



October 9, 2015

Phyllis Kahn, State Representative
353 State Office Building
St. Paul, MN 55155

Karen Clark, State Representative
273 State Office Building
St. Paul, MN 55155

Representatives Kahn and Clark:

Thank you for your letter of October 8, 2015 where you shared your thoughts and concerns regarding the residents of MPHA's Glendale Family Development. MPHA is committed to the long term preservation of affordable housing at Glendale, to working with residents and the Prospect Park community as well as to achieve a vision that preserves this critical housing resource for decades to come.

As you are aware from previous communications Glendale faces significant challenges which are exacerbated by severe cuts which Congress has made over the years to public housing operations and capital dollars. HUD has required housing authorities to conduct an independent Physical Needs Assessment (PNA) on all public housing properties. The recently completed PNA for Glendale identified over \$15 million in unmet capital needs.

This level of need coupled with the shortfall of funds from HUD requires MPHA to engage in a strategy for responding to the needs and preserving affordable housing in Glendale. In your letter to the Minneapolis City Council, you raised a number of concerns and asked questions related to Glendale. The purpose of this letter is to respond to your concerns and answer your questions.

You noted the strengths of Glendale, the desire to maintain the integrity of the community and the role Glendale has played to assist immigrant families and the strong social networks. Throughout its history MPHA has been – and will continue to be – a champion and advocate of cultural diversity and strong communities; the very things you have described in your letter, MPHA has played a lead role in developing. MPHA established the PICA Head Start facility in Glendale, supported Luxton Park, networks with Eastside Neighborhood Services, financially supports the Glendale Food Shelf, worked to help preserve Pratt School and has been a good partner with Prospect Park. MPHA seeks to not only sustain those achievements but to enhance them as we work with residents and the community to create a vision for Glendale that responds to the current needs and dreams of the community but which also anticipates the future. It is this vision and the very real challenges facing Glendale that require MPHA to engage with residents and the community. MPHA's goal is to ensure the preservation of Glendale as a place where very low-income families can make their homes.

You speak of the threat of displacement and the fears of residents related to becoming homeless. This is why, from MPHA's first conversations with residents about the challenges facing Glendale, MPHA has made a commitment that no resident will be made homeless as the result of actions to be taken to preserve affordable housing at Glendale. This commitment is also reflected in the federal Relocation Act provisions which require specific actions that protect families who are subject to relocation. MPHA recognizes that both substantial rehabilitation or redevelopment most always requires some resident relocation. MPHA has been steadfast in both being truthful in noting that changes needed for Glendale will require some adjustments for resident but very clear in stating that no resident will be required to move before a comparable subsidized housing unit has been identified. Fears and anxieties concerning displacement are without merit.

MPHA is concerned regarding your statement about rehab and regular maintenance being discontinued. This is categorically false. MPHA has a work-order system that records all calls and requests for repairs made by residents or identified through inspections by MPHA staff and tracks them through to completion. MPHA has achieved a HUD designated "High Performer" ranking on its overall public housing management including how it performs on work orders. All work orders at Glendale are handled through this same rigorous system. Glendale is not being allowed to become run-down.

Regarding your query about Glendale included as being part of Prospect North seeking to be designated and Innovative Project, please note that MPHA is a partner in the Prospect North organization between Minneapolis and St. Paul, the University of Minnesota, Blue Cross and Blue Shield, the Prospect Park Neighborhood, and the adjoining and private property owners, among others. MPHA is involved with this group to be kept aware of all the planning that is happening in the Prospect Park neighborhood, most of which is located north of University Avenue. MPHA's understanding is that the Innovation District is in place to look at ideas to share infrastructure among all landowners along University Avenue in a cost effective manner. Infrastructure would include energy, the distribution of hot and cold water, and storm-water management. These partnerships can be a valuable resource as Glendale explores both resources and support for the future.

You note that the Glendale residents are willing to go through a process that explores rehabilitation. MPHA has committed to go through a process that explores a number of options including rehabilitation. As part of planning process to which MPHA made a commitment, the agency is contacting every resident in Glendale and meeting with community members who wish to discuss the future of Glendale. From conversations with residents and community members, it has become apparent that there are a variety of opinions and ideas for how to best respond to the challenges at Glendale; some Glendale Townhomes residents want their home rehabilitated while others favor redevelopment. MPHA is listening to these competing viewpoints and is working to find a workable solution to address the issues of the 63 year old structures including lack of handicap accessibility, energy in-efficiencies, corroding pipes, and antiquated infrastructure.

