

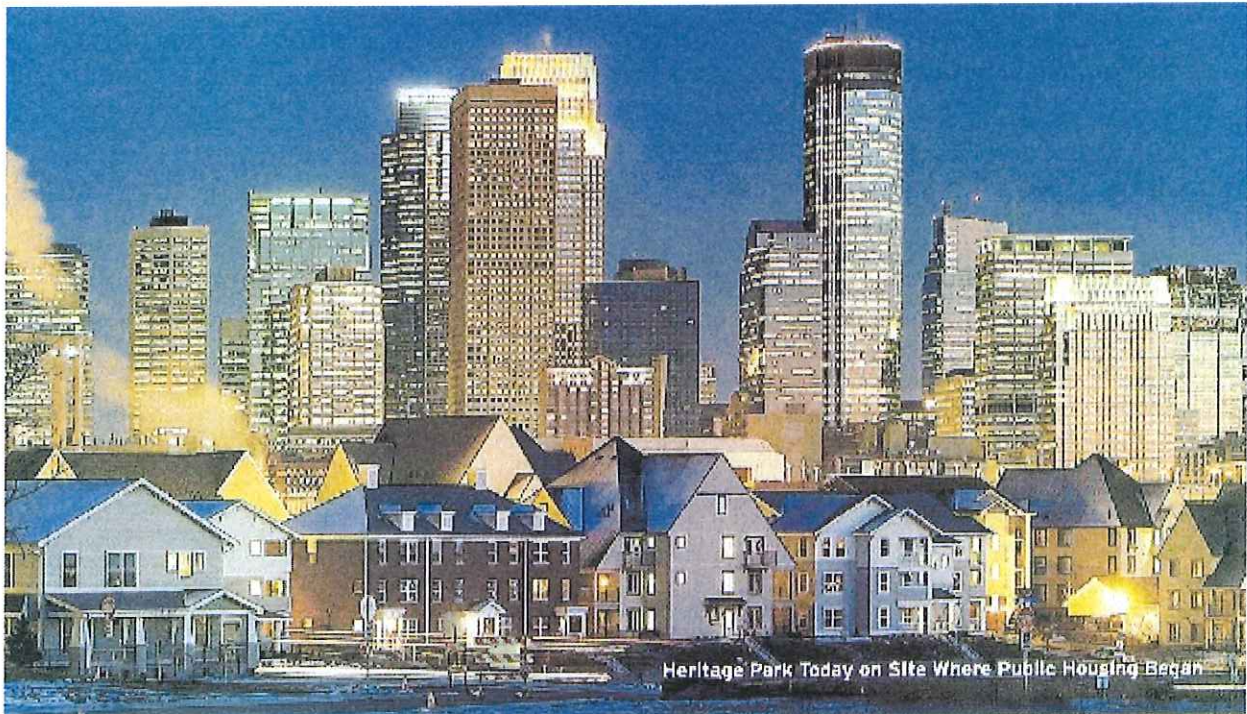
Minneapolis Public Housing Authority

Report to the Mayor

July 26, 2016



YEARS OF PURSUING EXCELLENCE



The mission of Minneapolis Public Housing Authority (MPHA) 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.

Why MPHA is Important . . .

because we serve the city's low income children, elderly and vulnerable

Sixty plus years ago the City's Housing and Redevelopment Authority made a commitment to provide decent, safe, and sanitary housing within the financial reach of families who are in the lowest income group and who could not afford housing in the private market. MPHA is the largest public housing authority in Minnesota and the largest affordable housing provider in Minneapolis.

- With its 5,943 public housing units and over 5,000 Section 8 vouchers, MPHA serves a diverse community of approximately 24,300 people (6.2% of the City's population). There is a desperate need for affordable housing confirmed by MPHA's waiting lists.
- 95% of public housing families and 80% of Section 8 families have incomes at less than 30% AMI. The average income for public housing families is \$13,827 and the average income for Section 8 families is \$14,470.
- 1,389 resident households have earned income including 69% of all our family households.
- 62% of public housing households and 38% of Section 8 households are disabled. Many of those identified as disabled, have significant mental health challenges.
- Assistance through MPHA's VASH program houses 261 veterans who would otherwise be homeless.
- MPHA residents and Section 8 participants reside in housing located in virtually every neighborhood of the City.



because we bolster the city's economy

- Over \$100 Million flows through MPHA's operations, of that MPHA spends over \$75 million of Federal assistance annually in the City of Minneapolis that would otherwise not be provided. This brings jobs and living wages to local businesses contributing to a greater Minneapolis.
- MPHA contracts with small, women, minority and Section 3 businesses spending \$4,167,258 in 2015.

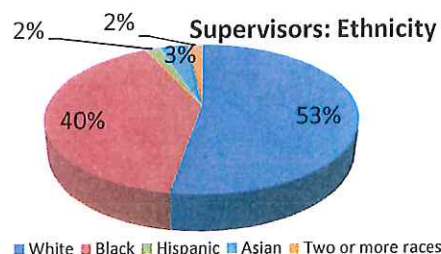
because we can add to and increase the City's affordable housing goals

- MPHA has at least 98 Faircloth Unit capacity to subsidize additional public housing for extremely low-income families.
- MPHA can utilize its Moving To Work authority to supplement and/or add to meeting the City's affordable housing goals.
- MPHA has the tools and experience as well as has been actively involved in activities that could assist the City in meeting the challenges of fair housing, creating affordable housing in opportunity areas of the City and in engagement with other jurisdictions as it seeks to create regional approaches to address deconcentration issues.

