



Community Report

2018-2019



Message from the Executive Director


Our Mission

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.

There's a saying from Minnesota's own F. Scott Fitzgerald about the vital ability "to hold two opposed ideas in mind at the same time, and still retain the ability to function."

To thrive as a modern public housing agency, we must come to work each day comfortable in a world of conflicting ideas. We have the immediate demands of the present, to serve families whose safety and dignity depend upon a stable home to carry them through another day. Yet we also hear the ever-louder voice of low-income families from the future, urging us to remember them and deploy our resources with a long view. We engage daily with the human beings whose dreams, safety, and well-being are the sole reason we exist—while at the same time, we reckon for endless hours with regulations, processes, data systems, and bureaucratic forces that feel anything but human. We confront the deep and daunting challenges that inform MPHA's every move: aging buildings, underfunded subsidies, the hurdles faced by families with vouchers to find housing, keep it, and prosper. And yet ... we are surrounded and sustained by endless stories of hope and success: personal achievements, dreams realized, strong communities.

I believe this first-ever MPHA Community Report captures well these many contrasts that give us purpose and drive us forward—the yin and the yang. At MPHA, we face our complex reality with open eyes and a belief that together with you, our Minneapolis community, we will continue to thrive and serve.



Greg Russ
Executive Director, MPHA

Board of Commissioners:

- | | |
|-------------------------------|------------------------|
| • F. Clayton Tyler, Chair | • Cara Letofsky |
| • Charles T. Lutz, Vice Chair | • Tamir Mohamud |
| • Mikkel Beckmen | • Hon. James Rosenbaum |
| • Thomas J. DeAngelo | • Faith Xiong |
| • Abdullahi Isse | |

Success Stories: Moving Forward



Cassandra Block

MPHA is proud to congratulate Cassandra Block on winning the Mary Lou Manzie Memorial Scholarship from the National Leased Housing Association. The scholarship helps nontraditional students receiving rental assistance to go back to school. Cassandra was already the first in her family to attend college. She will use the scholarship to further her education to become a pediatric nurse. Cassandra, a mother of two, participates in MPHA's Mobility Voucher Program, which helps willing families find housing in low-poverty neighborhoods and pursue career goals.

Shoua Vang (and family)

For 15 years, Shoua Vang lived with her parents (Nhia and Yia) and four siblings in one of MPHA's "scattered site" homes in northeast Minneapolis. (MPHA has more than 700 single-family homes around the city.) In 2015, after years of working, saving, and planning, the family bought their own house in St. Paul. All five kids have graduated from college; two have graduate degrees.

"It was made possible because of the opportunities MPHA paved for us. Because you provided us with stability, we were able to truly live and thrive."



Stan Phillips

Stan Phillips is a participant in MPHA's Veterans Affairs Supportive Housing (VASH) voucher program. After leaving the U.S. Army in 2003, he struggled with alcohol and became homeless. Working with the VA to find housing through the VASH program has led to a successful second chance. Stan went back to school at Minneapolis College for the Ventilation, Air Conditioning and Refrigeration program and is on track to graduate in 2019. He was also able to bring his family back to live with him and his children are thriving with the newfound stability. The VASH program is a national initiative that provides permanent housing and supportive services to veterans experiencing homelessness like Stan.

Moving to Work

MPHA is one of just 39 "Moving to Work" (MTW) housing authorities in the United States. The program allows designated housing authorities enhanced flexibility to implement innovative, locally-designed strategies for providing low-income families with affordable housing. As an MTW agency, MPHA can implement custom-designed programs and policies (such as housing for homeless youth, housing linked with employment programs, and MPHA's Lease-to-Own public housing program). We can also combine all of our federal funding streams to deploy them in ways that best meet the priorities of our unique Minneapolis community.



Strategic Initiatives for 2019



Housing Preservation & Creation

Repair and modernize with **public control** and **public management**

Redevelop and reinvest **without displacement**

Create new when we can

- New housing for local needs, including 16-unit Minnehaha Townhomes for families experiencing homelessness and up to 400 new Project-Based Vouchers
- Preserve public housing using HUD programs, including transfer of scattered sites to an MPHA-controlled nonprofit and converting some highrises under the Rental Assistance Demonstration (RAD) program. Both tools provide more stable financial funding and money for repairs
- Energy-efficiency programs to create savings
- Housing more families with existing property
- Innovations in maintenance and security to maximize livability and resources



Education, Employment & Health

Housing is the foundation for:

