established to cover the costs associated with the portfolio assessment needed to launch a 10-to 15-year improvement effort. This fund covers the pre-development costs associated with planning and completing the assessments, and, in selected cases, moving to **close** on individual deals.

It is ambiguous in MPHA's Annual Plan for 2019 whether MPHA is arrogating to itself the power to speak for HUD and "deem" this proposed activity approved by HUD or whether MPHA is reverting to an earlier position expressed in its 2018 Annual Plan that even without HUD approval it has the legal authority as an MTW agency to release itself from its DOT obligations

and lease, encumber or sell public housing property at its sole discretion. Under either scenario, however, MPHA does not have the authority it asserts. The language it advances on page 56 its MTW Annual Plan for 2019 regarding the DOT Release activity it proposed in the Plan for 2018 is objectionable, particularly the loose language (taking the safety off the shotgun) about using the DOT release authority (to encumber, lease, or sell) if it deems RAD and Section 18 “not feasible or desirable” for the property. MPHA has no record of judicious “deeming”. MPHA must be required to retract this language and reaffirm that all its properties remain subject to the DOT obligations.

As a consequence of MPHA’s failure to propose MTW activities for 2019 and to earn proposed HUD’s approval of its proposed Annual Plan for 2018, the only MTW activities that MPHA has been approved and will be entitled to implement throughout 2019 are those approved by HUD prior to 2018, i.e., for MTW Year 2017 and previous years:

VIII. RAD Application Submitted to HUD for Elliot Twins is Not Legitimate

This application should be rejected for the following reasons: For analysis of MPHA’s RAD application at Elliot Twins see DG&PHC’s public comments submitted to HUD;

<https://tinyurl.com/RAD-Elliot-Twins-Comments>

ISSUE 1: Timing of the RIN violated resident engagement rights and requires rejection of MPHA’s RAD application

According to HUD’s Notices (HUD’s RAD Notice REV-3 and HUD’s Fair Housing Notice) PHA’s must provide residents a RIN, “at the very beginning of the RAD planning process”. HUD’s Fair Housing Notice also encouraged PHA’s “to communicate regularly regarding project plans and, if applicable, the resulting plans for relocation” (page 46 of 80). “Regular communication,” of course, perforce ensures **timely** communication. MPHA began planning a RAD conversion for Elliot Twins over a year before they finally provided a RIN to Elliot Twins Residents on July 30th 2018. MPHA filed a “Letter of Intent” (LOI) with HUD’s RAD office in April 2017, and during the summer of 2017, MPHA began paying private consultants to plan for a RAD conversion at Elliot, without residents notification or consultation. On June 3 of 2017, Russ met with Elliot residents for the first and last time. Even though he was planning with consultants, he was hiding the RAD plans from residents. He told residents they will move out and get Section 8 for renovations. Here is a video from that day:

<https://www.youtube.com/watch?v=RfMKXv5Btr4>

This is clearly in violation of HUD’s requirement that residents receive a RIN “at the very beginning of the RAD planning process”. It is likewise in direct contrast to HUD’s encouragement to “communicate regularly” with residents.

ISSUE 2: Invalidity of MPHA's two RAD meetings on August 8 and 9, 2018

MPHA held two meetings on August 8th and 9th to discuss the Elliot Twins RAD conversion with residents. MPHA called these meetings RIN (Residents Information Meeting), <https://tinyurl.com/RAD-Notice-RIN-Elliot-Twins>, but the process of these meetings did not qualify to be RIN meetings, and they were illegitimate meetings for the following reasons:

