



Mission Statement

The mission of the Minneapolis Public Housing Authority is to promote and deliver quality, well-managed homes to a diverse low-income population and with partners, contribute to the well-being of the individuals, families and community we serve.

Background:

- There are about 1.2 million public housing units and approximately 2.4 million Section 8 Housing Choice Vouchers nationwide today.
- Approximately 3 million people live in public housing.
- Over 4 million people live in housing assisted by the Section 8 Housing Choice Voucher Program.
- There are 3,300 public housing authorities in the United States that oversee more than 13,000 public housing developments.
- There are 149 housing authorities in the State of Minnesota.

About MPHA:

- MPHA is the largest public housing authority in Minnesota and 20th largest in the nation. MPHA became an independent agency in 1991 and has had the leadership of Executive Director/CEO, Cora McCorvey, for twenty-five years.
- Since 1997, MPHA's public housing program has been designated a 'High Performer' by HUD and since 2007, MPHA's Section 8 Housing Choice Voucher (HCV) program has achieved and sustained the 'High Performer' status under HUD's SEMAP criteria.
- In 2008, MPHA became a full status Moving To Work (MTW) agency. The authority granted to MPHA under its MTW Agreement allows the agency to combine all of its funding into a single fund and allocate its resources to meet the agency's priorities. In addition, under MTW, MPHA can waive most rules and regulations to assist in meeting its mission. Through our MTW authority, the Section 8 HCV Program has undertaken a major rent reform initiative, changing how participant families' rent portions are calculated.
- MPHA's core business function is to provide affordable housing opportunities to low-income families through both its public housing and Section 8 HCV programs. MPHA provides over 21,000 persons in this community with decent, safe and affordable housing

MPHA's Programs:

Low-Income Public Housing Program

MPHA owns, manages and oversees over 6,000 units of public housing:

- 42 highrise apartment buildings with 5,006 units
- 733 scattered site homes (single-family, duplex/fourplexes)
- 20 Rent-to-Own townhomes in Heritage Park
- 184 townhome units in the Glendale family development in Prospect Park
- 312 public housing units that are part of mixed finance developments throughout the Metropolitan area

The agency has maintained 98%-100% occupancy of all available housing units for over fifteen years.

MPHA has designated twelve highrise complexes with 1,913 apartments for seniors. The agency also has assisted living and supportive services programs for frail and elderly adults, brain injured and epileptic individuals at ten locations with a capacity for up to 322 residents.

Resident volunteers provide crime watch patrols through Project Lookout in over twenty-six highrises and contract security guards provide security coverage in many of our buildings.

MPHA purchased twenty townhome development units in Heritage Park and created a Rent-to-Own initiative where qualified public housing residents and Section 8/HCV participants, as well as, MPHA and City of Minneapolis employees who qualify for public housing, will have an opportunity to initially rent and subsequently purchase these units.

Section 8/Housing Choice Voucher Program

MPHA administers over 5,000 Section 8 Housing Choice, VASH, FUP and Mod Rehab vouchers for eligible program participants who use the assistance to rent units from private landlords. Some of the vouchers target specific populations:

- 692 vouchers have been project- based, combining supportive services and increasing the supply of affordable housing for very low income households;
- 400 vouchers are designated for non-elderly disabled households;
- 235 vouchers serve our homeless veterans through the HUD Veterans Affairs Supportive Housing (VASH program);
- 100 vouchers are allocated for Family Unification including youth aging out of foster care (FUP Program)

The Section 8/HCV Program has maintained a utilization rate of near 100%.

MPHA operates a Family Self-Sufficiency (FSS) Program to provide support for families who wish to become more self-sufficient in its Section 8 Housing Choice Voucher program. Under this program, Section 8 Housing Choice Voucher participants establish five-year goals, becoming welfare-cash assistance free and being employed full time.

MPHA operates a Section 8 Mobility Voucher Program that supports families to successfully move to low poverty communities or opportunity areas. The Mobility Coordinator assists the families in connecting to resources and services in their new neighborhoods. The belief is that families will more likely stay in their new neighborhoods if they are able to connect to the benefits of the higher opportunity communities.

Capital Fund Program:

Since 1992, MPHA's citywide capital and management improvement program has received over \$324 million in Capital Funds from HUD. More than \$308 million in capital improvement work has been completed to date – including renovations of 41 highrises, and more than 700 scattered site homes. This program impacts all public housing residents, dozens of city neighborhoods and has created hundreds of jobs in the local economy.

MPHA, in addition to its Capital Fund program, received an additional \$18.2 million in new capital funds under the American Recovery and Reinvestment Act (ARRA) in 2009. It was awarded over \$30 million in ARRA funding through a national competition to develop a new Senior Center, a 48-unit continuum of care 'Green' Memory Care Development and to launch a major energy improvement and conservation program in 733 scattered site properties. The senior center and memory care development opened February 8, 2012 and the scattered sites energy program was fully implemented at the close of 2011.

MPHA entered into a \$33.6 million Energy Performance Contract (EPC) with Honeywell International in August of 2009 under a special program with HUD to make major energy and water conservation improvements in our highrise and single family homes. The EPC has been fully implemented and the first year of a 20-year guaranteed savings period from Honeywell began in 2010; during this period, these improvements will pay for themselves. In 2013, MPHA negotiated a refinancing of the original EPC loan at a lower rate and was able to leverage an additional \$3.36 million for improvements that include LED site lighting, LED stairwell lighting, energy efficient roofs on three highrises, and some mechanical upgrades at all high rises.