Stable Families
Educational Success
Wellness

- Partner with the city, county, and school district for “Stable Homes, Stable Schools” initiative to provide local vouchers for families of elementary students experiencing homelessness
- Expand mobility and regional collaboration with neighboring housing authorities to reduce barriers and increase choice
- Propose a regional Moving-to-Work agency and expand Mobility Vouchers to cover rents in areas of opportunity
- Improve health and wellness, including partnerships to lower cost and improve outcomes, and new supportive services at our properties
- Establish a Human Services program



Operational Excellence

Leads to savings we can apply to our other priorities—and **better customer service** to our families and communities

- New technology, including migrating to a single software platform for our housing programs
- Review policies and procedures to align across programs and streamline processes
- Continuous Improvement Teams bring together front-line employees to offer frank insights to department leaders, helping us problem-solve
- Recruit the expertise to succeed, including enhancing our ability to grow from within while attracting and retaining the best talent
- Pursue the creation of internships and Section 3 jobs programs



Resident & Community Engagement

Our three initiatives are built upon strong relationships. We will nurture these by working as closely as ever with resident leadership, brainstorming with residents on design and livability, and investing in vital relationships in the community and government.

Preserving Public Housing

The physical state of public housing across the country is perilous. MPHA faces the same challenges. Our townhomes and highrises were built in the 1950s, '60s and '70s. Our single-family homes average 60 years old; some are much older. These 6,000 units provide essential housing for more than 10,000 low-income people in Minneapolis. Yet **Congress has never adequately funded renovations for public housing**, and in recent years funding has reached dangerously low levels. Today, annual federal funding for capital investment is less than 10 percent of MPHA's current need. That means each year—without a major change in approach—our problem grows worse and we risk losing units.

The diversity, age, and depth of capital needs across MPHA's portfolio mean no single tool or approach lights the way to the future. That's why MPHA is exploring a **diverse set of funding and structural options** to preserve all the homes we provide—and add to them when we can.

More than 700 MPHA single-family homes around the city provide essential housing to the low-income families with children served by MPHA. MPHA is applying for a HUD program called “Section 18” to **place these homes on a stable financial footing and increase the subsidy** for



MPHA has applied for HUD's RAD program to help renovate the Elliot Twins highrises. Left, one of the current buildings; Right, an early concept drawing of redevelopment.



repairs and day-to-day maintenance—without relocation or any day-to-day change for residents who live there now.

For our highrises, MPHA hopes to utilize HUD's Rental Assistance Demonstration (RAD) program. RAD allows housing authorities to convert properties from one federal funding platform to another. This creates a more stable, **long-term funding stream for operating the property and opens opportunities for partners to invest along with us to fix highrise buildings**. Since its creation in 2012, hundreds of housing authorities have used RAD to preserve more than 100,000 homes. Our first RAD application is for two of our oldest buildings, the Elliot Twins.

These reinvestments to preserve our housing for the long-term will bring many funding and service partners to the table. We also intend to use energy-efficient, environmentally conscious technologies whenever we can. It's not just the right thing to do; **building “green” saves operating costs in the long run that we can reinvest in families and in our buildings**.

Throughout any remodeling and redevelopment, **families in public housing are protected** from displacement, rent increases, and moving expenses by MPHA's Guiding Principles for Redevelopment and Capital Investments—and by federal law.

Trip to Cambridge, Mass.

MPHA residents, staff, board members, and a Minneapolis City Council member took a two-day fact-finding trip to visit the Cambridge Housing Authority (CHA) in Massachusetts. CHA has been an early and comprehensive adopter of tools to convert and stabilize the federal subsidy for their 2,600 units of public housing. These tools allowed CHA to attract partners and make an investment of over \$342 million to carry out major renovations across their portfolio since 2010. They are going through a full transformation of their public housing using RAD, Section 18, Low-Income Housing Tax Credits, and other resources to preserve buildings and keep people in their homes. The MPHA delegation toured many of the buildings and MPHA residents had an opportunity to ask CHA staff and resident leaders about their experience with RAD and major construction. MPHA residents expressed that it was important to see and hear for themselves that these programs did not result in displacement.