1. Residents were only given one week's notice of the meeting and MPHA's RAD application. Many residents were unable to change their schedule in time to attend the meetings.
2. The meetings were held back to back in less than a 24 hour timeframe. This did not give reasonable opportunity for residents to attend and engage in the process. Many residents could not attend due to short notice.
3. On the August 8th meeting MPHA staff insisted that all residents wanting to comment must first sign a piece of paper and write down their comment. When residents expressed discomfort over this process and explained that not all residents were able to write, MPHA ignored their concerns and used various tactics to silence dissent. This entire process resulted in many residents being unable to share their concerns and ask questions about the process. The majority of the residents that were silenced were East African Elders and Women who did not speak or write English. Residents walked out.
4. During the August 8th meeting, MPHA said residents will receive Section 8 Vouchers, or will go on a waitlist in other public housing buildings. However, the waitlist is 7 years with 17,000 waiting to get in, and no one is renting to Section 8 voucher holders. Basically, MPHA was telling residents that they will be displaced.
5. During the August 9th meeting residents were able to comment without writing down their comments. Yet, MPHA still used many tactics to silence residents, including claiming that residents holding signs were in violation of the fire code and hiring private security to intimidate those with concerns.
6. On August 9th, MPHA changed their story and could not answer the questions about displacement. Residents walked out again because they refused to answer questions about Section 8 and the waitlist and changed the story. Residents saw MPHA was lying. MPHA did not accept comments from public housing residents about how they previously rejected RAD. Mary Boler, MPHA's Director of Public Housing physically pushed a public housing resident from the microphone.
7. At both meetings, MPHA presented the same powerpoint that obscured many realities of RAD conversion. MPHA was vague about the new funding scheme saying only that, "RAD allows for new funding streams", and failing to explain that the investors that MPHA proposed will have 99.99% ownership of the property and can replace MPHA as managers of the properties. MPHA has denied this ownership scheme. MPHA lied by saying the properties will not be privatized and will remain public housing with MPHA as the managers of the properties in all scenarios. See this slide from an MPHA presentation outlining their plan for 99.99% private ownership: <https://drive.google.com/file/d/1jdrGx-4LwWrsHrrQjZDbh3MqQBNqGvJg/view?usp=sharing>

8. Due to the silencing of residents and the lies, over half the residents walked out of each meeting in protest. MPHA did not communicate this dissent and resident concerns when the Board of commissioners voted to approve the RAD application on August 22nd. These concerns and protest were not reflected in the RAD application submitted to HUD.
9. The two meetings on August 8th and 9th came after more than a year of residents' exclusion from MPHA's planning process on the RAD conversion for Elliot Twins.
10. Elliot Twins found out at these meetings that MPHA was rushing to submit the RAD application because it was due in September 2018. Residents were not informed about the details of this application, or its deadline.
<https://mphaonline.org/wp-content/uploads/2018/08/RAD-Application-Elliot-Twins.pdf>
11. At both meetings, MPHA did not inform residents about findings from a recent GAO Report commissioned by Congresswoman Maxine Waters that found negative impacts to tenants under RAD including rent increases, relocation, and violations of resident rights. MPHA included this point in their RAD application and claimed "it's no big deal" yet they intentionally hid these concerns from seniors in the public meetings.

ISSUE 3: General Information Notice (GIN)

HUD's July 14, 2014 notice (Relocation notice) provides the additional requirement that the *General Information Notice* required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) be provided to residents before submission of the RAD application. See Notice H 2014-09/PIH 2014-17. § 4. The Relocation Notice also provides the PHA determine the need for relocation and survey residents to prepare a relocation plan and an estimate of the relocation process cost. *Id.* § 1.8. On line 7 and 27 of CSG's October 31st "Development Planning" document produced for MPHA, they show that relocation and demolition are part of the plans for Elliot Twins, yet MPHA did not provide the residents with a GIN notice as required. See CSG's Development Planning document here:

<https://drive.google.com/file/d/14Tlkf0ZdEf7FRqR5UmC-MSvLOSfjV7Jj/view?usp=sharing>

ISSUE 4: MPHA failure to comply With RAD requirement to prepare "comprehensive written responses" to resident comments

According to HUD's RAD REV 3 Notice, PHA's must "prepare comprehensive written responses to comments received in connection with the required resident meetings on the proposed conversion to be submitted with the RAD Application".

