

ANNUAL REPORT

2023-2024



**DELIVERING QUALITY, WELL-MANAGED HOMES
TO A DIVERSE LOW-INCOME POPULATION**



A photograph of four people walking outdoors. On the left, a man in a dark suit and red tie holds a white envelope. Next to him is a woman with blonde hair wearing a light blue blazer over a white top. Behind her is a man in a dark suit and red tie, smiling. On the right is an older woman with white hair wearing a patterned blazer over a black top and a pearl necklace. They are walking on a sidewalk with trees and buildings in the background.

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FROM THE CEO



I reflect on the past year's work and see the seeds we've sowed in recent years bearing fruit across many of the agency's core activities and departments. From earning national and international recognition for the Family Housing Expansion Project, to completing fire suppression installations in all 42 high rise buildings a year ahead of schedule, to announcing the largest public housing redevelopment project in city history, we continue to position MPHA as a key player in solving the affordable housing crisis in Minneapolis and beyond.

I am honored every day to serve this agency. I am fortunate to have a talented leadership team for whom I rely on to help lead the nearly 400 MPHA team members whose skills and dedication make this agency's incredible accomplishments possible.

While there is uncertainty for MPHA at the federal level in the coming years, I can confidently say this agency is in the strongest position it has ever been. While we cannot control what happens in Washington, we can continue to control the work we accomplish within the four walls of this agency. In the years ahead, we will focus on excelling at our core competencies as a bulwark against any headwinds we might face from lawmakers and leaders in DC. There is so much more great work we will accomplish, and I am confident that the continued success of our core activities will help us weather any storm.

Abdi Warsame

Executive Director/CEO

FROM RESIDENTS



Over the past year, the Minneapolis Highrise Representative Council (MHRC) worked to ensure the needs of more than 5,000 highrise residents are understood and addressed by MPHA staff, elected officials at all levels of government, and by the community at large.

From the Start with Home rally at the state capitol to meeting federal lawmakers during the National Low Income Housing Coalition conference in D.C., resident leaders have advocated for the funding necessary to improve our highrises, including to provide air conditioning and improved ventilation. The Council also worked on voter education, registration, and get-out-the vote activities in advance of the primary and presidential elections this year, helping ensure Minnesota retains its nation-leading voter turnout.

Closer to home, MHRC prepared highrises for resident council elections and provided training for 150 newly-elected officers and MHRC board members. We also continued to support the Highrise Health Alliance, which focuses on improving health outcomes of residents, and Project Lookout, whose volunteers help keep their highrise communities safe.

There is more work to do, and I look forward to the continued partnership between MHRC and MPHA to enrich residents' lives in the years ahead.