Public Housing Highlights: Building, Investing, Engaging

The Minnehaha Townhomes

In 2019 MPHA will complete the first public housing built in Minneapolis since 2010. The 16 units of the Minnehaha Townhomes will be reserved for families experiencing homelessness, and who are below 30 percent of area median income. The Hennepin County homeless shelter system will refer families for the units, and they will receive supportive services from the county. The development includes:

- 4 two-bedroom units
- 12 three-bedroom units (1 accessible)
- A playground, ample green space, community patio, bicycle lockers
- Proximity to the VA Medical Center light rail station

At a cost of approximately \$5 million, the townhomes will represent the financial contributions of MPHA, Minnesota Housing, the City of Minneapolis, Hennepin County, the Met Council, Otto Bremer Trust, and Federal Home Loan Bank. They will also embody the culmination of years of work and collaboration with our design, construction, and neighborhood partners.

Remodeling and renovating

Even as we set in motion a long-term plan to reinvest and renovate across our portfolio, we continue to move forward with highrise remodels as our available funding permits.

- Residents of The Riverside, a senior-designated building, moved back into refurbished apartments that included kitchen upgrades, new bathroom fixtures and tile, new lighting, and more. Robert, who has lived at the building since 1997, said it feels “like moving into a brand-new apartment.”
- Two of MPHA’s smallest highrises, the Snellings, are receiving new



Clockwise from above: A resident checks out a model unit for renovations at The Snellings; meeting to discuss security improvements at The Cedars; the new Minnehaha Townhomes; weatherization at Glendale Townhomes.

Success Stories: Curtis Washington

Meet resident landscape specialist Curtis Washington. One day six years ago, Curtis had recently moved into an MPHA highrise in NE Minneapolis and had a sudden instinct to start weeding a flowerbed. At that moment, he says he found his passion. Since then, Curtis has been applying his hard work and know-how to beautify public housing

around the city. Most recently, he has been leading a cleanup of the playgrounds and green spaces at the Glendale Townhomes. Curtis was living in a homeless shelter before moving into public housing in 2011. He credits AA with sustaining 20 years of sobriety; public service is an important part of his AA program.



flooring, sinks, refrigerators, and bathroom tile & fixtures. Building modernizations also include out-of-sight systems like plumbing, electrical, and HVAC—essential given that many of MPHA’s properties were built decades ago.

Energy efficiency & weatherization

Energy efficiency continues to be a main focus. MPHA utilizes partnerships and grants to complete several projects in order to provide better reliability and

comfort for residents. In 2018:

- To-date we have replaced 636 aging, inefficient air conditioners and refrigerators in three properties through a partnership with Franklin Energy and Xcel Energy. Each year we will continue auditing our buildings so these partners can fund and install new appliances.
- At the Glendale Townhomes, we completed weatherization of all 184 units with cellulose insulation, new or repaired furnaces, and upgraded ventilation. Grants from

- the U.S. Department of Energy and CenterPoint Energy provided up to \$10,000 of work per townhome, implemented by our partner the Sustainable Resource Center.

In the coming year, MPHA intends to chart a new path to energy efficiency by piloting deep energy retrofits at some of our single-family homes.

Investing in security

Safety is a top priority for MPHA and residents alike. MPHA installed upgraded security measures at several properties

in 2018. At certain highrises, residents expressed that the grounds were too easy to access and featured large amounts of pass-through traffic, and that greater measures were needed to keep unauthorized people from entering the buildings. Residents helped guide MPHA and city leaders to develop a plan for:

- New fencing
- Secure gates
- New security cameras
- Secondary “storefronts” on existing building vestibules

Community feedback played an important role in completing these projects. For example, resident leaders worked with MPHA leadership to install convenient gates and walkways they needed as part of the redesign at The Cedars. “Through the planning and listening several times with us ... we raised some questions, they listened to the suggestions we gave and decided to adopt the plan,” said resident Halimo Shire, who was recognized for her contributions at the Annual MHRC Highrise Celebration.

Success Stories: Mary McGovern

Mary has made the Elliot Twins her home for over 11 years. Mary not only is the president of the Minneapolis Highrise Representative Council (MHRC), she is also the president of the Elliot Twins Resident Council and resident coordinator of Project Lookout in her building. If that does not keep her busy enough, Mary is also in charge of the community gardens! Mary is an amazing example of the difference residents can make in their communities by speaking up and getting involved.



MHRC & RAB

MPHA is blessed with outstanding resident partners. The Minneapolis Highrise Representative Council (MHRC) affects lives every day with its work on security, safety, and wellness. MHRC is also a crucial partner in helping MPHA engage residents to plan and advocate for the preservation of our public housing. The MPHA Resident Advisory Board (RAB) meets monthly and plays an essential role in providing insights to MPHA’s Board of Commissioners.