At the two public meetings on August 8th and 9th, MPHA staff members stated that residents could submit their questions and comments in writing. [On pages 8 to 9 of RAD Elliot Twins comments](#) submitted to HUD, provides a list at least seven comments

submitted in writing or orally during the meetings that MPHA did not submit to HUD [in their in their RAD Elliot Twins Application](#). MPHA never responded to these comments, never submitted to HUD and other comments submitted were altered by MPHA.

ISSUE 5: Resident Advisory Board failed Elliot Twins

On August 22nd, the MPHA Board of Commissioners voted to submit the Elliot Twins RAD application. At this meeting, residents were not allowed to present their concerns to the Board and Elliott Twins residents were only given two minutes to speak. While residents were silenced, a 3 member group called the Resident Advisory Board (RAB) met at 12:30 **that same day** to review and approve the RAD application. This 3-member group is the entirety of MPHA's "resident input". The RAB group was able to give a long speech to the Board and MPHA claimed they represented the rest of Elliot Twins. However, this RAB group never met with residents of Elliot Twins to inform residents or get input. Further, the RAB representative who spoke does not even live at Elliot Twins. Elliot Twins residents, who are the most impacted by this RAD application, reported that the RAB group does not represent them because they have never met them and do not know who they are.

By scheduling the RAB meeting and the Commissioners meeting the same day, MPHA effectively prevented the RAB group from exercising a key duty of RAB members (as stated in the new RAB Charter approved by MPHA Commissioners January 2018) which is to communicate with residents about important issues before they take action on them. **This illustrates how little resident opinion means to MPHA.** It is wrong for the MPHA Executive Director to suggest that the RAB speaks for all residents. RAB does not speak or act in place of residents. According to the RAB charter, "The RAB will be a recognized representative of MPHA public housing residents (high-rise and family) and Section 8 Housing Choice Voucher (HCV) participants. **However, it shall not be the exclusive representative, nor shall it replace or exclude other means of resident and participant input**" (RAB Charter, p.1). It is important to note that the RAB did not have any representative from Section 8 Housing Choice Vouchers at MPHA.

RAB Charter:

<https://drive.google.com/file/d/1HRctJxaJdlSfBx4XC-6KhcweEFONqHlp/view?ts=5ba14c1a>

Despite this charter, RAB was presented as the only resident group at the August 22nd meeting. Public housing residents report RAB members say what MPHA personnel tells them, and they have close relationships with MPHA staff that puts their objectivity into question. RAB is not an independent resident group.

Here is a letter from Elliot Twins Residents comments submitted to MPHA on their process for the RAD application, <https://tinyurl.com/Elliott-Twins-Ltr-to-MPHA-HUD>

ISSUE 6: Elliot Twins renovations & the need for funding

Greg Russ describes the Elliot Twins as "one of our oldest properties," as a result, Greg Russ makes the false implication that the buildings are in disrepair and in desperate need of renovations/rehabs. In fact, the two building were renovated fully from 2006 to 2008 and again as recently as 2014, when MPHA spent \$1.24 million dollars on

“elevator modernization” at the Elliot Twins. The buildings are in excellent condition.

[See the table on page 9 of this report about RAD](#) that shows the amount of public funding MPHA spent on renovating and rehabbing Elliot Twins since 2006.

Why would MPHA need to get a private investor (s) to take over the buildings in order to rehab/ and renovate while the buildings have been fully rehabbed/renovated a public housing two times in the last decade by MPHA unless MPHA is using this as an avenue to privatize and displace? Residents do not want the proposed renovations and yet MPHA continues to push through the unnecessary RAD application.