Mary McGovern

Minneapolis Highrise Representative
Council (MHRC) President

MPHA LEADERSHIP



Dominic Mitchell
Deputy Executive Director



Lisa Griebel
General Counsel



Tim Durose
Chief Financial Officer



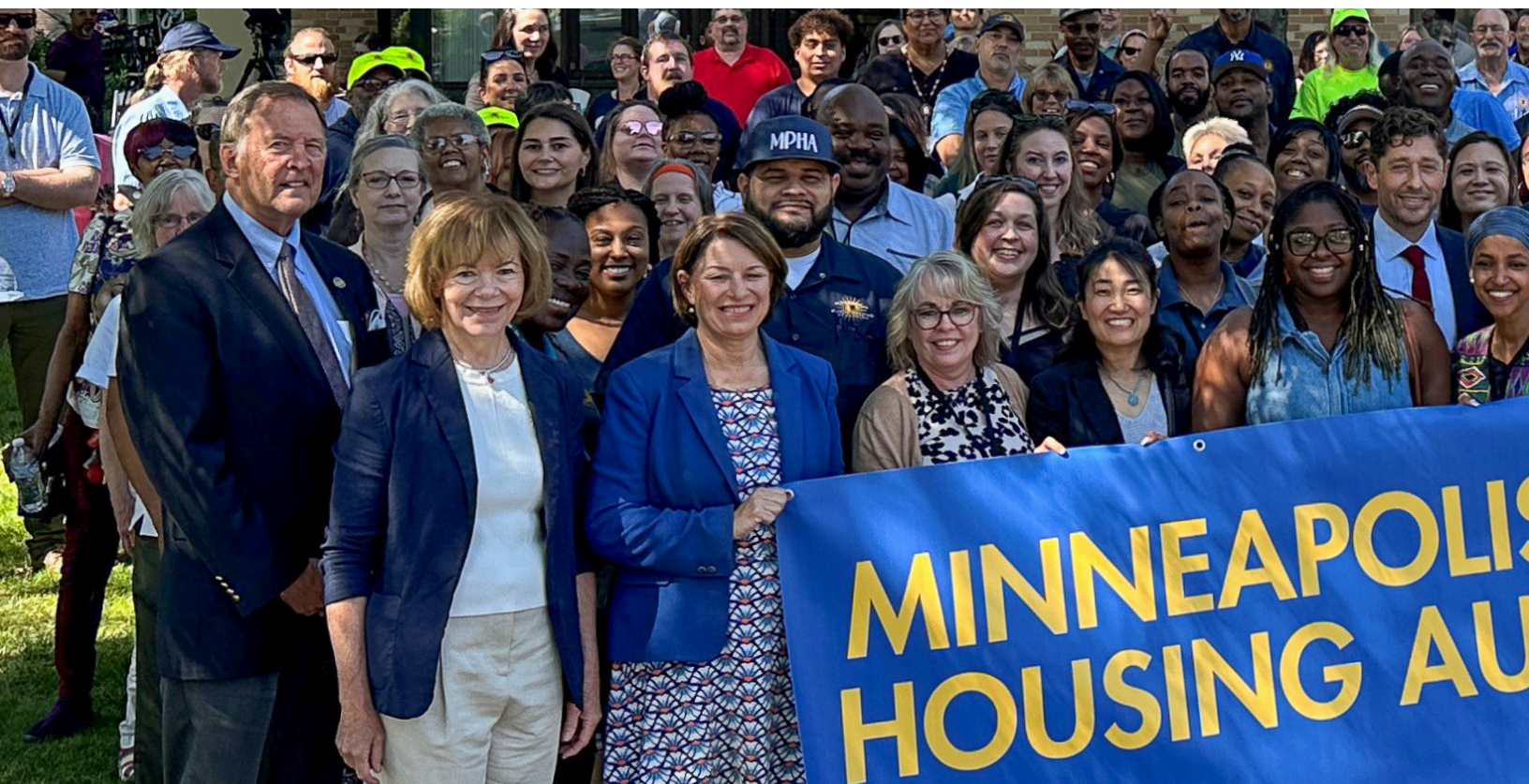
Jake Gateman
Director of Procurement



Laura Dykema
Director of Planning &
Development



Maria Alvarez
Director of Human Resources
and DEI





Mary Boler
Director of Operations



Brandon Crow
Director of Housing Choice
Vouchers



Eric Staupe
Director of Information
Technology



Rashid Issack
Director of Affordable
Housing



Drew Halunen
Asst. Director of Comms &
Strategic Partnerships



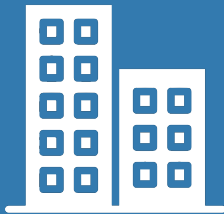
Rachel Almburg
Asst. Director of
Policy & Strategic Initiatives



OUR PROGRAMS

MPHA provides 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 26,000 MINNEAPOLIS RESIDENTS EVERY DAY



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 80% Area Median Income (AMI).



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.



HOUSING CHOICE VOUCHER

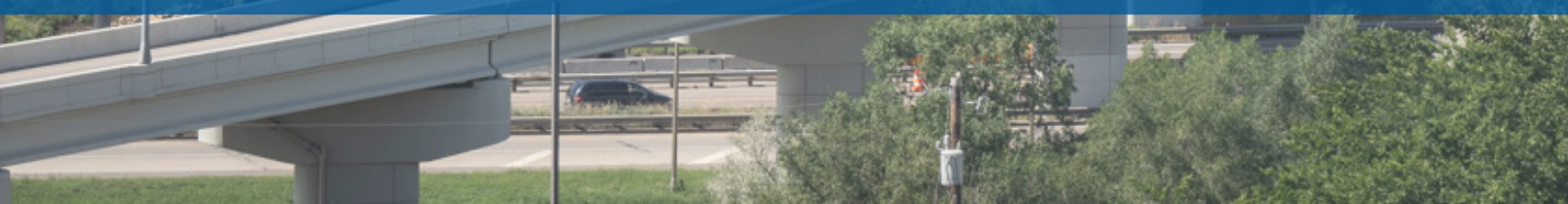
The agency administers nearly 7,200 the Housing Choice Vouchers (HCV, "Section 8") benefitting more than 18,500 residents across the region. MPHA offers several HCV programs: tenant-based vouchers; special purpose programs like Stable Homes Stable Schools and Veteran Assisted Supported Housing; and Project-Based Vouchers. Applicants are eligible for Section 8 at 50% AMI or below, but 75% of all participants must be 30% AMI or below.



MOVING TO WORK

Moving to Work (MTW) is a special designation awarded by the U.S. Department of Housing and Urban Development (HUD). First established by HUD in 1998, MPHA was one of the original 39 public housing authorities from around the country to earn MTW status. This status affords agencies budgeting flexibility while also providing an opportunity to modify or amend applicability of HUD regulations with the intent of developing unique, innovative solutions for localized housing challenges. Specifically, HUD developed the MTW designation for local housing authorities to develop and test innovative programs in three key areas: cost savings, self-sufficiency, and housing choice.

While MPHA uses its MTW status in many ways, some of the most recognizable recent uses include the nationally recognized Stable Homes Stable Schools program and Family Housing Expansion Project. Looking forward to 2025, the agency will be using its MTW flexibility to pilot two HCV programs on homeownership and direct rental assistance.



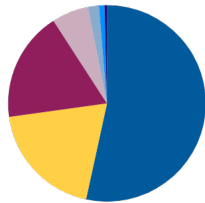
PROGRAM PARTICIPANT DEMOGRAPHICS

DEEPLY AFFORDABLE FAMILY HOUSING

AGE

The majority of these residents are children (age 0-17).

Age 0-17	53.4%
Age 18-29	19.4%
Age 30-49	18.1%
Age 50-61	6.0%
Age 62-69	1.8%
Age 70-79	0.9%
Age 80+	0.4%



NUMBER OF PEOPLE IN HOUSEHOLD

The majority of these families have households of five or more people.

