

ANNUAL REPORT

2022-2023



PROVIDING SAFE, STABLE, AND AFFORDABLE
HOUSING FOR MINNEAPOLIS RESIDENTS



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LETTER FROM THE CEO



This past year has been one of the agency's most incredible. We celebrated a landmark \$27 million RAD renovation at the Elliot Twins, welcomed U.S. Secretary of Housing and Urban Development (HUD) Marcia Fudge, passed a new five-year strategic plan, received the highest Public Housing Assessment Systems (PHAS) physical inspection scores in agency history, expanded the nationally recognized Stable Homes Stable Schools program, and broke ground for the agency's nation-leading Family Housing Expansion Project.

And along the way, the agency hit numerous funding milestones, securing unprecedented amounts of one-time and ongoing investment, including resuscitating the long-dormant housing tax levy in Minneapolis.

Any one of these accomplishments would be an incredible feat in its own right. But to accomplish all these things in the last year? This agency continues to excel at its core functions while also leading new and exciting work, and it's all rooted in the strength of our team. Every day, nearly 350 MPHA team members help deliver quality, well-managed homes to our community's most vulnerable residents. And every day, I am deeply thankful for the opportunity to lead this agency. I cannot wait to see what new heights we achieve in the year ahead.

Abdi Warsame

Executive Director/CEO



OUR PROGRAMS

MPHA provides safe, stable, and affordable housing to individuals and families through a variety of tools to best meet the needs of the community. These tools fall into three main programs: public housing, family housing, and vouchers.

PROVIDING HOUSING TO ROUGHLY 5% OF MINNEAPOLIS POPULATION

LOW-INCOME PUBLIC HOUSING

MPHA owns and operates 42 high-rises across the city, 184 family homes at Glendale in Southeast, 20 additional scattered family homes, and a 16-unit townhome development in its public housing program. Across these units, the agency operates nearly 5,000 public housing units. High-rise units are predominately studio and one bedroom. These residents are at or below 30% Area Median Income (AMI).

MPHA's waitlist for non-family public housing has been as many as 6,000 households recently.

DEEPLY AFFORDABLE FAMILY HOUSING

MPHA owns and operates more than 700 scattered site family homes, serving more than 3,100 residents. These homes account for more than 80% of the MPHA housing for families with children. These units were transferred to MPHA wholly controlled non-profit (CHR) in October 2020. Project-based vouchers more than doubled federal subsidy for these units. The units remain deeply affordable, and resident's rent portion remained the same. MPHA is still the long-term owner and property manager.

MPHA's waitlist for this type of housing has been as many as 7,500 households.

HOUSING CHOICE VOUCHER

The agency administers nearly 7,200 the Housing Choice Vouchers (HCV, "Section 8") benefitting more than 18,500 residents across the region. Applicants are eligible for Section 8 at 50% AMI or below, but 75% of all participants must be 30% AMI or below.

There has been as many as 2,000 people on the Section 8 waitlist.



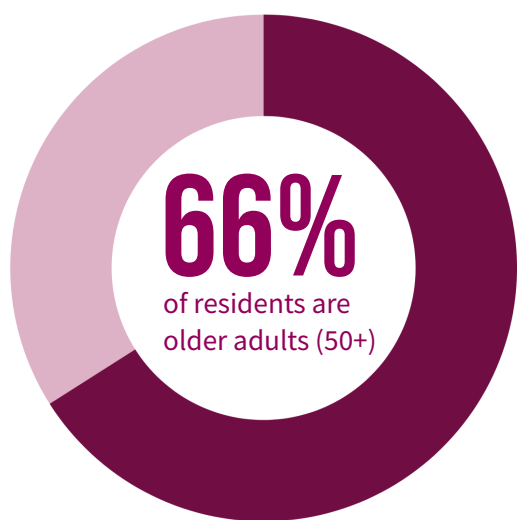
MOVING TO WORK

As a Moving to Work (MTW) agency, MPHA has more flexibility in using its federal funding to create innovative, locally relevant solutions. The program allows most U.S. Department of Housing and Urban Development (HUD) regulations to be modified for the purposes of cost savings, self-sufficiency of residents and participants, or increases choices and mobility for low-income families.

MPHA earned its MTW status in 1998, along with 38 other housing authorities.