See page 94 of MPHA’s 2015 MTW Annual Plan for documentation of the elevator modernization that took place at the Elliot Twins between 2014 and 2015:

https://www.hud.gov/sites/documents/MINNEAPOLIS_FY15_PLAN.PDF

MPHA receives between 95 to 98 out of 100 for physical inspections from HUD for Glendale and Elliot Twins. The Cedars (AMP 6), which Elliot Twins belongs to, received 95 out of 100 for their inspection in 2015 and 2018.

<https://www.huduser.gov/portal/datasets/pis.html#2018>

ISSUE 7: Russ’s conflict of interest

Greg Russ’ family own and manage Thies & Talle Inc, one of the largest companies specializing in federally subsidized low-income and tax credit properties in Minnesota. Laura Russ, Greg Russ’s wife is an officer/ owner of this company and her father (Greg Russ’ father-in-law) is the company president.

Thies & Talle own dozens of apartment complexes in the region, including project based Section 8 buildings. Because he and his family stand to personally gain from the increase in Project-Based Section 8 buildings, Greg Russ must recuse himself from any decisions about transferring ownership of public housing.

IX. Lack of Public Comments, or Resident & Community Engagement

MPHA sent a letter notifying public housing residents city-wide that the 2019 MTW Plan came out. MPHA stated in the letter that if residents want to comment on this report, they have to comment online by sending an email or in writing. MPHA knows a majority of public housing residents do not have access to computers, and may not have email accounts. Residents who are disabled cannot attend the meetings and cannot write comments, so how is MPHA ensuring that their voice is heard? There is absolutely no effort to communicate this plan to disabled residents. MPHA knows that almost half or more of its public housing population do not speak or read English. It’s not good enough to tell these residents to go read their report, especially when they only provide a Somali translation for the introduction of their MTW (which makes up less than 1/5th of the entire MTW report). There is no translation into any other language, including Oromo, Spanish, or Hmong. Therefore, MPHA violated 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. Yet, MPHA policy states: “All MPHA activities related to the Moving To Work Plan, and approval process will be consistent with MPHA’s obligation under its limited English Proficiency LEP Plan.”

Minneapolis High Rise Council (MHRC) failed in Glendale Townhomes because just like Elliot Twins, they became a tool to push MPHA lies about RAD in 2015 at Glendale, and when residents found that MHRC was not looking out for their best interest nor advocating for them

to protect their rights, residents cut ties with MHRC. As a result, there needs to be a full audit and accountability assessment of MHRC's mission, their budget, and their role misleading public housing residents. Majority of the residents in public housing do not know who the Resident Advisory Board (RAB) also known as Tenant Advisory Board and (MHRC) are, or what they do. They failed to advocate for residents, and they can't approve any plans without a public transparency and without the consent of all of the public housing residents.

MPHA is undermining threatening and silencing residents of public housing that are the leader and founders of DGPHC. Since the beginning of DG&PHC's campaign, MPHA has attempted to prevent residents from organizing, by MPHA showing up uninvited at meetings, spying on rallies, and even shutting down resident council at Glendale. The residents who started Defend Glendale & Public Housing Coalition were originally part of the resident council at Glendale, but were forced to create DG&PHC because MPHA, in violation of HUD rules, was attempting to control the resident council and silently displace residents, and demolish Glendale through secret plans while residents were kept in the dark.

On page 77 of the 2019 MTW Plan, MPHA refers to a "third party campaign" circulating misinformation and submitting form letter comments. The third party they are talking about is we. Public housing resident leaders of Defend Glendale & Public Housing Coalition. This is an attempt to smear DG&PHC, a campaign run completely by residents, the majority of whom are East African Women. We are residents advocating to protect our homes are not "third parties." The only misinformation being spread is MPHA mischaracterizing public housing residents as "third parties," falsely claiming that MTW activities that have not been approved have been "deemed approved and self-implemented." For MPHA to accuse their own residents of waging misinformation campaigns in the same document where they boldly lie about the status of their 2018 MTW plan (and the activities contained therein) is beyond hypocritical; it is dangerous. MPHA is attempting to silence public housing residents by claiming they are a third party. Our campaign on organizing and research. Research into MPHA's own documents that show their plans that they are keeping it as secretive from public housing residents and the RAD program. Therefore no information disseminated by DG&PHC is false. MPHA claims they are being "attacked" by resident comments and uses this as reason to further silence residents who they cannot control is not what HUD stands for. This is violation of our rights to speak and organize. .