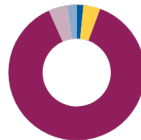
One Person	0.5%
Two People	7.3%
Three People	13.5%
Four People	18.2%
Five People	14.0%
Six People	15.1%
Seven or More People	31.4%



RACE

The majority of these residents are Black/African American.

American Indian/Alaska Native	1.6%
Asian	4.0%
Black/African American	87.7%
White	4.5%
Other	2.2%



HEAD OF HOUSEHOLDS WITH A DISABILITY

16% of heads of household report having a disability.



EARNED INCOME

The average earned income for these residents is \$33,812. 62% of these residents have earned income.

\$33,812

UPWARD MOBILITY*

- ◆ Among heads of household, annual earned income increased from \$20,722 to \$37,321 while living in MPHA housing
- ◆ More than half of families increased their earned income while living in MPHA housing
- ◆ Among heads of household, employment rates jumped from 19% to 70% while living in MPHA housing
- ◆ 16% of families leaving MPHA family housing have gone on to purchase homes of their own



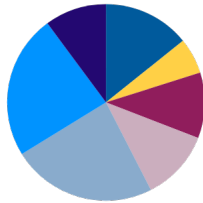
*according to data collected from CHR households, 2020 to 2023

LOW-INCOME PUBLIC HOUSING

AGE

The majority of these residents are elderly adults (age 62+).

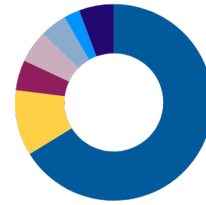
Age 0-17	14.2%
Age 18-29	5.9%
Age 30-49	10.8%
Age 50-61	11.6%
Age 62-69	23.7%
Age 70-79	23.7%
Age 80+	10.1%



NUMBER OF PEOPLE IN HOUSEHOLD

The majority of these units are one-person households.

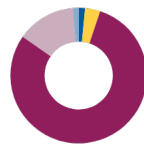
One Person	66.2%
Two Person	10.8%
Three Person	5.0%
Four Person	5.3%
Five Person	4.4%
Six Person	2.6%
Seven or More People	5.7%



RACE

The majority of these residents are Black/African American.

American Indian/Alaska Native	1.5%
Asian	3.6%
Black/African American	79.5%
White	13.9%
Other	1.4%



HEAD OF HOUSEHOLDS WITH A DISABILITY

The majority of heads of household report having a disability.



EARNED INCOME

The average earned income for these residents is \$16,362. Only 16% of these residents have earned income.

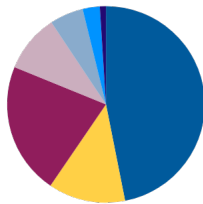
\$16,362

HOUSING CHOICE VOUCHERS

AGE

Almost half of these residents are children (age 0-17).

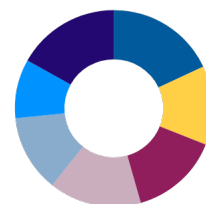
Age 0-17	46.9%
Age 18-29	12.6%
Age 30-49	21.7%
Age 50-61	9.5%
Age 62-69	5.5%
Age 70-79	2.8%
Age 80+	1.0%



NUMBER OF PEOPLE IN HOUSEHOLD

The majority of voucher-holders have households of four or more people.

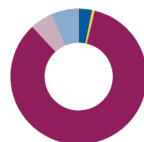
One Person	18.0%
Two People	13.0%
Three People	14.6%
Four People	15.1%
Five People	12.7%
Six People	9.7%
Seven or More People	16.9%



RACE

The majority of these residents are Black/African American.

American Indian/Alaska Native	3.1%
Asian	0.6%
Black/African American	82.3%
White	5.2%
Other	6.4%



HEAD OF HOUSEHOLDS WITH A DISABILITY

41% of heads of household report having a disability.



EARNED INCOME

The average earned income for these residents is \$20,781. 34% of these residents have earned income.

\$20,781

FIRE SUPPRESSION SYSTEM INSTALLATIONS COMPLETED

Installing fire suppression systems in all 42 MPHA high-rise buildings was completed more than a year ahead of its stated goal.

IN AUGUST 2024, U.S. Senators Tina Smith and Amy Klobuchar, Minnesota Housing Deputy Commissioner Rachel Robinson, Congresswoman Ilhan Omar, Minneapolis Mayor Jacob Frey, and Minneapolis City Councilmember Robin Wonsley joined MPHA staff and residents to commemorate the agency completing the installation of fire suppression systems in all 42 MPHA high-rises. The agency achieved the important milestone more than a year ahead of its stated goal, a direct result of funding partnerships at nearly every level of government and an unwavering dedication by the MPHA team. Additionally, the agency has installed carbon monoxide/smoke detectors and stovetop firestop cans in all high-rise units.

“What began as an ambitious goal has become a watershed moment for this agency,” 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 our 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 2020, MPHA established a goal to install fire suppression systems in all agency high-rises by the end of 2025. At that time, due to a chronic lack of federal funding, only 16 of the agency’s high-rises had fire suppression systems installed. Since 2020, MPHA has invested nearly \$14 million to install fire suppression systems across its entire portfolio of high-rises.