LOW-INCOME PUBLIC HOUSING

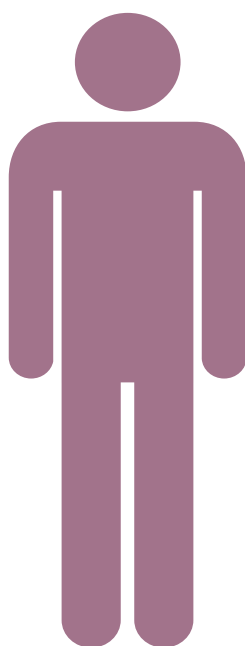


59%

**HEADS OF HOUSEHOLDS
ARE DISABLED**

**AVERAGE EARNED INCOME
PER HOUSEHOLD:**

\$14,716



63%

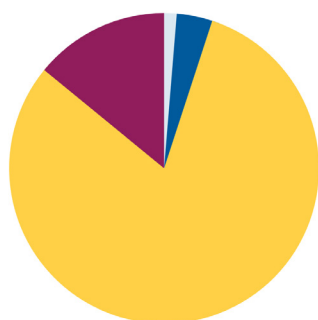
are one person households



12%

are two person
households

Racial composition of low-income public housing residents



American Indian/Alaska Native

Asian

Black/African American

White

18%

**OF HOUSEHOLDS HAVE
EARNED INCOMES**



WELCOME HOME

2112

PLEASE
STAY OFF
THE GRASS

DEEPLY AFFORDABLE FAMILY HOUSING

Accounting for the majority of the households with children through MPHA

55% OF RESIDENTS ARE CHILDREN

HEADS OF
HOUSEHOLDS
DISABLED:
16%



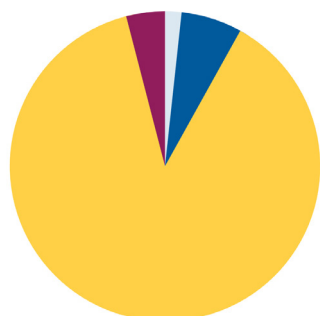
MORE THAN 85% OF HOUSEHOLDS LISTED FEMALE HEADS OF HOUSEHOLDS

92.8%

are households of three or more



Racial composition of deeply affordable family housing residents



\$34,225

AVERAGE EARNED INCOME
PER HOUSEHOLD



HOUSING CHOICE VOUCHERS



JUST UNDER 50% OF PERSONS IN HOUSEHOLDS ARE CHILDREN

38%

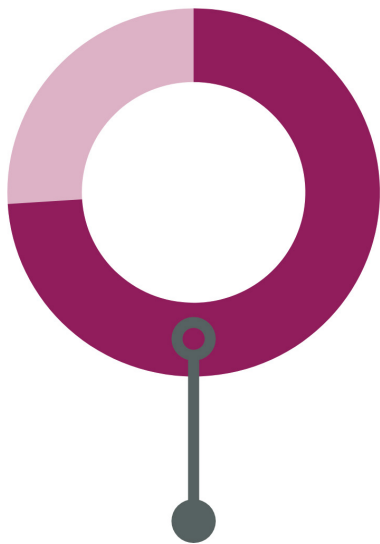
HEADS OF HOUSEHOLDS
ARE DISABLED

\$28,036

AVERAGE EARNED INCOME
PER HOUSEHOLD

LESS THAN HALF OF
HOUSHOLDS HAVE
EARNED INCOMES

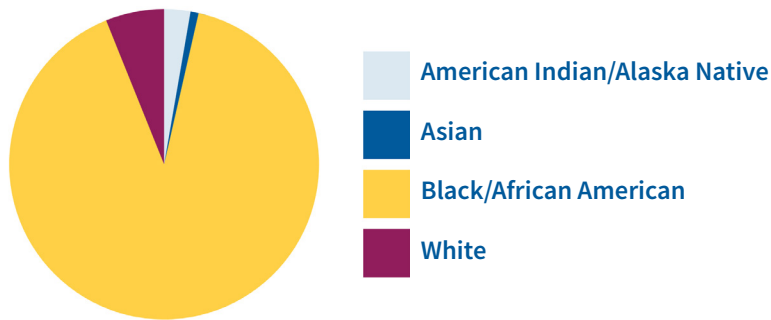
42%



74.5%

are households of three or more

Racial composition of housing choice voucher holders



A NEW STRATEGIC PLAN FOR A NEW NORMAL

In 2023, the MPHA Board of Commissioners approved a new, five-year strategic plan to guide the agency's work through 2027.

This plan arrives on the heels of the agency's previous strategic plan enduring through a tumultuous five years. From a global pandemic shuttering communities to an international reckoning on race and injustice ignited in Minneapolis, the world has been reshaped in ways previously unimaginable.