MPHA has become concerned that there are a number of allegations regarding what MPHA has both said and done that are inaccurate. For example, you state in your letter "Residents are observing major renovation of the Glendale Townhome's administrative offices and wonder how this is being financed. Priorities are in question since they have been told that there is a shortage of

funds for their homes to receive basic maintenance.” The fact is MPHA has not done any renovation work in the Glendale offices. Some cubicles were rearranged recently, and that is the extent of work done in the offices.

MPHA understands that with change fears sometimes cause others to misperceive what is happening. We are concerned that with the number of stories being conveyed about what MPHA is doing and what it is not doing, that there is a great deal of deliberate misrepresentation.

You have asked a number of very specific questions. Please see your questions and MPHA responses below:

1. It would be helpful to have a specific accounting of the use of the state bonding MPHA received for rehab purposes in the 2014 legislative session. It was won through strong lobbying by the City, by legislators like us who recognize that public housing like this can never be replaced at affordable public cost if allowed to deteriorate and/or be discontinued or privatized.

MPHA is extremely grateful for the role that you both have played in supporting funding for the preservation of our public housing at the legislature.

The Publically Owned Housing Program (POHP) is the state’s primary program that grants funding to Public Housing Authorities to rehab their existing housing stock. In 2014 there was \$20 million available state-wide for this program and MPHA received \$1.2 million. The \$1.2 million that MPHA received was specifically designated for the 115-unit Rehab project at 620 Cedar.

The scope of work at 620 Cedars includes: extensive plumbing replacement (domestic hot/cold and sanitary waste and vent lines), apartment upgrades including asbestos floor tile abatement, kitchen cabinet refurbishment and countertop replacement, refrigerator replacement, and new bathroom sinks, tub surrounds, and accessories. Building HVAC improvements including exhaust system upgrades make up air unit replacement, water heater replacement, and hot water heating system upgrades. Fire suppression system installation & fire alarm system upgrade. This project is currently in the design phase with renovation construction slated to begin early 2016.

The POHP funding requires a 20 year use of the property. The needs of Glendale and relatively small amount of funding MPHA could receive through POHP would put MPHA in a position of limiting its options before we fully explored them. Should MPHA identify a rehab option through this process, we would look to you for support under this program.

2. Is it true that basic maintenance is not being done at Glendale Townhomes for lack of funds?

This is untrue. Basic maintenance occurs continually at Glendale on both the grounds and within the living units: lawns are mowed, sidewalks and parking surfaces are plowed, furnaces are repaired and kept in working order, and plumbing leaks are addressed.

3. What current or potential state resources might be targeted to assist the preservation of this important public housing resource for its residents?

The Publically Owned Housing Program (POHP) is the state's primary program that grants funding to Public Housing Authorities to rehab their existing housing stock. In 2014 there was \$20 million available state-wide for this program and MPHA received \$1.2 million. MPHA has identified through a Physical Needs Assessment at least \$15 million in immediate needs at Glendale. We are unaware of any other State program that provides funding for the preservation of existing public housing under MPHA ownership. The National Housing Trust Fund (HFTF) will contribute between \$3-\$5 million dollars for affordable housing creation and stabilization. This is a new program with the dollars being available in 2016, through MHFA's Super RFP process. Rules haven't been established for how this funding is allocated but MPHA hopes that Public Housing Authorities also have access to the NHTF dollars.

Minnesota's Consolidated Funding program, state issued tax credits and possible bonding options could support a redevelopment strategy for Glendale along with other funding mechanisms. These mechanisms could possibly support the preservation of affordable housing at Glendale but may not be available for a rehab project.

4. Is it true that a plan for privatization is underway for this public housing? Is that being proposed for other public housing in Minneapolis?

MPHA currently has no privatization plans. MPHA is actively engaging with residents, the neighborhood community and city officials to join Visioning Sessions (the first to be held November 12th at Luxton Park) to collectively come up with ideas to help guarantee a viable, long term future for Glendale.

MPHA is also actively looking at different financial models including 1) significant rehab with no new construction; 2) partial rehab with some new construction, 3) all new construction to prepare to see if any options that emerge from the Visioning Session are economically viable.