For perspective on the magnitude of commitment to this work from MPHA, during that time, the agency received about \$15 million a year from the U.S. Department of Housing and Urban Development (HUD) to cover the agency’s annual capital expenses. That annual funding is intended to cover the needs for its entire portfolio of nearly 6,000 units. However, realistically,





it only covers about 10 percent of the agency's actual annual capital needs. In 2023 and 2024, MPHA's annual capital funding from HUD has been closer to \$20 million – still only a fraction of the agency's real needs to help address its capital backlog of \$260 million.

Because of the headwinds posed by inadequate federal funding, this project required agency leaders to make strategic, targeted decisions to stretch funding as far as possible to achieve this priority work without neglecting other critical needs across its massive portfolio. But the key factor that enabled MPHA to achieve this milestone more than a year ahead of its stated goal was the number of local, state, and federal partners that stepped up to assist the agency to fund the installation of fire suppression systems.



Supplementing MPHA's investment of nearly \$14 million since 2020, Minnesota Housing contributed \$2.4 million in 2021, Mayor Frey and the City of Minneapolis contributed \$2.15 million across 2021 (\$1.15M) and 2022 (\$1M), Senators Smith, Klobuchar, and Congresswoman Omar secured a \$2 million direct federal appropriation in 2022, and finally, Minneapolis City Councilmember Robin Wonsley championed the final \$1.2 million needed in the City's 2023 budget.

The day's event included remarks from funding partners, agency leaders, and resident leaders. The event provided MPHA team members an opportunity to come together in community with MPHA residents to mark the closing of this chapter in the agency's history.





SPRING MANOR: A RECORD-SETTING PROJECT

At a projected cost of \$65 million, the Spring Manor project will be the largest public housing redevelopment in the city history. This project will pilot a new HUD subsidy structure.

IN OCTOBER 2024, U.S. Senator Tina Smith, U.S. Department of Housing and Urban Development (HUD) Assistant Deputy Secretary for Field Policy and Management, Peter Hunter, Minneapolis Mayor Jacob Frey, Hennepin County Board Chair Irene Fernando, State Representative Sydney Jordan, and Councilmember Michael Rainville gathered in Northeast Minneapolis to unveil the largest redevelopment project in MPHA's history. The estimated \$65 million project will preserve 221 units across two neighboring buildings, investing more than \$35 million in capital improvements, while also constructing a new four-story building that will create 15 new deeply affordable and disability accessible units. Nine of the new units will be one-bedroom, and six will be two-bedrooms.

The full scope of renovation work between the two buildings includes replacing and/or enhancing aging building systems (plumbing, electrical, HVAC), completing total unit renovations (kitchens, bathrooms, appliances, finishes), installing in-unit fresh air ventilation systems, adding new accessibility upgrades to some existing units, along with repairing exterior enveloping (replacing windows and roofing, repairing cladding). The agency is also updating and expanding resident community spaces, including adding new seating, tables, plantings, and adding covered areas to the outdoor space.

In the new four-story addition to 828 Spring, the agency will create nearly 4,200 square feet of new ground-level resident

community space that will include office space, an internet lounge, a fitness room, indoor bike storage, and a large community gathering space. The new structure will house 15 new, disability accessible units across the three floors above the new ground-level community space.

The agency will also reorganize the existing ground-level space at 828 Spring, including rearranging the mail room and adding a dedicated package room, creating new staff offices and bathroom, relocating and expanding laundry, and creating a more secure building entry point.

Agency staff first began working with residents in late 2023 to gather input on how residents felt about a large-scale modernization project. And over the past year, residents helped craft a vision for this project through open houses, one-on-one meetings, resident design panels, and community meetings.

In addition to working with residents on the project's design and scope, MPHA staff have worked with every single household of 809 and 828 Spring Street to understand their relocation needs while developing a relocation plan. For most residents, the plan is simply to move from their existing unit to a newly renovated unit. However, because the construction will be done in phases, some residents in the first construction phase will temporarily move into another unit on-site before moving permanently into a newly renovated unit. In all resident relocation plans, MPHA covers any associated moving costs for the household.

In recent years, MPHA has delivered a variety of large-scale, resident-centered projects, including the \$27 million Elliot Twins renovation in 2022 and the internationally recognized Family Housing Expansion Project in 2023. While the Spring Street project will leverage similar U.S. Department of Housing and Urban Development (HUD) subsidy and financial tools as the Elliot Twins renovation, MPHA will be piloting a new HUD subsidy structure for the 15 new deeply affordable units using a HUD program called Faircloth-to-RAD (FTR).

Faircloth-to-RAD is a complex national program in its infancy. In short, it enables housing authorities to unlock previously unrealized federal subsidies to help build and sustain new deeply affordable housing. The program is largely untested nationwide, with HUD estimating fewer than 15 completed FTR projects across the country. But this pilot, if successful, offers the potential of unlocking millions in new, ongoing federal funding to build and sustain new deeply affordable housing in Minneapolis.

MPHA is projecting an April 2025 closing on the project financing, with construction commencing shortly thereafter.



HOUSED THROUGH HARDSHIP

The agency's housing stabilization team helps keep residents housed amid financial challenges. In 2023, the team assisted nearly 450 MPHA families receive more than \$800,000 in rent relief payments.