The Power of Partnerships

Creating homes through project-based vouchers

MPHA provides more than 700 project-based vouchers (PBVs) in our community. With PBVs, a voucher subsidy is tied to a specific unit or development for at least 20 years, guaranteeing deeply affordable rents—often for groups that are otherwise hard to house. MPHA works with private and nonprofit partners to commit PBVs to their developments, making these affordable housing projects a reality. One example is the Downtown View Apartments, a development that opened in 2018 for homeless youth between 18 and 24 years old, where MPHA has 25 PBVs. Places MPHA will provide PBVs to new developments in 2019:

- Great River Landing will be home to adult men looking to make a positive change and recover from the traumas of unemployment, homelessness, and incarceration. (40 PBVs)
- PBV units at The Louis will have a special focus on serving single mothers and their children who were formerly experiencing homelessness. (10 PBVs)

Grants

Whenever opportunities arise, MPHA collaborates with foundations and academic partners whose missions align with ours. A \$1 million “working capital” grant from the Minneapolis-based McKnight Foundation funds our efforts to explore new ways to preserve our public housing, launch promising development projects, and inform the public about this work. Together with the Family Housing Fund, we are pursuing greater collaboration with our neighboring public housing authorities in ways that will help families with housing vouchers across the metro live where they want and seek greater economic opportunity.

J-PAL North America is helping us discover what tools work best to help families succeed in making an “opportunity move.” And through a \$1 million grant from HUD, we are setting out to address any lead-based paint that might still remain in our older properties.

Cora McCorvey Senior Center

The Cora McCorvey Health and Wellness Center serves as a hub of activity for public housing residents and other low-income seniors in North Minneapolis. The 70,000-square-foot senior center is

fully accessible and brings together an array of health and wellness services, as well as activities for seniors in one convenient space:

- NorthPoint Health and Wellness
- YMCA of The Greater Twin Cities
- Odom Health and Wellness
- The Learning Lab
- Open Circle Adult Day Services
- Grace Home Health & Hospice
- Alive & Kickin
- Minneapolis Highrise Representative Council

Regional collaboration

With our partner the Metropolitan Council Housing and Redevelopment Authority, MPHA is pursuing a request to HUD to form the country’s first regional MTW agency, as authorized under a 2016 law. This would extend aspects of MPHA’s flexibility to Metro HRA and possibly others who join in the future. Initially, we will create a first-of-its-kind regional mobility initiative to understand which program interventions are most effective in enabling families with vouchers to successfully move to areas of opportunity. MPHA has partnered with renowned national researchers and foundations to support and fund the project, including Raj Chetty of Harvard University, social policy researchers MDRC, and the Creating Moves to Opportunity (CMTO) research collaborative.



MPHA joined city, county, and state partners and supporters for the groundbreaking of Aeon’s newest development, The Louis. MPHA has committed 10 project-based vouchers, dedicated to homeless single mothers.

The City of Minneapolis

Although MPHA has been an independent agency since 1991, our partnership with the City of Minneapolis runs deep. MPHA officials regularly brief the City Council, committees, and Mayor Jacob Frey on the agency’s programs and strategy. MPHA sits on the city’s Housing Advisory Committee. In 2019, MPHA will partner with the city and Minneapolis Public Schools to launch “Stable Homes, Stable Schools,” a first-in-the-nation partnership to jointly fund rental

assistance for families of elementary students experiencing homelessness. Our relationship with the Minneapolis Police Department helps keep residents safe. MPHA and city staff meet regularly to discuss partnerships around energy efficiency and sustainability. And in late 2018, the Minneapolis City Council unanimously passed a resolution supporting “investments in public housing and the people who live there.” Along with other key partners—Hennepin County, the state, our neighborhoods, and housing advocates—we are moving forward as a community to support families and protect public housing.

Continuous Improvement & Operational Excellence

How can we serve people better? How can we be more efficient at what we do? Our front-line employees often know best. Continuous Improvement Teams bring together employees who are in the best position to know our operational challenges and strengths. These teams offer frank insights to department leaders—helping us problem-solve for challenges that, in some cases, we didn’t even know we had. The successful application of a “Continuous Improvement” approach in our voucher department in 2018 has inspired us to roll it out more widely across the organization.

In 2019 MPHA will also migrate to a single software platform for managing our housing programs. This change, long in coming, will bring efficiency and stability to the systems that underlie so much of what we do. We are accelerating the ongoing process of reviewing and updating our operational policies and procedures, giving MPHA staff the tools they need to operate at their peak.