We are important and we make a difference.

MPHA Performs . . .

- MPHA has one of the most diverse workforces in the City, delivering the highest quality services to its residents and program participants. 51% of all MPHA employees and 53% of all supervisors are ethnically diverse.



- Designated by HUD as a “high-performer” in both our public housing (1997) and Section 8 housing program (2007). We have held these designations since that time.
- The Minnesota State Auditor has qualified us as a low-risk auditee since 2010 demonstrating a history of program compliance, strong internal controls in our financial operations, and no questioned costs.
- MPHA has received 36 National Awards of Merit and Excellence from National Association of Housing & Redevelopment Officials (NAHRO).

2016 Award of Excellence Nominee – Signe Burckhardt Manor Redesign



- MPHA implemented \$37 million in energy conservation measures. In 2015 alone, MPHA saved \$2.2 million in utility costs.

■ **MPHA Significant Accomplishments:**

MPHA is the first PHA in the nation to create assisted living facilities that house very low-income people that would otherwise suffer without care in the general occupancy buildings. In addition, MPHA created the first acute assisted living/memory care development in the nation.



MPHA has implemented significant programs to help deconcentrate poverty through our work in implementing the Holman Consent Decree including a new mixed-income community at Heritage Park and being the first in the nation to successfully create public housing in suburban jurisdictions.

MPHA was awarded CenterPoint Energy's 'Customer of the Year' Award. CenterPoint Energy awarded the highest rebate ever granted to a customer in Minnesota to the Minneapolis Public Housing Authority (\$445,546) in 2011.

In 2012, MPHA opened a state-of-the-art senior center in Heritage Park in north Minneapolis with funding from an "ARRA" competitive grant. MPHA established partnerships to provide an array of services to elderly residents living in North Minneapolis.



The Section 8 HCV Program successfully implemented a more cost effective, streamlined, and comprehensive Housing Choice Voucher Program (Rent Reform) through utilizing its Moving To Work authority. This initiative saved 500 families from losing their Section 8 assistance and allows MPHA to use funds to help preserve its public housing portfolio.

We perform and provide exceptional public service.

Challenges to the City in Providing Affordable Housing to its Citizens

- Minneapolis does not have any more affordable housing than it did 25 years ago.
- Mayor's 'One Minneapolis' vision demands additional affordable housing for Minneapolis.
- Low vacancy rate of 2.5% equals higher overall rents.
- Vacancy rate less than 1% for extremely low income families.
- High number of homeless families with children.
- Tax Credit affordability requirements do not account for very low income families.
- Naturally occurring affordable housing (units available at an affordable price without any subsidies, vouchers or other interventions is disappearing fast).
- HUD settlement of 'Analysis of Impediments' Complaint. Implementing HUD Affirmatively Furthering Fair Housing (AFFH) Rule.
- Increasing affordable housing in areas of opportunity.



Challenges to MPHA Providing Valuable Public Service to Minneapolis Residents

- Federal subsidies are insufficient to meet our program's needs.
- Aging properties with \$126 million in building rehabilitation needs. Needs are accruing at double the rate of HUD's Capital Funding allocation.
- Increasing number of mentally ill and disabled residents of all ages.
- Properties in high crime areas of the City making vulnerable adults easy victims
- Community and resident resistance to HUD's new redevelopment program. (Glendale)
- Rising costs of doing business.
- There are over 16,000 applicants currently waiting for subsidized housing through MPHA's programs, far exceeding our available capacity.
- MPHA provides homes to 1,879 or 32% of heads of household of Somali origin. The Section 8 Program provides housing assistance to 1,775 heads of household of Somali origin. In MPHA's housing programs over 100 languages are spoken. An estimated 40% of the heads of households do not speak English.

MPHA recognizes the challenges and we have persevered.

What the City Can Do to Help House Extremely Low Income Families

- Approve the full tax levy to the maximum allowed by state law for public housing needs.
- Continue to reduce our PILOT by 50% and refund us for the portion of the PILOT that the City receives.
- Support MPHA's Faircloth initiatives to create more housing for families coming out of shelter such as 54th and Riverview (Minnehaha Townhomes).
- Emphasize the need for police attention and response to neighborhoods that house vulnerable adults, like our properties; encourage collaboration between our security team, Project Lookout and MPD.
- Provide funding to help preserve MPHA's property portfolio.
- Provide in-kind services for trash removal, housing development consultation, employee training, and policing.
- Support and lobby for public housing and Section 8 resources nationally and locally.



We are part of the commitment the City made some sixty plus years ago to provide decent, safe, and sanitary housing for families who struggle every day to afford a place to live.

"The moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life, the sick, the needy and the handicapped."

Hubert H. Humphrey