Community Needs / Challenges:

- **Affordable Housing:** There is a critical shortage of affordable housing in Minneapolis, especially for very low and extremely low income individuals and families.
 - MPHA last opened its Section 8 Housing Choice Voucher program waiting list in 2008. Currently, there are over 3,800 applicants on that program's waiting list. There are about 5,800 individuals on the Public Housing Highrise wait list and over 6,300 families on the Public Housing Family wait list.
 - There is a 2.3% vacancy rate in Minneapolis driving rents and limiting opportunities for housing for families. The vacancy rate for affordable housing is almost non-existent. Even tax-credit units, which have affordability targets with rents set for families at 50-60% of Area Median Income (AMI), are not affordable to persons/families with very low incomes most of whom have incomes at less than 30% of AMI.
 - MPHA, through its Low Income Public Housing and Section 8 Housing Choice Voucher programs, is the foundational venue for affordable housing for very low- income families. Due to elimination of HUD's Public Housing development programs, its severe reductions in

operating subsidy and capital funds, as well as additional cuts in local resources, MPHA is unable to respond to the crisis in affordable housing.

- NIMBYism, racism and other stereotypes about the poor, as well as fears about the impact of affordable housing and use of vouchers in neighborhoods, impacts both political support and funding for responding to this critical issue.

▪ **Senior Housing/Housing with Services:**

- Between 2010 and 2040 the increase in people over 65 will increase by over 100% from 307,000 to over 777,000. For people of color, the anticipated increase in persons over 65 is well over 250%. These demographic changes pose significant challenges for our community. The housing and service needs of the elderly put most of our aging population at risk of becoming poor and dependent on government.
- MPHA is experiencing the first wave in this growth of elders and is responding with designated housing, housing with services, and the nation's first public housing acute assisted living with memory care development in the nation, Thomas T. Feeney Manor. This 48-unit development linked to the Heritage Park Health and Wellness Center and adjacent MPHA's 102-unit senior housing development, Heritage Commons at Ponds Edge creates an affordable Senior Campus that can serve as a model to help shape the implementation of the City's new Senior Housing Policy. MPHA's Signe Burckhardt highrise also provides memory care for 42 persons.
- The need for affordable senior housing and housing with services is likely to grow exponentially in the next decade. MPHA is prepared to partner with the City and others to help respond to this need.

▪ **Homelessness – Families Coming Out of Shelter:**

- Wilder Foundation's Homeless Survey indicates that on any given night there are about 14,000 homeless persons in the metro area with almost half of these being children.
- Heading Home Hennepin reports that the homeless shelters with families with children are way over crowded and the demand for shelter is increasing with no signs of relief. The social and economic costs of families living in these conditions are overwhelming the systems designed to assist these families.
- MPHA is working on an initiative with Hennepin County, Family Housing Fund and the State of Minnesota, that may bring bonding / development funds to create small pockets of family housing to help respond to this issue. MPHA has operational funding that could be made available, but needs support from the City and County for places to develop this housing and identify appropriate services to assist families who are housed.

▪ Funding:

- MPHA has suffered critical losses in funding over the past few years. HUD has funded MPHA from 82 to 88 cents on the dollar in its subsidies, cut capital funding by millions of dollars and reduced our Section 8 administrative funds by 25%. These losses combined with loss of City levy and other funding has created a crisis for MPHA.

MPHA has 1) eliminated a number of its housing programs; 2) significantly cut its security guard budget; and, 3) utilized reserves to help fund its operations. In addition, MPHA had to freeze the Section 8 Housing Choice Voucher tenant based waiting list in 2012 and was unable to assist eligible families on that waiting list until calendar year 2016. Many families have been unreachable (we last took applications in 2008), prompting the Agency to begin “purging” the Waiting List as we attempt to assist applicants through program attrition.

- MPHA’s Board of Commissioners adopted a new Strategic Plan in 2012, with preservation of MPHA’s properties as its number one priority. The cuts in funding, coupled with the impact of its aging portfolio, is creating significant challenges.
- MPHA has taken advantage of HUD’s Energy Performance Contracting (EPC) to bring over \$33.6 million in water and energy conservation measures and successfully competed for an ARRA grant that brought an additional \$11 million energy conservation improvements to its scattered site properties. These actions, while bringing critical relief, still leave MPHA with over \$114 million in backlogged capital needs, and we project that number to grow significantly over the next 20 years. As noted, HUD has reduced the Agency’s capital funding by millions and little promise of any relief.
- MPHA has used its MTW authority to take action to focus its resources and continue to provide high quality services to its residents and participants.

▪ Partnerships:

- As part of the Strategic Planning process, the MPHA Board amended the Agency’s mission to focus on partnership – “and **with partners** contribute to the well-being of the individuals, families and community we serve.”
- MPHA’s primary partner is the City of Minneapolis as our legal name connotes – **Minneapolis Public Housing Authority in and for the City of Minneapolis** – we have positioned ourselves to work with the City on responding to the affordable housing needs and contribute through our investments to the economic well-being of the City.
- We currently have over twenty-two (22) specific agreements with community organizations to bring services and supports to low income families.

- MPHA has project-based nearly 700 Vouchers to various non-profit developers using our resources to contribute to the development of additional affordable housing in our community.
- MPHA has unique Housing with Services Agreements with Hennepin County and senior services providers to allow residents to age in place, receive assisted living and other supportive services and, as noted, created the first public housing health and wellness center in the nation through partnerships with the YMCA, Courage-Kinney, Augustana, NorthPoint Health and Wellness center, as well as the Minneapolis Highrise Representative Council, Alive and Kickin', Grace Hospice and Northside Funders Group

MPHA has positioned itself to play a significant role in responding to the needs of low-income families in our City. We are committed to our partnership with the City and while our resources are limited, our resolve and commitment is not.