SINCE THE PANDEMIC, MPHA has seen a significant increase in the number of residents not making rent payments. Unfortunately, because federal regulations require MPHA to collect rent and prevent the agency from waiving owed balances from current residents, the agency has seen a growing number of residents who had their housing threatened because of changes in their personal expenses.

Seeing this trend emerge early in the pandemic, MPHA established an internal housing stabilization team dedicated to connecting residents that had back-owed rents with various financial and service supports. The team was intended to help residents solve both their immediate financial needs to remain housed and aid in making lasting changes to ensure continued rent payment.

During the pandemic, MPHA assisted nearly 750 MPHA families receive more than \$2.5 million in rent relief through RentHelpMN. But while state rental assistance went away, the economic hardships of MPHA residents did not. As a result, the housing stabilization team shifted to Hennepin County's emergency assistance program. In 2023, the team assisted nearly 450 MPHA families receive more than \$800,000 in rent relief payments from Hennepin County's emergency assistance program.

"Whether it is a single event—like a hospital stay—or a series of unexpected expenses that prevented a resident from paying their rent, having to pay back-rent can be overwhelming," said A Vue, Housing Stability Coordinator at MPHA. "Our housing stabilization work saves many from eviction."

When a resident first misses their rent payment, numerous MPHA teams work to connect with the resident. Team members from property management, rent collection, and on-site social services teams work to connect with the residents to understand their unique situation and needs. In some cases, it is as simple as the resident forgetting to pay, but often the missed payment is a result of a changing financial situation.

If a MPHA resident misses a rent payment, staff takes an all-of-the-above approach to help the resident make their payment. On-site property management and social service teams will work to make sure the resident is receiving any social, medical, or

wellness benefits they need. The housing stabilization team will connect with the resident to discuss a possible emergency rent assistance application to help clear owed balances.

If a resident does not take action to address their owed rent, MPHA's rent collection team generates a notice cautioning that the resident risks an eviction filing, per federal regulations, if they continue to miss rent payments. These notices usually spur quick action, and the resident either pays the owed balance themselves or one of MPHA's various interventions help resolve the issue quickly. However, for the residents who continue to miss rent payments and do not attempt to work with staff to identify solutions, MPHA files an eviction action.

An eviction action is a tool of last resort. It requires the resident to appear in court, where they are typically offered an individualized payment plan by MPHA to create an achievable path to repayment and remain housed with the agency in lieu of seeking legal action. The repayment plan is the agency's final tool available to keep the resident housed. If that repayment plan is unsuccessful, the agency moves ahead with the eviction action.

By its nature, MPHA houses some of the community's most economically marginalized and under-resourced populations. But because of federal regulations requiring rent collection and prohibiting waiving owed rental balances for current residents, the agency cannot simply allow residents to not pay rents. In fact, rent collections is one of the key financial metrics measured by the U.S. Department of Housing and Urban Development's (HUD) annual Public Housing Assessment System (PHAS). Further, these results put MPHA's eviction-related activity in-line with public housing authorities across the country.

As a provider of public and deeply affordable housing to nearly 10,000 residents, it is an integral part of MPHA's mission to keep residents housed. As such, the agency takes an all-of-the-above approach to help residents having trouble paying their rent—offering support for both immediate financial needs like paying back-owed rent to providing resources that help make lasting changes to prevent rental payment challenges in the future.

A PILLAR OF COMMUNITY: SHIRLEY BROWN

WHEN SHIRLEY BROWN fell on hard times, public housing provided a roof over her head. And, because she had stable housing, she was able to focus on work and pursuing additional education to further her career as an educational assistant in the Minneapolis Public School system. Shirley worked in the public school system for 20 years, specializing in special education in the latter half of her career. Shirley, like many employed in the education field, only had a reliable income nine months out of the year, making it hard to afford high rent costs in those summer months. Having her rent cost based on her income, made a world of difference.

"I always worked but it was still hard to make ends meet," said Shirley Brown. "If it wasn't for public housing, I probably would have been out on the street."

A Found Family at Sibley Triangle Manor

When Shirley moved into her apartment at Sibley Triangle Manor nearly 30 years ago, she was met by a community that looked out for one another. The Northeast Minneapolis building has 35 units, meaning residents really know all their neighbors.

"The building has a strong community. We consider this our family here. We support each other. It's a smaller building, we're close knit. We're a family," said Shirley.

Another Sibley Triangle Manor resident, Alice Gersons, known as the "mother of the building" was particularly supportive and introduced Shirley to the resident council. Countless others, in this building and in other public housing high-rises, friends and community members, have had a big impact on Shirley.

"I've met a lot of good people in public housing," said Shirley.