The public meetings for 2019 MTW Plan held for one day back to back, from 1 to 3 pm and 5 to 7pm in the evening on August 15, 2018, failed because:

- Residents were intimidated when they tried to speak by MPHA security, and as soon as DG&PHC public housing leaders walked in MPHA staff and security harassed them.
- MPHA could not answer key questions about their budget and plans.
- MPHA could not answer why were not clear about displacing residents at Elliot Twins and about RAD application.
- See this letter from Elliot Twins sent to HUD and MPHA on August 24, 2018;
<https://tinyurl.com/Elliot-Twins-Ltr-to-MPHA-HUD>

X. MPHA's Misleading and Questionable Budget (PAGE 97 TO 116)

Significantly, MPHA did not include the documents on pages 97-116 of the 2019 MTW Plan in their draft plan. Pages 97 to 116 document their decision to not use the vast majority of their capital funding from the previous three years. These documents were only added to their final MTW plan, without any commentary or explanation. MPHA did this because these documents prove that they have been misleading the public, as well as HUD as to their financial need. We as public housing residents did not have a chance to learn about this or comment.

The table below summarizes the information contained in these documents.

Year	Capital Fund Program Grant Received	Amount Spent	Unspent Capital Funding (Surplus)
2016	\$10,229,665	\$6,861,856	\$3,367,809
2017	\$10,232,133	\$0	\$10,232,133
2018	\$14,824,249	\$0	\$14,824,249
Total	\$35,286,047	\$6,861,856	\$28,424,191

MPHA has only spent \$6,861,856 out of the \$35,286,047 that they have received in Capital funding from HUD since 2016. Over the past three years, MPHA has expended just 19% of their federal capital funding. **In the past 3 years alone, MPHA has received \$28,424,191 in funding from HUD that they have not spent.** Where is this money? Not presenting this budget during public comments and in the draft also violated the public engagement process required by MPHA for the MTW annual report.

The significance of this information cannot be overstated, which is why MPHA did not present this information in their draft MTW plan, and present it here without any interpretation or commentary whatsoever. MPHA knows that this information disproves the narrative they have been pushing to the public and reveals that their motivation for privatization is not driven by capital need. MPHA must account for the nearly \$30 million in federal funding they have received but not spent in the past three years. Why is MPHA stockpiling this money rather than using it to maintain their buildings, as the money was intended to do? How can MPHA claim to be short on capital funds at the same time they chose not to spend nearly \$30 million in capital funding over the past three years alone? We request HUD conduct a financial audit to hold MPHA accountable for their use (or non-use) of tax dollars. In addition, here is a chart that shows MPHA has plenty of public funding they can access from the State of MN and City of Minneapolis they are not accessing; <https://tinyurl.com/MPHA-Has-Plenty-Public-Funds> We request that HUD send back the 2019 MTW Plan to MPHA and for MPHA to hold a public meeting and make a public statement as to why they have not included the capital funding they have been receiving from HUD and the reasons why they have not spent the funding.