This new plan reflects the new reality MPHA is living in and is the result of hundreds of touchpoints with agency staff, leadership, board members, residents, voucher-holders, and community partners. What resulted was a detailed plan that outlines six primary goals for the agency over the next five years:

1. Provide and preserve deeply affordable, high-quality housing for high-rise residents.
2. Build new and expand partnerships with federal, state, and local governments, in addition to philanthropic entities to support MPHA residents and those who are on our waitlist.
3. Provide and preserve deeply affordable, high-quality family housing.
4. Increase supply of deeply affordable housing by at least 150 units per year.
5. Position MPHA as an employer of choice.
6. Continuously improve organizational performance to retain MTW status and highest HUD performance rating.

Accompanying these six goals are 30 strategies and nearly 100 actions to deploy in pursuit of these goals over the next five years.



FIRE SUPPRESSION SYSTEM FUNDING SECURED

In January 2023, Congresswoman Ilhan Omar, Minnesota Housing Commissioner Jennifer Ho, and Minneapolis City Councilmember Robin Wonsley joined MPHA staff and residents to celebrate the agency securing the final funding necessary to install fire suppression systems in all 42 of its high-rises. This includes a \$2.4 million contribution from Minnesota Housing in 2021, a \$2 million direct federal appropriation secured by Congresswoman Omar and Senators Smith and Klobuchar last year along with \$1.2 million in the City of Minneapolis' 2023 budget, championed by Councilmember Wonsley. Agency staff provided leaders tours of the Hiawatha Towers to learn about fire suppression installation work underway. Leaders also heard from Minneapolis Highrise Representative Council President, Mary McGovern, about the peace of mind this new fire suppression system affords residents.

"What began as an ambitious goal to install fire suppression systems in all agency high-rises by the end 2025 is now on track to becoming a remarkable achievement in partnership," said Abdi Warsame, Executive Director/CEO of the Minneapolis Public Housing Authority. "In the wake of tragedy, MPHA, the city, state, and our federal delegation banded together and deepened the investments made in public housing residents. The action by our leaders is a clear message to public housing residents in Minneapolis that they matter. Their leaders see them, their leaders understand their challenges, and their leaders will prioritize them in budgets where resources are limited."



"In the aftermath of the tragic fire at a high-rise building in Cedar-Riverside, I am proud to join city, state, and federal officials to celebrate funding to install fire suppression systems in all 42 MPHA high-rises," said Congresswoman Ilhan Omar. "I particularly want to thank Senator Amy Klobuchar and Senator Tina Smith for their partnership in securing \$2 million in federal funding to accelerate the installation process. I remain committed to ensuring a similar tragic accident never happens again and will continue to advocate for full public investments in public housing."

"The HUD public housing portfolio is critical in making sure deeply affordable housing is available in every part of the state and that buildings attend to the health and safety of residents," said Minnesota Housing Commissioner Jennifer Leimaile Ho. "This effort has required participation from all levels of government."





“I was proud to lead my colleagues to approve the final funding needed to complete this crucial safety infrastructure, but fire suppression is the bare minimum, and our work is just beginning,” said Minneapolis City Councilmember Robin Wonsley.

“We need to raise a public housing levy and use every other tool at our disposal to preserve and improve existing public housing, and massively expand the Minneapolis public housing stock. I look forward to continuing to partner with MPHA, public housing residents, and colleagues at every level of government to ensure that public housing is part of solving the housing crisis in Minneapolis,” said Minneapolis City Councilmember Robin Wonsley.

Fire sprinkler systems have been installed in or currently undergoing installation at all high-rises. Additionally, the agency has installed carbon monoxide/smoke detectors and stovetop firestop cans in all units.

Despite the headwinds posed by inadequate federal funding, MPHA has invested more than \$16 million of its own capital dollars towards fire suppression installations since 2020. In 2021, Minnesota Housing contributed \$2.4 million, the City of Minneapolis contributed \$2.15 million across 2021 (\$1.15M) and 2022 (\$1M), \$2 million in a direct federal appropriation secured by Senators Smith, Klobuchar, and Congresswoman Omar, and finally, the \$1.2 million championed by Councilmember Wonsley. All told, MPHA has secured all the funding needed to install fire suppression systems in all 42 of its high-rises.



ELLIOT TWINS: A LANDMARK RENOVATION

Lauded by HUD Secretary Fudge as a nation example of success, the \$27 million renovation and RAD conversion of the Elliot Twins is a crowning achievement.