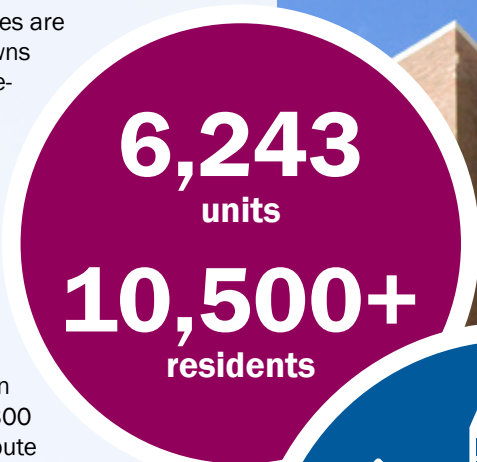
Far left: Residents of Downtown View Apartments, Avanti and Pierre. Left: Nasteha Abdi (at right) is an in-house Volunteers of America social worker helping residents get set up in their new homes. Right: The Housing Choice Voucher Continuous Improvement Team is helping MPHA take our customer service to the next level.



Housing Assistance Programs

MPHA-owned and managed Public Housing

While more than 5,000 of our homes are in highrise buildings, MPHA also owns and operates more than 700 single-family/duplex/fourplex homes throughout the city, two townhome developments with 195 units, and places from our waitlist at certain third-party developments. An MPHA partner provides assisted-living and memory care at two facilities. Most families receiving assistance from MPHA earn less than 30 percent of the Area Median Income (AMI), approximately \$28,300 for a family of four. Families contribute 30 percent of their income toward their rent.

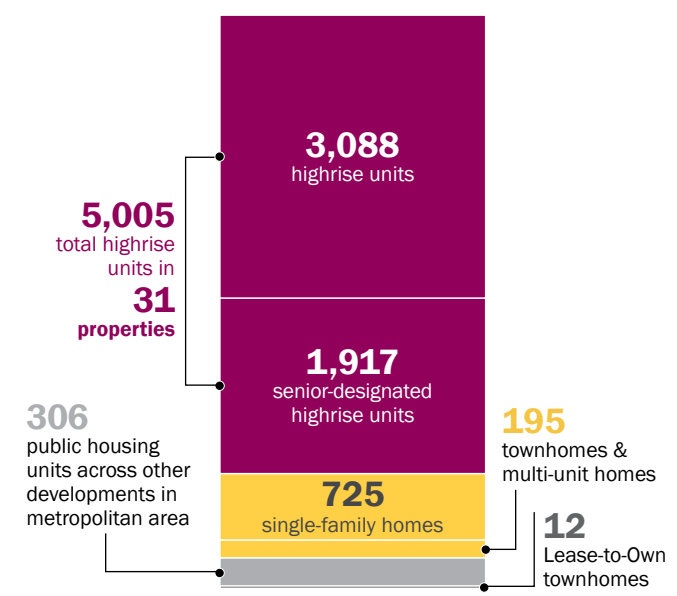


Housing Choice Voucher (HCV) Program

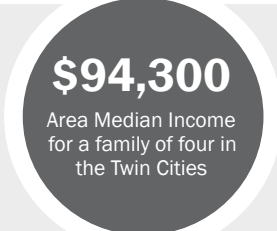
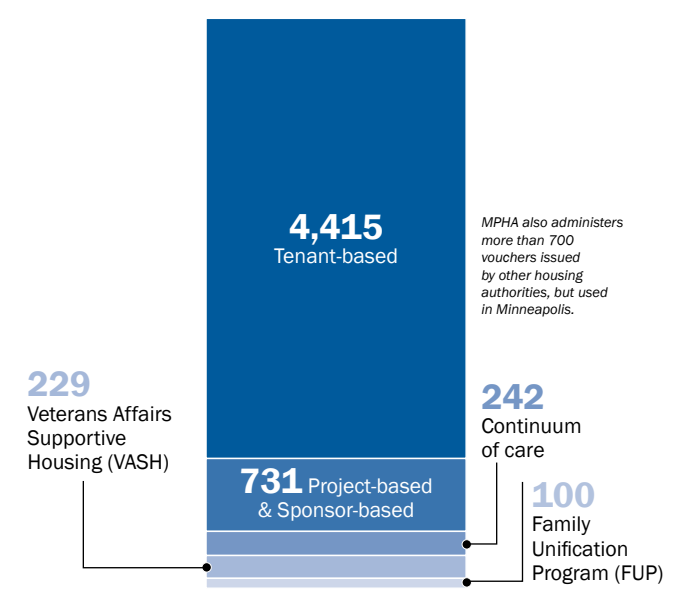
Voucher programs are also commonly known as “Section 8.” Under MPHA’s “tenant-based” voucher program, eligible families receive a voucher that pays a portion of their rent in a privately-owned apartment or home. Families contribute approximately 30 percent of their income toward rent and utilities; MPHA pays the rest. Families can use the voucher within Minneapolis or outside the city. Other vouchers are “project-based,” in which MPHA contracts with property owners to attach a voucher to specific units and assure those units provide deeply affordable housing. MPHA administers over 5,000 vouchers, including special vouchers for veterans and the disabled.