5a). What is the current waiting list for Section 8 vouchers?

MPHA current has 5,894 families sitting on its Section 8 HCV Waiting list. However it should be noted that if Section 8 is needed as part of a relocation strategy, MPHA has the authority to utilize vouchers for Glendale families. MPHA's relocation strategy would involve working with residents to locate a housing unit that will be paid for with a Section 8 voucher.

5b). How many are slated for Minneapolis (We are told by residents that such vouchers have been promised, and will likely only provide possible residence in the suburbs) ?

MPHA serves the City of Minneapolis, so one could technically say that the vouchers are "slated" for the City of Minneapolis. However, HUD regulations allow vouchers to be "portable", which means that families may move outside of the City (including Twin City

suburbs, as well as other States) as long as they were a resident of Minneapolis when they applied to the Waiting List. As a Moving to Work Agency, MPHA has implemented a Rent Reform initiative in its Section 8 HCV Program. The Rent Reform initiative changes some of the standard policies and procedures and one the changes includes amending the portability process. Under Rent Reform, families must meet certain criteria if they wish to port out of Minneapolis and live in a different jurisdiction such as the suburbs or another State. The Rent Reform criteria approves families to port-out of Minneapolis for reasons related to employment, education, safety, medical/disability, low-poverty and low racially concentrated areas, or for housing affordability. (Housing affordability means the family wishes to port to a jurisdiction in which the Fair Market Rent (FMR) is at least 5% less than the FMR in Minneapolis and the family's rent portion is greater than 40% of their monthly adjusted family income.) Families who are denied portability have the right to request an informal hearing.

The Section 8 Waiting List does not affect Glendale families right to receive vouchers—and vouchers, if received, may be used in the City of Minneapolis or in the suburbs.

6. Since we represent these and/or many other public housing residents in Minneapolis, we are concerned about the lack of involvement and consultation with residents and their representatives that is apparently underway. Please consider these resident's concerns.

Residents' concerns are our number one priority. MPHA has continually offered to meet with residents, sought to attend Defend Glendale meetings, has held monthly community meetings with residents and the Glendale community. We have hired a consultant to interview every Glendale Resident and every Prospect Park neighbor who wish to be interviewed. We have established a Glendale Page on MPHA's website where we publish every question and concern resident raise during meeting and publish MPHA's responses.

MPHA's mission is to promote and deliver quality, well managed homes to a diverse low-income population and, as a valued partner, contribute to the well-being of the individuals, families and community we serve. We take our mission seriously and have documented actions that show our efforts to engage residents and partners in this process.

MPHA welcomes City, County State, or Federal financial support-- to help meet the ever growing challenges we face with aging housing in dire need of repair or replacement.

7. It is clear to us that this is not just a few disgruntled residents raising these significant issues, but a whole community that needs to be met with positive involvement.

Through the public meetings held and interviews conducted to date, it is clear that there is a myriad of resident and neighborhood opinions regarding Glendale. Some are vocally opposed and others are vocally supportive of re-development. MPHA's goal is to respectfully listen to all sides and collectively come up with ideas that can help sustain long term subsidized Public Housing at Glendale.

8. We are particularly concerned about this because one of us (Rep. Karen Clark) is the lead DFL Rep on Housing and the other (Rep. Phyllis Kahn) is the state rep for this area and lived for many years quite near Glendale with close friends of all members of our family from that community.

As legislators you are aware that your duties often require you to look at the long term good of the State and your community. Sometimes that requirement calls you to make unpopular decisions or decisions that are different from the immediate wants of your constituents. As Executive Director of MPHA, I cannot just look to an immediate want, my goal is to position the Agency so that it can ensure the long term viability of affordable housing in Minneapolis. We have had families in Glendale since 1952 and its my mission to ensure safe affordable, decent and quality housing will be there for future generations.

I appreciate your concerns and support for Glendale residents. I look forward to working with you to meet the challenges facing Glendale. I also want to work with you to create dreams for the future of Glendale that open opportunities for those families who fifty years from now will call Glendale home.

If you have question or would like to meet, please do not hesitate to call me.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Cora McCorvey', with a long, sweeping horizontal line extending to the right.

Cora McCorvey
Executive Director/CEO

cc MPHA Board of Commissioner
Minneapolis City Council