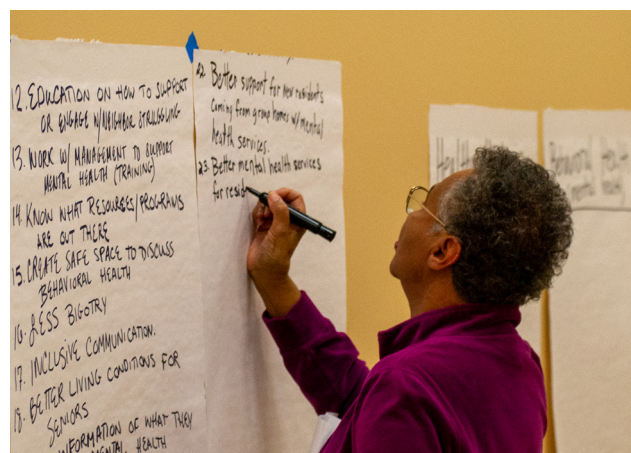
Committed to Learning and Serving Her Community

Shirley is a public housing advocate because she has experienced firsthand the impact that stable and affordable housing can have on a person. Shirley serves as the president of her building's resident council, chair of the Laundry Committee for Minneapolis Highrise Representative Council (MHRC), is a member of Highrise Health Alliance, and a PHEARLESS Initiative cohort member.

"I can relate to my high-rise community and the different things people go through because I've been there. I've had struggles," said Shirley.

Earlier this year, Shirley travelled to Washington D.C. for the National Low-Income Housing Coalition conference where she met with public housing residents and representatives from all over the country. She attended the conference with MHRC president Mary McGovern, learning from her, as well.

MPHA has been a constant in Shirley's life for more than 25 years, providing affordable housing when she had a fluctuating income. Meanwhile, Shirley has been a constant for its community, building and maintaining a welcoming supportive community.





A NATIONALLY ACCLAIMED FAMILY HOUSING EXPANSION

The Family Housing Expansion Project delivered 84 new family homes to 16 sites across Minneapolis.

IN SEPTEMBER 2023, U.S. Department of Housing and Urban Development (HUD) Great Lakes Regional Administrator, Diane Shelley, Minneapolis Mayor Jacob Frey, and Hennepin County Board Chair Irene Fernando joined MPHA staff, residents, and partners to celebrate the grand opening of the Family Housing Expansion Project (FHEP).

This project delivered 26 two- and 58 three-bedroom units in fourplexes and sixplexes to 16 sites across Minneapolis. Sixteen of the units are 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.

Completed within 13 months after its financial closing (and less than a year since its groundbreaking), FHEP includes several innovations that make it different from a typical housing development. Building 84 units on 16 sites is a highly unusual approach that provides families with housing options they can afford in many different neighborhoods. Using a modular construction approach has resulted in less noise and fewer neighborhood disruptions at each site while delivering the project 30 percent faster than a conventional construction approach. This project was also the agency's largest new-unit development in more than two decades.

From FHEP's inception, MPHA residents have been involved in every step of the process. Before the agency conducted any external engagement, agency staff sat with residents to understand what should be prioritized in any new-unit developments. 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.

Earning Recognition at Scale

The project continues to be recognized for its nation-leading innovation to help tackle the affordable housing crisis. In 2024, the project racked up several awards at local, state, national and international levels including being a finalist for the 2024 Urban Land Institute Americas Awards for Excellence, a Top Project by Finance & Commerce, a winner of the National Association of Local Housing Finance Agencies 2024 Award of Excellence,

a finalist in the Minnesota Real Estate Journal awards, a top 25 finalist in Ivory Innovations' Ivory Prize for Housing Affordability, and winner of the Award of Merit from National Association of Housing and Redevelopment Officials (NAHRO). Most recently, the agency's Planning and Development team was recognized by the Minneapolis Regional Chamber with a Regional Leaders and Innovators Award for their innovative work on the project.

A Visit From Treasury Secretary Janet Yellen

In June 2024, MPHA welcomed The U.S. Department of the Treasury Secretary Janet Yellen to tour one of the new FHEP sixplexes. Secretary Yellen was joined by U.S. Senators Tina Smith and Amy Klobuchar, Minneapolis Mayor Jacob Frey, and other community partners to highlight the federal investments and innovative city policies that helped enable MPHA's nation-leading project. Additionally, Secretary Yellen announced new efforts by the Treasury Department to increase the supply of housing across the country, which includes providing an additional \$100 million over the next three years to support new affordable housing.





HISTORIC HOUSING REPAIRS

IN THE SUMMER OF 2024, MPHA kicked off a \$10 million-dollar effort to improve its portfolio of more than 700 deeply affordable family homes. One of the largest-ever repair efforts to MPHA's family housing portfolio comes as a direct result of the agency securing new state and local funding last year to help address the capital backlog for the agency's most sought-after type of housing – a top agency priority. The agency estimates that nearly 125 family homes will be repaired or upgraded as a part of this effort.

With most homes being at least 70 years old, extensive rehabilitation is required at some to ensure continued livability. Major work includes exterior enveloping like replacing leaky roofs, drafty windows, damaged foundations, or outdated siding. Additionally, the new state and local funding will allow for the agency to perform more extensive “deep turns,” which is work done following family move-outs and before the next family moves in. This work includes kitchen and bath renovations,

furnace and water heater replacements, and electrical, plumbing, and mechanical repair work. More cosmetic repairs like floor refinishing or replacement, replacing doors and trim, and painting walls is also done at this time to ensure the homes are maintained to serve future generations of MPHA families.