XI. Strategic Vision & Capital Plan 2018–2020 & 2020-2030 HORIZON (Page 6)

[In MPHA's Strategic Vision & Capital Plan](#), which was presented to the MPHA Board of Commissioners on May 16, in spite of a lack of resident and community engagement as required by city, state, and federal rules, lays out MPHA's plan to end public housing in Minneapolis as it has existed since 1937, using Section 8 to dismantle public housing and displace residents. In this report, MPHA named five properties to privatize and displace residents, Elliot Twins in Ward 6, Glendale Townhomes in Ward 2, Rainbow Terrace in Ward 5, Spring Manor, and Friendly Manor in Ward 3. In all of these properties, MPHA wants to use RAD, Low-Income Housing Credit, and other privatizing schemes. This plan is a far-reaching, trajectory-setting document, charting the course for conversion of ALL of MPHA's over 6,245 public housing units from public housing funding to Section 8 funding and from public ownership to 99.9% private ownership and 0.01 % ownership by a non-profit corporation created by MPHA with heavily invested in by private interests and not subject to government requirements such as compliance with Minnesota's Open Meeting Law and Government Data Practices Act.

MPHA already has densification and gentrification plans. This is bigger than MPHA; this is about the future of democracy in Minneapolis. Chicago is still haunted by the destruction of public housing there (including Cabrini Green public housing) which, Greg Russ, current executive director of MPHA also had a hand in. If the HUD, and our elected officials approve MPHA's privatization plans, which will dismantle public housing as it existed since 1937, there will be no turning back.

On page 6 of the 2019 MTW Annual Plan MPHA states *that: "The Strategic Vision & Capital Plan followed more than a year of engaging the community on the challenges we face and the protections that public housing residents deserve."* Nothing could be further from the truth. Public housing residents were not notified of this plan. Therefore, MPHA:

- Failed to mail letters in the past year to tenants in the five properties to inform them of their plans.
- Failed to provide access to the document to tenants by mailing or delivering the documents to public housing residents.
- Failed to hold public or resident meetings to explain about their latest plan in Elliot Twins, Glendale, etc.
- Failed to provide 30-day notice for public comments.
- Refused to collect and hear public comments during their Board meeting on May 23, 2018 where they approved this policy without public input.
- Failed to provide transparent and fair community engagement therefore violating the public comments process.

MPHA's Strategic Vision & Capital Plan has been prepared in secrecy by the MPHA staff and Board without the resident and community participation promised by the MPHA's own public engagement policy, Minnesota's Open Meeting Law, the "City's Core Principles of Community Engagement", and City's own resolution about Glendale which states: *"any redevelopment or improvement plan for that area will follow a separate, open, transparent public process that will include participation of the neighborhood association and Glendale residents."*

Therefore, it was not approved by City Council of Minneapolis and it should not be approved by HUD.

MPHA's gross misrepresentation of the actual level of resident involvement in the creation of the Strategic Vision and Capital Plan is a pattern that repeats itself throughout MPHA's 2019 MTW Annual Plan. In fact, Greg Russ's tenure at MPHA has been characterized by an insidious and systemic marginalization of residents crudely papered over with public statements about extensive public involvement. Importantly, no evidence for this resident involvement is ever offered, because it does not exist. MPHA continues to rely on a small number of handpicked residents - an anonymous "Tenant Advisory Board," also known as the Resident Advisory Board to speak for all residents in spite of the fact many MPHA residents have publicly stated that this Tenant (Resident) Advisory Board does not speak for them and they don't know who they are. It is clear that MPHA uses the "Tenant (Resident) Advisory Board" to take advantage of vulnerable residents. In addition, the Tenant Advisory Board does not inform residents about the decisions MPHA's Board makes. Residents' feedback is excluded. MPHA's Board of Commissioners who are very wealthy and majority white pro-developers don't listen to residents or community feedback. They have authoritarian rule over MPHA because their developers' network will profit from the sale, dismantling, displacement and the destruction of public housing. MPHA sent Strategic and Vision report to the City of Minneapolis Housing & Policy Committee on June 6, 2018 for review. MPHA contradicts itself. One minute they say it is a plan, the next minute they say it is not a plan it is a vision. They are misleading the public as well as the elected officials. The City of Minneapolis Housing & Policy Committee voted to table this report to further study the legal oversight City of Minneapolis over MPHA. At this meeting, residents from Glendale and Elliot Twins gave public comments about the lack of resident engagement, MPHA secrecy and misleading of tenants.