In June 2022, Minneapolis Mayor Jacob Frey joined MPHA staff and residents to celebrate the completion of the Elliot Twins redevelopment. This \$27 million renovation of the 60-year-old towers included a full remodel for all 174 deeply affordable studio and one-bedroom units, added 10 disability accessible units, replaced aging building systems, and completed energy efficiency improvements including re-cladding the buildings with insulated metal panels. This transformation also added 6,200 square feet of community and office space, security upgrades, and resident amenities, including larger laundry spaces, computer rooms and an exercise room.

In completing this redevelopment, MPHA complied with both a Memorandum of Understanding (MOU) with the City of Minneapolis as well as HUD regulations requiring any residents temporarily relocated off-site the right to return to the property. And when residents were relocated to other units during construction, MPHA covered all associated relocation costs for residents. In every phase of the redevelopment, the agency sought to reduce disruption to residents who are 80 percent black, 62 percent elderly at 62 years of age and older, majority immigrant, and have an average annual household income of \$12,435.



The Elliot Twins redevelopment was made possible by the HUD Rental Assistance Demonstration (RAD) program, a financial tool that allows MPHA to convert public housing to a program that provides the agency a larger and more predictable federal subsidy through project-based vouchers (PBVs). The vouchers follow federal rules that include rent set at 30 percent of adjusted income (the same as traditional public housing) and deep affordability requirements. The agency will manage the property, serve as the controlling general partner in the co-owned subsidiary Elliots LP, and continue full ownership of the buildings' land, with a 99-year ground lease requiring affordability.

This redevelopment was made possible through financing across various government partners. Specifically, the redevelopment included state housing revenue bonds (allocated by Hennepin County), four percent Low-Income Housing Tax Credits issued by the City of Minneapolis with equity investment from RBC Capital Markets, long-term debt financing by Lument, a construction loan by Bremer Bank, and a \$4.6 million contribution by MPHA. The agency also received a \$2.3 million investment from the City of Minneapolis for energy-efficient materials and technologies, and a \$250,000 grant from the Metropolitan Council to assist with environmental remediation.

ELLIOT TWINS
APARTMENTS



HIGHEST EVER INSPECTION SCORES

In early 2022, MPHA received a near-perfect 98.5 percent in the physical inspection segment of the U.S. Department of Housing and Urban Development's (HUD) annual Public Housing Assessment System (PHAS). This marks the highest PHAS physical inspection scores in MPHA's history and builds on the agency's record of achieving "high performer" status with HUD, dating back to the late 1990s.

The Public Housing Assessment System evaluates public housing authorities' performance in four categories: physical, financial, management, and capital fund programming. Measures of performance across these categories include physical inspections of randomly selected buildings and units across the agency's portfolio, review of agency financial practices and reporting, occupancy rates, percentage of tenants paying rent, and the timely deployment of annual HUD capital funding, among other items.



Since the late 1990s, MPHA has held "high performer" status with HUD, a designation earned by scoring 90 or above (out of 100) in HUD's annual PHAS inspections. This designation earns the agency additional capital funding and priority status for a variety of application-based federal supports. In 2023, MPHA was awarded an additional \$955,000 in capital funding for its "high performer" status.

"Preparing for PHAS inspections is an all-hands-on-deck time for the agency," said Mary Boler, Director of Low-Income Public Housing Operations at the Minneapolis Public Housing Authority. "The work brings everyone together in the weeks prior to inspections. Staff often even give up their weekends in preparation. Work orders are thoroughly closed out. Public housing units, common areas and maintenance rooms are inspected and re-inspected. This year was also different because one of our regional teams, North, received no prior notice of PHAS inspection and still scored 98 percent. This score is just proof that MPHA is always striving to provide quality, well managed homes each and every day, not just at PHAS inspections time."

With MPHA earning its highest-ever PHAS physical inspections, the agency continues to bring its strategic plan to life. The agency will continue to deliver on its strategic plan to build a stronger agency for MPHA residents, voucher-holders, and staff.



GLENDALE TOWNHOMES CELEBRATE 70 YEARS

The Glendale Townhomes have been home to approximately 2000 families over the past seven decades. Built in 1952, the townhomes were built to serve low-income families. Over the years, the Glendale Townhomes have become a cultural corridor for many refugee families from Southeast Asia and East Africa. Nestled in Prospect Park, the site is has become much more than just townhomes, it's a vibrant community with a rich history.