In 2023, MPHA received a direct one-time cash grant of \$5 million as a part of the legislature's billion-dollar housing budget and a one-time \$1.3 million grant from Minnesota Housing's Stable Housing Organization Relief Program (SHORP) to fund repairs to its family housing portfolio. Combined with funding from the City of Minneapolis, state and local support totaled \$10 million that MPHA is beginning to deploy in an effort to tackle a \$33 million capital backlog in its portfolio of deeply affordable family homes. This new funding will help the agency overcome decades of federal disinvestment and get the portfolio closer to self-sufficiency, meaning the annual federal subsidy MPHA receives for operating these homes will cover the annual capital needs.

FAMILY WAITLIST OPENING

IN NOVEMBER 2024, MPHA added 2,122 families to its family housing waitlist for three-, four-, and five-bedroom units. This announcement follows the agency opening its family waitlist for five days in October – the first time in three years.

An estimated 3,300 individuals applied for MPHA's family housing waitlist during the open period. In the weeks following the waitlist closing, MPHA staff worked to verify the eligibility of every applicant, including attempting to contact applicants with incomplete applications to verify their information and/or seek additional information necessary to complete their submission.

Following an extensive verification process, agency staff determined there were 2,122 eligible applications submitted. Because the number of eligible applications only exceeded the 1,500 spots the agency was intending to make available via a lottery-style selection by a small margin, staff elected to place every eligible applicant on the agency's family housing waitlist.

These newly added names will be placed below the 2,246 people already on the family housing waiting list (1,326 seeking two-bedroom units, 711 seeking three bedrooms, 104 seeking four bedrooms, and 105 seeking five bedrooms). The 2,122 new waitlist names were separated by the number of bedrooms (1,761 seeking three-bedroom units, 323 seeking four bedrooms, and 38 seeking five bedrooms). Following this addition, MPHA's total family housing waitlist now sits at 4,368 families.

With MPHA adding 2,122 families to its family housing waitlist, the agency is working to get more families housed in its portfolio of nearly 800 deeply affordable family homes. These homes are the agency's most sought-after housing type and are a proven tool for upward economic mobility.

RESIDENT TO HOMEOWNER

MPHA employees A Vue and Jocelyn Brown benefited from MPHA housing and became homeowners.



Helping Residents Become Homeowners: A Vue

Raised by a single mom along with her five younger sisters, much of A's childhood was lived in public housing right here in Minneapolis. Public housing provided a stable, safe home for her family in both a public housing development and later, a scattered site home. Recalling what life looked like for her as a child living in a public housing development, A noted the community that existed among its residents and the safety it brought.

Once A moved out of her family home and had started a family of her own, she found herself interested in working for the agency that had helped stabilize her childhood housing.

"Growing up in public housing, I've always been really interested in how the agency worked," said A Vue.

In 2017, A got hired as an eligibility technician at the agency. More recently, A has transitioned into a new role working with existing MPHA families—further nurturing those same relationships with families she aided in the application process—offering them resources for emergency rent assistance, career development, and homeownership education.

In that time, A also became a homeowner herself through MPHA's lease-to-own program. She now owns a home in the same area she lived in public housing growing up. Being a new homeowner herself, she is learning everything it takes to own and maintain a home—an experience that helps her be an advocate of the growing homeownership education program.

A is a living example of the power of stable housing on a person's life—allowing her to reach life milestones she may not have been able to otherwise reach while having to deal with the stress of housing instability.



The Stabilizing Power of a Home: Jocelyn Brown

In the early 2000s, Jocelyn and her kids were bouncing around, moving between living with friends and families and in various housing programs. What they needed was a stable place for her family to call home. That's where MPHA came in.

When her name came up off the family housing waitlist at MPHA, after six years of waiting, it was a gamechanger for Jocelyn's family. Jocelyn and her kids lived in their North Minneapolis home for about a decade. In that time, Jocelyn earned a degree, landed a job that was fulfilling, and started to view homeownership as the next step.

After earning her degree in critical race theory and sociology, Jocelyn had some trouble finding work that fit her ambitions. But when she was at the MPHA dropping off her rent payment, she noticed an agency job listing that intrigued her. She asked if residents could apply for MPHA jobs and Jocelyn was pleased to hear that residents were both eligible and encouraged to apply. Jocelyn has worked at MPHA as a leasing clerk, eligibility technician, public housing coordinator, and property manager. Today, Jocelyn works as the property manager for a high-rise in the Cedar-Riverside neighborhood.

A fellow employee encouraged Jocelyn to consider homeownership. As a sociologist, Jocelyn understood the power owning a home could have on her, her family, and her Northside community. She could build home equity, address the wealth gap on a micro level, and promote economic growth for her family. Jocelyn was able to buy her own home in 2017.

Today, Jocelyn owns her home in North Minneapolis, in the same community she's lived in her entire adult life—including her time in public housing.