On July 25, 2018, The City Attorney's office presented their findings to the Housing & Policy Committee about the city's legal oversight over MPHA. The findings corrected the notion that MPHA is a completely, and irrevocably an independent political body from MPHA. The report found that MPHA is not an independent political body from City of Minneapolis. It is clear from this report that MPHA remains subject to City Council ordinances and monitoring as underlined by the City Attorney's report. For full analysis, see the following links,

<https://www.dgphc.org/2018/07/11/mpha-strategic-vision-analysis/>

<https://tinyurl.com/Comments-6-6-18-Housing-Comm>

<https://tinyurl.com/Comments-7-25-18-Housing-Comm>

XII. Section 18 Disposition of Scattered Sites into Private Fourplexes (Page 8, 12, 32)

This section of the analysis explains in detail MPHA's plans on privatizing over 730 single family homes that are in excellent condition through Section 18 Disposition & Demolition. MPHA attempts to hide this from the reader by titling this section "Preserving and Stabilizing MPHA Scattered Sites through 'Section 18,'" conveniently leaving out that **Section 18 authorizes the demolition and disposition of public housing**. Characterizing the demolition and disposition of public housing as preservation is indicative of MPHA's persistent and pervasive use of misleading and dishonest language in an attempt to deceive public officials, residents, and the broader public about their activities.

Public housing authorities usually apply for Section 18 from HUD when properties are in such bad physical conditions that the housing authority can't repair or rehab them, making the

properties unsuitable to house families. MPHA claims that the capital needs of their scattered sites alone would, “consume 100% of MPHA’s expected capital fund allocation fund for the next five years” (page 6). However, MPHA provides absolutely no evidence for this misleading claim. The reality is MPHA’s scattered sites are in excellent condition and they are only spending 19% of their capital funding while they have a surplus of **\$28,424,191** unspent. Public housing families who rent these homes will be told to move out in 3 months or so, and MPHA will give them Section 8 vouchers to look for housing elsewhere. Therefore, MPHA is displacing thousands of families with children from their homes and community and putting them at risk of homelessness, and due to gentrification, private landlords no longer rent to Section 8 families. MPHA is implementing this program for political reasons. Minneapolis Mayor Jacob Frey has proposed a plan to allow for the construction of fourplexes throughout the city, which is also endorsed by his 2040 Comprehensive Plan, and MPHA has included this component of their plan in order to win his political support, and transform the scattered sites into the fourplexes. Importantly, Section 18 does not allow MPHA to dispose of their 730 scattered site homes. **Section 18 specifically limits the number of properties that can be demolished in a 5 year period to “the lesser of 5 dwelling units or 5% of the total public housing dwelling units owned by the PHA.”** MPHA has declared their intention to pursue activities they are not authorized to do. Again, MPHA is misleading the public and elected officials. [Here is a fact sheet about their plans.](#)

XIII. Conclusion

We request that HUD’s MTW Office reject MPHA’s 2019 MTW Annual Plan. MPHA must go back and rewrite this plan. MPHA must write a 2019 MTW Annual plan that is honest, transparent, and that will not mislead over 11,000 public housing residents, their families, citywide residents of Minneapolis, elected officials, and HUD. MPHA’s hidden and dishonest plans to sell public housing & its communities is not what HUD stands for.

As public housing residents, we hereby fully reject MPHA’s 2019 MTW Annual Plan due to its many violations listed above in these comments & report. On pages 71-76 MPHA states that they have followed all the MTW requirements, but we have shown here how MPHA has not followed MTW requirements. Therefore, the 2019 MTW Plan should be sent back to MPHA for rewrite because this plan violates our human rights as public housing residents, what HUD stands for and the MTW requirements.

Defend Glendale & Public Housing Coalition

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