A Community of Support

Glendale residents are not only receiving affordable housing but have access to additional on-site supportive services helping them overcome obstacles and thrive. From groceries, walking groups, family activities, and music, residents and partners have and continue to build a dynamic community.

- The Glendale Food Shelf provides food for area residents who struggle to afford groceries. Run by East Side Neighborhood Services in partnership with MPHA, the food pantry serves Glendale residents Monday through Thursday.
- A walking club run by residents and the Minneapolis Health Department are making exercise a neighborhood outing by making walking a social event.
- The Glendale Townhome property management team is bringing residents together with events throughout the summer including library pop-ups with the Arvonne Fraser Library, a jazz performance, a scavenger hunt, and a basketball tournament.



Generations of Glendale Graduates

When Bridget Emdin came to the United States, her townhome provided more than just shelter, it gave her a sense of stability. Immigrating from Nigeria, everything around her—the culture, the language and the people—was new. Having a stable, safe place to call home allowed Bridget to focus on being a mother and work towards becoming a nurse.

Amidst hardship, having reliable housing can be a lifeline. For Bridget, it represents peace of mind. “There is stability. When you are in a house, [life] is peaceful,” says Glendale Townhome resident, Bridget.

Being near quality education—K-12 and higher education, Bridget sees the Glendale Townhomes location in Prospect Park as an ideal for raising kids and adults wanting to pursue a degree. “This is a place of opportunity,” says Bridget.

Both of her sons were born and raised in the Glendale community, Bridget raised them to be resilient, adaptable and to stay focused on their education. Now with both of sons in college, Bridget is proud to see them earning degrees in areas they are passionate about. George, the older of her two sons, is studying biology and engineering. Fredrick, the younger of the two, is earlier in his higher education journey with interests in music and medicine.

The Emdin family's story is just one of many stories of tenacity that represent this vibrant community.

A GROUNDBREAKING FAMILY HOUSING PROJECT

In January 2023, electeds joined MPHA staff, residents, and partners to celebrate the groundbreaking of 84 new deeply affordable family homes across Minneapolis. The Family Housing Expansion Project (FHEP) will bring 26 two- and 58 three-bedroom units in fourplexes and sixplexes to 16 sites across Minneapolis. These new buildings will be a part of MPHA's deeply affordable scattered site family housing portfolio. Sixteen of the units will be disability accessible, with another 17 being high-priority homeless units with services funded through Hennepin County's Coordinated Entry program. The agency estimates these 84 new homes will be able to serve approximately 420 families over the next 30 years. This project is the agency's largest new-unit development in more than two decades.



The agency maintains more than 700 deeply affordable family homes scattered across Minneapolis through its wholly owned and controlled nonprofit, Community Housing Resources (CHR). The agency maintains a family housing waitlist of nearly 7,500 people. The Family Housing Expansion Project aims to address the significant unmet demand for this kind of housing.

These scattered site homes are a critical piece of city infrastructure, as they are a proven tool to provide families a solid foundation for upward mobility. Of the nearly 3,100 residents currently living in CHR homes, 87 percent are Black/ African American, 55 percent are ages 17 or younger, 85 percent of households are female-led, and two-thirds of the households have five or more family members living there—families with young children. Of the current heads of household, 19 percent were employed when entering their new home. On average, these residents earned \$20,722 a year in income. Today, 67 percent of these residents are employed, earning an average of \$34,225 a year, with more than 60 percent of these residents' earned income increasing while in these homes.

From FHEP's inception, MPHA residents have been involved in every step of the process. The agency created a resident design panel, connecting residents with project architects to provide guidance on everything from layout designs to finishings used on surfaces throughout the new units. The unique resident-led approach afforded project architects invaluable insights, including an emphasis on maximizing storage space throughout the units not previously considered.

Unique to FEHP, MPHA is using modular construction for the first time. This innovative method delivers cost-effective, move-in ready units 33 percent faster than traditional construction (i.e. stick-builds). The process also reduces the onsite and neighborhood interruptions because significant work is done offsite in advance of delivery. Additionally, the final modular product is superior to traditional stick-builds and provides MPHA a cost-effective tool for developing new, high-quality homes on urban lots.

Construction for the project is expected to finish and be fully leased up by Q1 2024.