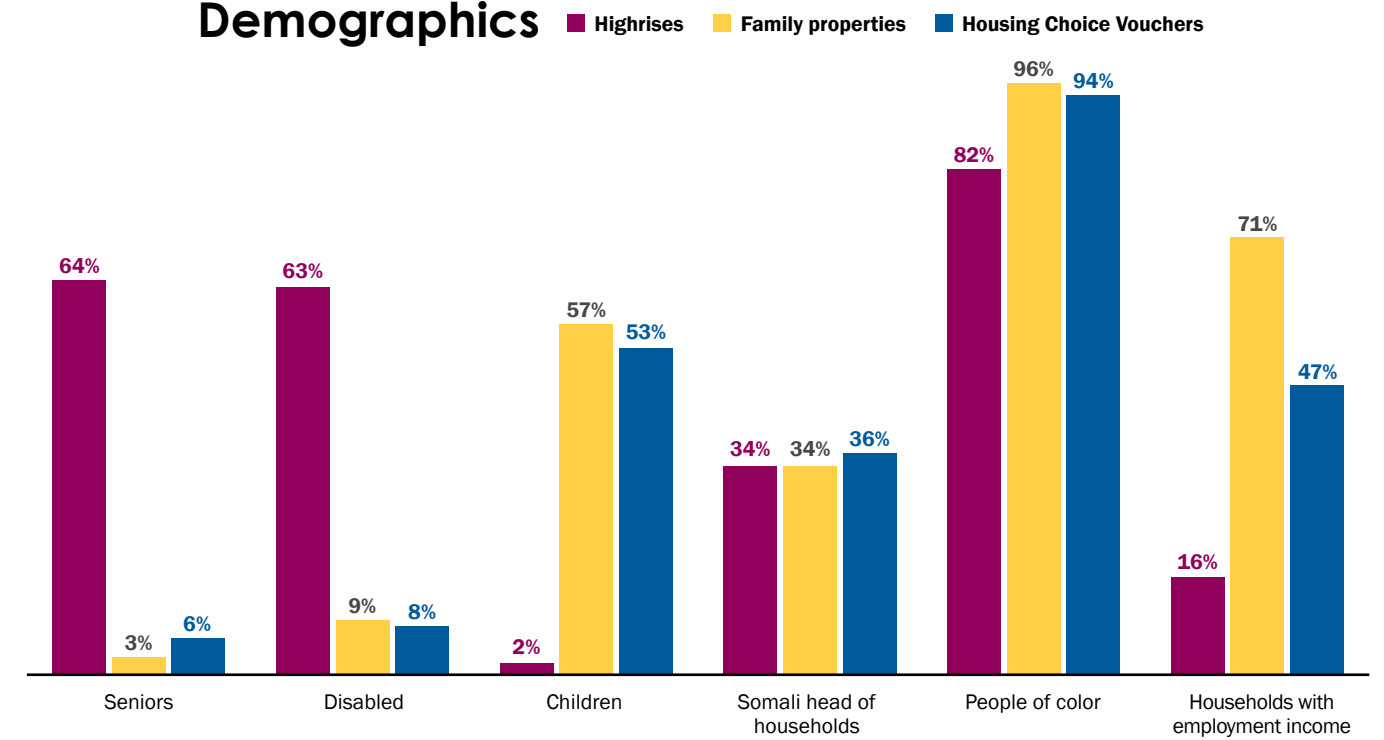
Public Housing Units



Housing Choice Vouchers



Demographics



MPHA's Funding and Finances

The Minneapolis Public Housing Authority is **98 percent federally-funded**. Congress appropriates funds that are administered by the Department of Housing and Urban Development (HUD). During 2018, MPHA received approximately \$114 million in federal funds.

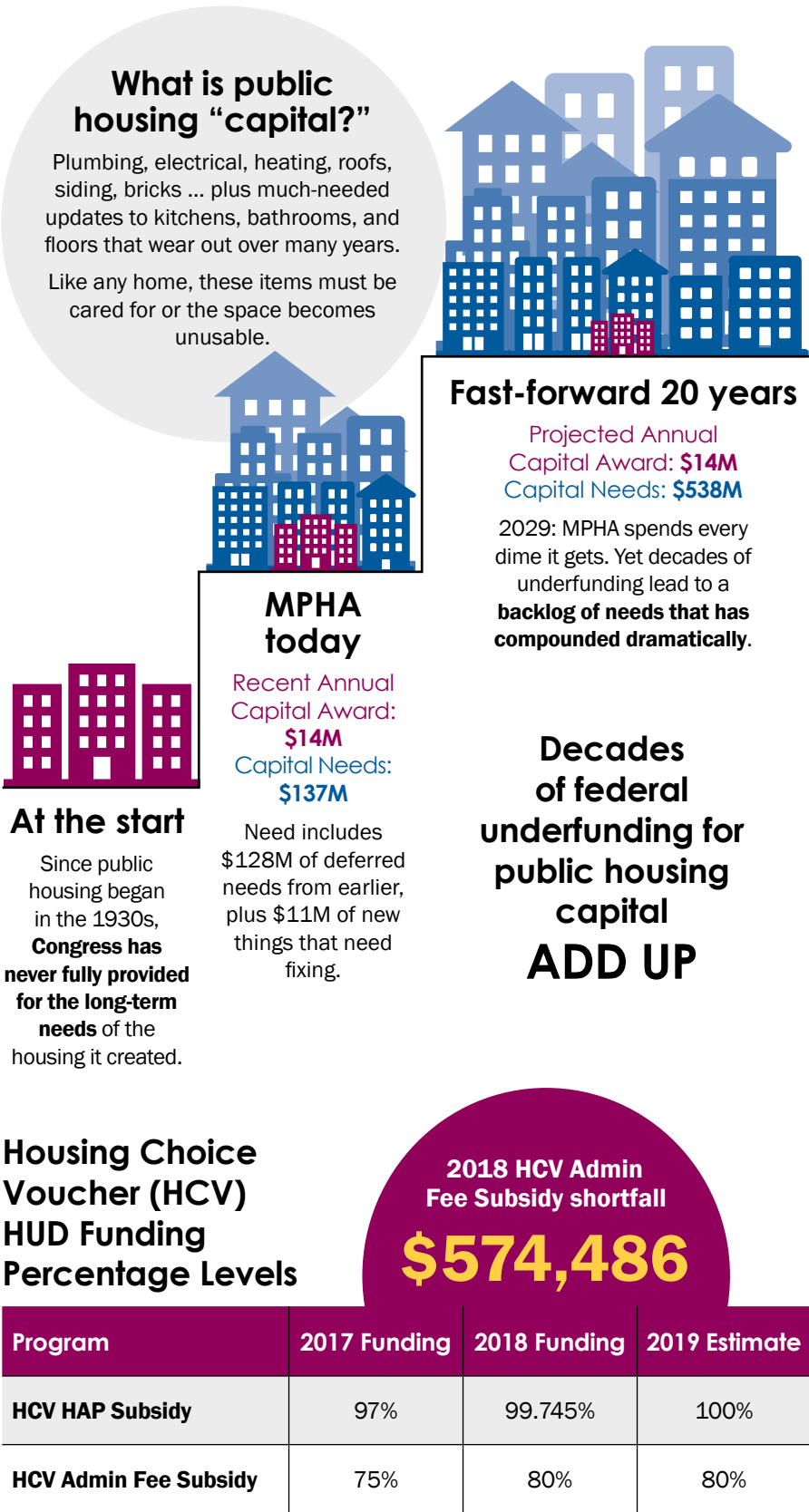
There are **four funding streams from HUD that MPHA receives**:

- Public Housing Capital Fund
- Public Housing Operating Subsidy
- HCV Housing Assistance Payments (HAP)
- HCV Administrative Fee