STABLE HOMES STABLE SCHOOLS EXPANSION

In July 2023, leaders from the City of Minneapolis, Hennepin County, Minneapolis Public Schools (MPS), and the YMCA of the North were joined by MPHA leaders and families to announce the expansion of the Stable Homes Stable Schools (SHSS) program for the 2023-2024 school year. With a new infusion of more than \$4 million from the City of Minneapolis and Hennepin County, SHSS emergency assistance will be offered to all 43 MPS elementary schools and multi-year rental assistance will be expanded from 19 to 24 schools. Additionally, in the coming years, SHSS will aim to double the number of families served per year and increase program staff across the partner organizations.

The SHSS program works to improve families' housing stability, students' school attendance, and students' educational outcomes through rental assistance and wrap-around supportive services. All told, 1,500 families have been supported by SHSS since its launch in 2019, with more than 4,200 children benefitting from the program.

"We are incredibly proud of the success of Stable Homes Stable Schools, and we look forward to supporting even more families in the coming years with safe, stable, affordable housing to help their children succeed in the classroom," said Abdi Warsame, Executive Director/CEO of the Minneapolis Public Housing Authority. "This nationally recognized, unique partnership can serve as model for other cities to leverage federal resources to help reduce housing instability for families with school-aged children."

"This expansion is a historic investment in the future of our students," said Minneapolis Mayor Jacob Frey. "It's no secret that investing in stable housing for our young learners can play a significant role in their academic success. If you have a safe and stable home while in elementary school, you're more likely to graduate high school – and that's something we want for all our Minneapolis students. I couldn't be more excited about this expansion and the hundreds of lives impacted by it. Thank you to our partners from the City, County, MPHA, MPS, YMCA of the North, and the Pohlade Family Foundation for their incredible efforts on this."

"Hennepin County is a proud supporter of Stable Homes Stable Schools," said Irene Fernando, Chair of the Hennepin County Board of Commissioners. "SHSS uses proven interventions and investments to stabilize families experiencing or nearing homelessness. By expanding this work, more Minneapolis students can stay in school, and the whole family can have a safe and dignified place to call home."

"When students don't need to worry about where they're going to sleep at night, they can focus on learning, building relationships and having fun at school, all key things to set them up for success," said Rochelle Cox, Interim Superintendent of MPS. "Stable Homes Stable Schools has provided much needed stability for our students and families, and I know I speak for everyone at MPS when I say we are thrilled the program will be expanded."

In 2017, when the idea for SHSS was first being formed by MPHA staff, MPS was challenged with 8.2 percent of students experiencing homelessness. That year, leaders from various social service organizations came together to create the framework for an innovative partnership to identify and serve students' families facing housing insecurity. Leaders knew safe and stable housing is the most significant out-of-school factor for predicting student success. Starting in 2019, the City of Minneapolis, MPHA, Hennepin County, and MPS forged a new partnership to create a wholistic approach to addressing student homelessness. The YMCA of the North joined the partnership as the program's service provider soon thereafter.

To participate in SHSS, MPS social workers identify eligible families across the district, as defined as:

1. Lacking "a fixed, regular, and adequate nighttime residence";
2. Have at least one minor child enrolled in one of the participating Minneapolis Public Schools;
3. Have household income of 50 percent or below the Area Median Income (AMI);
4. Commit to certain program conditions (such as regular school attendance and parental involvement with school activities); and,
5. Meet certain conditions regarding criminal history.



Since 2019, SHSS has offered two tiers of support. The first tier is emergency one-time assistance to prevent homelessness, which could include back pay of rent, fixing a car needed to get to work, or other forms of assistance to keep families in their current housing. The second tier is multi-year rental assistance helping families escape or avoid homelessness and placing them into stable, long-term affordable housing.

However, with the new \$2 million investment from Hennepin County's Local Homeless Prevention fund, the program will now also provide multiple months of emergency assistance coupled with case management support for families that are housed but for whom one-time assistance is not adequate to address their instability.

The Minneapolis Public Housing Authority administers and funds 40 percent of the program's direct rental assistance, with the City of Minneapolis funding the remaining 60 percent. Hennepin County and the YMCA provide essential support services to help families succeed. Additionally, the Pohlad Family Foundation provided initial grant support, awarded a \$250,000 grant late last year to provide gap funding for SHSS' highly successful Housing Stability Program, and more recently awarded the partnership a \$300,000 two-year grant as a part of the foundation's continued support of SHSS's housing stability services.

MARY VANG: FROM CRADLE TO CAREER

Every day, MPHA works to provide housing to roughly 26,000 people. The work to provide quality, well-managed units to some of Minneapolis' most vulnerable residents can be an inspiring and enriching experience for the nearly 300 MPHA team members who carry out the agency's critical work. But for one member of the team, the work is deeply personal.

"When my parents first arrived in the U.S., they were fortunate enough to get into a stable home through the Minneapolis Public Housing Authority," said Mary Vang, Regional Property Manager at the Minneapolis Public Housing Authority. "This housing was critical for my family because it provided us stability in our new country. Public housing made my family feel secure. Knowing there was always going to be a roof over our heads allowed my parents to work hard and save up enough money to buy their own home after only living in public housing for a few years."

The daughter of Hmong immigrants whose lives were stabilized by an MPHA home, Mary Vang now serves as a regional property manager in the agency's public housing operations team—the first Hmong American to hold this role at the agency.

Mary's ascent at MPHA was anything but sudden. Beyond the fact Mary was literally born into MPHA, she has worked at the agency for 18 years. Starting as an eligibility tech in the agency's Housing Choice Voucher department, Mary spent more than 10 years earning new roles and opportunities in both public housing leasing and property management before being promoted into her current position late last year.

"The mission of MPHA is deeply personal to me, and my career journey at the agency has been inspired by so many others who are living my same values," said Mary. "The fact that I have been afforded so many opportunities to advance my career at MPHA is just a testament to agency leaders past and present investing time and resources in supporting team members in pursuit of our mission." MPHA is just a testament to agency leaders past and present investing time and resources in supporting team members in pursuit of our mission."

Mary's MPHA story is far from over, but she hopes to provide inspiration to MPHA team members through her story. With hard work and dedication to the mission, the sky's the limit at MPHA.



\$10 MILLION HIGH-RISE RENOVATION

In early 2023, MPHA completed a \$10 million renovation of Hamilton Manor, a 220-unit senior-designated public housing high-rise in the Camden neighborhood. In close coordination with the building's resident council, the agency worked to reduce resident disruptions with a construction schedule that sought to address needed upgrades to systems and apartments in a single, comprehensive rehab project rather than making numerous smaller improvements over the course of many years. The entire \$10 million came from the agency's annual HUD capital funding.

Work at the building included replacing various interior piping lines, updating and improving the building's fire safety systems including installing fire sprinklers, rewiring HVAC and ventilation systems, updating lighting throughout the property, replacing plumbing and updating in-unit kitchens and bathrooms, sealing windows to prevent heat loss, and painting resident units and community spaces. The agency also repaired the building's exterior and added additional security lighting around the property.

Resident Debra Brunner described herself as skeptical upon the project's announcement, noting she liked the location of her apartment. But, since the initial stages of the renovation started, she couldn't have been happier with the process, the workers she encountered throughout, and the end result.

"The new apartments are beautiful, and I couldn't have asked for more," said Brunner. "I love my new apartment. It's like having a brand-new place." Brunner noted the new kitchen cabinets, light fixtures, and replacement blinds were notably the favorite aspects of the project among residents.



Meyers had nothing but good things to say about the permanent building staff, project workers, and the communication of information along the way.

Hamilton Manor's Melody Meyers echoed enthusiasm about the updates, particularly the new kitchen cabinets, added safety bars in the shower, and the window blind replacements.

"They did a good job scheduling meetings and sharing updates," said Meyers. "The maintenance people were great. The contractors were wonderful. I always asked a lot of questions every time I saw them, and they explained things to me."

The agency had a goal of completing work in a single unit in four weeks or less, which allowed the agency to complete the entire project in nine months. Further, because of the phased, comprehensive nature of the rehabilitation, the agency was able to move nearly all residents from units slated for work into newly upgraded units. And with each relocation, residents were offered either funding to coordinate their own move or an option for MPHA to coordinate and cover all associated moving costs on their behalf.

This \$10 million investment in Hamilton Manor is an example of MPHA's commitment to preserving existing high-rise buildings and using residents' input to guide where and how the investment is made. Such improvements further the agency's mission to deliver quality, well managed homes to a diverse, low-income population contributing to the well-being of the individuals, families, and community MPHA serves.

NEW FUNDI

IN THE LAST YEAR, MPHA HAS SECURED MILLIONS IN ONE-TIME AND ONGOING LOCAL FUNDING COMMITMENTS

Historically, HUD has only provided 10% of the necessary funding for building improvements. Meaning, each year the agency is forced to choose band aid fixes instead of comprehensive solutions. Over time, this problem has compounded, creating A capital backlog of \$229 million in needs—a problem that is only getting worse.