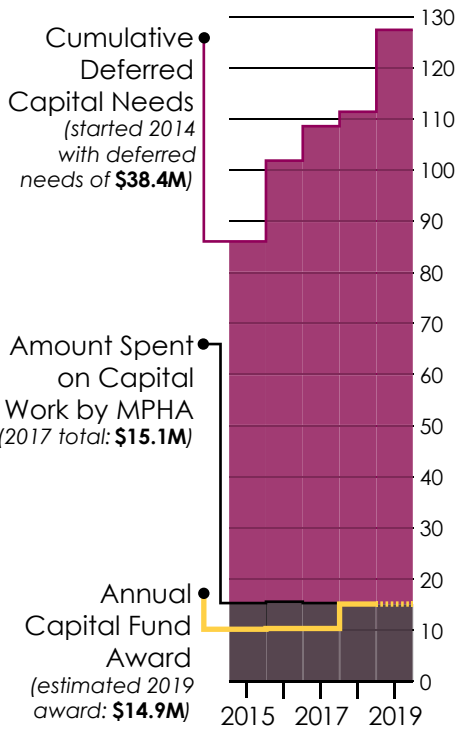
Our housing programs **have been underfunded and unable to grow for many years**. Lack of sufficient funding for essential public housing capital projects—major repairs, upgrades, and redevelopment—is especially severe.

As a HUD-designated “Moving to Work” (MTW) agency, MPHA can and does combine funding from the different streams to meet our most urgent needs and best serve our community.

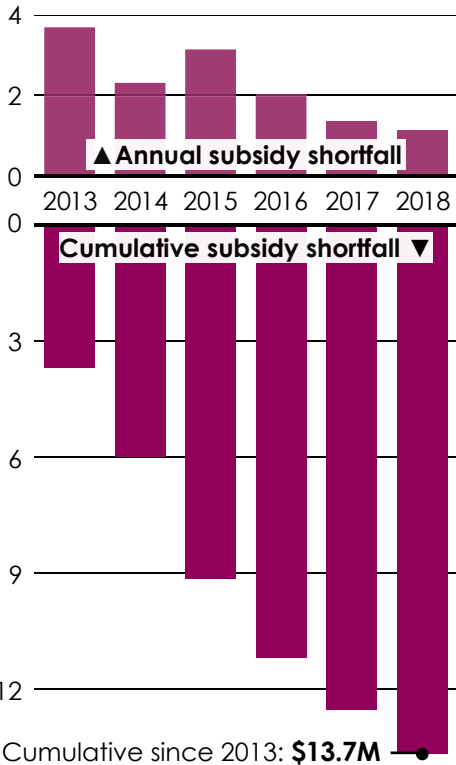
Source of graphics: MPHA as of Dec. 31, 2018



MPHA Capital Needs, Awards & Work (\$ millions)



Underfunded Public Housing Operating Subsidies (\$ millions)



Four Federal Funding Streams for Housing Assistance Programs

Public Housing Capital Fund

The **Public Housing Capital Fund** is a separate award by Congress for major repairs, renovations, and redevelopment of public housing. This funding is volatile and has declined for decades. Many of our buildings are more than 50 years old, and capital funding falls far short of what we need to preserve our housing for the future (see MPHA Capital Needs, Awards & Work).

MPHA is committed to working with state and local officials, investors, and nonprofit partners to pursue alternate funding to preserve our housing for today's and tomorrow's families.



Public Housing Operating Subsidy

The federal **Public Housing Operating Subsidy** funds property management and routine maintenance of our 6,000 public housing units. A HUD formula calculates the money we should receive; Congress has for many years appropriated less. We currently receive 94% of the formula amount, although this gap varies widely from year to year (see Underfunded Public Housing Operating Subsidies).

Rent from tenants (who pay 30 percent of their income) supplements the federal subsidy. Rents comprise about half of the revenues for our owned-and-operated public housing.

Housing Choice Vouchers (HCV) Housing Assistance Payments (HAP) & HCV Administrative Fee

MPHA's 5,000+ housing vouchers are funded via **Housing Assistance Payments (HAP)**, which is the money MPHA pays to landlords toward rent on a family's behalf, and the **HCV Administrative Fee**, which supports administration of the program (eligibility, landlord outreach, inspections, etc.). For many years, Congress funded the HAP at a level intended to keep the number of vouchers flat, but in recent years has shifted to slightly underfunding the program. Congress has dramatically reduced the voucher program Admin Fee, which is presently at 80 percent of its full level.



1001 Washington Avenue North
Minneapolis, MN 55401



@MplsPublicHousing



@MplsPubHousing

www.mphaonline.org



Equal Housing Opportunity
Equal Employment Opportunity