ONE-TIME CITY INVESTMENT

In August 2022, Minneapolis Mayor Jacob Frey proposed sending MPHA an additional \$2.7 million in one-time funding to make repairs to the agency's portfolio of deeply affordable family homes (CHR).



FIRE SUPPRESSION FUNDING

In December 2022, Minneapolis Councilmember Robin Wonsley led the successful effort to send MPHA an additional \$1.2 million in the city's 2023 budget to cover the costs to install the final fire suppression systems in all 42 of the agency's high-rises.

NG



HISTORIC STATE FUNDING

In May 2023, after months of advocacy, MPHA secured a direct one-time cash grant of \$5 million from the Minnesota State Legislature, the largest non-federal grant in the agency's history. The funding will be used to help the agency make repairs to its portfolio of deeply affordable family homes (CHR).



EXPANSION OF SHSS

In July 2023, MPHA announced the expansion of the SHSS. With a new infusion of more than \$4 million, SHSS emergency assistance will be offered to all 43 MPS elementary schools and multi-year rental assistance will be expanded from 19 to 24 schools. In the coming years, SHSS will aim to double the number of families served per year.



UNPRECEDENTED HOUSING LEVY

In August 2023, City and MPHA leaders announced an agreement to restore the city's long-dormant housing tax levy to support the agency's preservation and production activities at an unprecedented \$5 million, annually. Restoring the levy has long been an agency and MHRC priority.

THESE HISTORIC INVESTMENTS WILL HAVE A LASTING IMPACT ON MPHA RESIDENTS AND MISSION.

PROJECT-BASED VOUCHERS

Project-Based Vouchers (PBV) are among the most effective tools MPHA has to help build new and sustain deeply affordable housing across Minneapolis. Since 2019, MPHA PBVs have accounted for more than half of all deeply affordable homes built in Minneapolis. Further, the agency has committed to helping develop at least 150 new units of deeply affordable housing each year over the next five years as a part of the agency's new, five-year strategic plan.



THE HILLOCK GRAND OPENING

In July 2023, MPHA staff joined leaders from Ecumen, the U.S. Department of Veterans Affairs (VA), and local officials to celebrate the grand opening of The Hillock, a 100-unit senior-designated affordable housing development in the Longfellow neighborhood. Eleven of the units are supported by MPHA's Veterans Affairs Supportive Housing (VASH) project-based vouchers, with MPHA providing federal housing assistance to 10 veterans earning 30% area median income (AMI) or below, and with one unit supporting a veteran earning up to 50% AMI.



SHELBY COMMONS GROUNDBREAKING

In June 2023, MPHA Deputy Executive Director Dominic Mitchell joined Project for Pride in Living and Woda Cooper Companies, Inc. in celebrating the groundbreaking of Shelby Commons. The 46-unit affordable housing development will serve households earning 30-80% of the area median income (AMI), with 12 of the units being supported by MPHA's project-based vouchers. Additionally, more than a fourth of the units will be designated for individuals and families facing homelessness.

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**DEEPLY AFFORDABLE HOUSING UNITS
AWARDED PBV FUNDING IN 2022**

FINANCIAL REPORT

OPERATING CAPITAL TRANSACTIONS - 2022 TO 2021 COMPARISON

Statement of Revenues (Millions)

	2022	2021	Variance
Tenant revenue - rents and other	\$22.4	\$21.6	3.7%
Federal - Section 8 HAP subsidy	\$73.7	\$66.9	10.2%
Section 8 HAP subsidy from other PHA's	\$15.3	\$14.4	6.3%
Federal - Other operating subsidies and grants	\$32.2	\$34.2	(5.8%)
Other government grants	\$4.1	\$2.0	105.0%
Investment income and other revenue	\$3.9	\$5.7	(31.6%)
Total Revenues	\$151.6	\$144.8	4.7%

Statement of Expenses (Millions)

	2022	2021	Variance
Administrative	\$25.4	\$23.6	6.7%
Tenant services	\$1.3	\$1.0	30.0%
Utilities	\$10.3	\$9.0	14.4%
Maintenance	\$20.1	\$18.9	6.3%
Protective services	\$3.4	\$3.7	(8.1%)
General	\$8.5	\$5.8	46.6%
HAP	\$68.9	\$66.8	3.1%
Depreciation	\$16.2	\$16.3	(0.6%)
Total Expenses	\$154.1	\$145.3	6.1%

TOTAL CAPITAL BACKLOG EXCEEDS \$220 MILLION IN REPAIRS



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