2024 STATE & LOCAL FUNDING SUPPORT

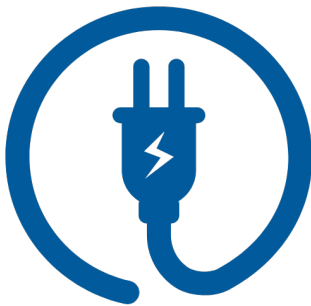
Following decades of federal disinvestment, MPHA's capital backlog has grown to \$260 million in needs. In recent years, agency staff have pursued and maximized just about every tool possible to address this funding gap. In 2023, MPHA secured more than \$11 million in state and local support for its preservation and production activities, supplementing the \$20 million in capital funding the agency received from the U.S. Department of Housing and Urban Development (HUD)—a 55 percent funding boost for critical capital improvement work. In 2024, the agency received slightly less cumulative state and local funding capital support, but the amount still far outpaces any other time in the agency's history. State and local capital funding support this year include:

\$5 MILLION: HOUSING TAX LEVY



In 2023, agency leaders reached a long-term funding agreement with city leaders to resuscitate a long-dormant housing tax levy at \$5 million annually. The agency received its first levy payments in 2024. Highlights from the agency's 2024 levy budget includes dedicating a portion of funding towards the agency's next major high-rise renovation, two scattered site infill projects (one duplex and one triplex), and modernizing elevator systems in two high-rises. This levy funding amounts to a 25 percent boost on top of the annual capital funding MPHA receives from HUD, which was \$20 million in 2023.

\$1.35 MILLION: PUBLICLY OWNED HOUSING PROGRAM (POHP)



In July 2024, the Minnesota Housing Board of Directors approved awarding MPHA \$1,351,500 in POHP General Obligation bonds to replace aging electrical components at the 630 Cedar Avenue high-rise, including electrical load centers that are beyond their expected useful life and do not comply with today's city code requirements, along with replacing the building's emergency generator.

\$1.3 MILLION: CITY SUPPORT FOR FAIRCLOTH-TO-RAD PILOT



As a part of MPHA's Spring Manor redevelopment project, MPHA will be piloting a new HUD subsidy structure for the 15 new deeply affordable units using a HUD program called Faircloth-to-RAD (FTR). Over the summer, agency leaders presented its plan to pilot FTR to Minneapolis Mayor Jacob Frey and city financial leaders as a part of the city's annual budgeting process, during which the agency requested a one-time \$1.3 million investment from the city to help cover lost debt capacity resulting from the proposed 15 FTR units. In August, Mayor Frey announced an additional \$1.3 million direct contribution to MPHA in the city's proposed 2025 budget to overcome this challenge and move this pilot forward.

PROJECT-BASED VOUCHERS

In 2024 MPHA awarded 189 Project-Based Vouchers (PBV) to different Minneapolis housing developments. Highlighted below are six developments that were awarded 85 PBVs collectively. At least 75 percent of MPHA's 85 PBV units will be available to residents at or below 30 percent Area Median Income (AMI), with the remaining being reserved for those at or below 50 percent AMI.

Penn Wood Village

Matrix Development was awarded 15 PBVs as a part of an 86-unit mixed-use building at Glenwood Ave N and Penn Ave N in the Harrison neighborhood. Of the 86 units, 18 are set aside for Permanent Supportive Housing partnering with Hennepin County, Simpson Housing Services, and Minnesota Department of Health and Human Services. The remaining 68 units are dedicated to families at or below 50 percent AMI. In addition to the affordable housing in the development, a food market will bring access to nutritious, affordable food, which the area currently lacks.

2400 Chicago

Stride Development and Kindheart Homes Social Services were awarded ten PBVs for its 60-unit project in the Phillips neighborhood. The ten PBV units will be units for large families. 2400 Chicago will be Passive House compliant for energy efficiency with a solar rooftop and energy efficient appliances.

EPIC + R

VY Management was awarded 15 PBVs for its 68-unit mixed-use development in North Minneapolis. EPIC + R will serve intergenerational families with three- and four-bedroom units. EPIC + R plans to partner with non-profits to offer youth mentorship, homeownership programs, credit building services, and employment assistance onsite.



Zaria

Noor Development and Project for Pride in Living were awarded 20 PBVs for its new 89-unit development at 3030 Nicollet Ave in the Lyndale neighborhood. The project will service primarily families and offer indoor and outdoor play areas and playgrounds. This project is located at the former Wells Fargo bank site and will be an important part of the community's healing to redevelop the site in a community-centric way. Additionally, the building will be in compliance with a number of environmental standards resulting in an onsite stormwater treatment and a rooftop solar array.

Clare 5

Clare Housing was awarded 15 PBVs for its 36-unit project at 1900 Monroe St NE in Northeast Minneapolis. This project will exclusively serve seniors living with HIV/AIDS and high priority homeless households. Clare 5 will have 24/7 supportive services provided on-site by Clare Housing and its partners.

CB & Lowry Ave

CommonBond was awarded ten PBVs for its 50-unit development at Lowry Ave N & Colfax Ave N in the Hawthorne neighborhood. The 50-unit affordable rental building will be a mixed-use with a ground floor health clinic. The property's amenities will include a community room, bike storage, and shared laundry.



189

PROJECT-BASED VOUCHERS AWARDED IN 2024

BUILDING THROUGH PARTNERSHIP

Project-Based Vouchers are among the most effective tools MPHA has to help build new deeply affordable housing across Minneapolis. Since 2019, MPHA PBVs have accounted for more than half of all deeply affordable homes built in the city. Further, the agency has committed to helping build at least 150 new deeply affordable homes in Minneapolis a year, in accordance with its strategic plan.

Rather than the traditional tenant-based Housing Choice Vouchers (“Section 8”) awarded to an individual or family, PBVs sit with physical building units.



BELFRY APARTMENTS GRAND OPENING

In January 2024, MPHA ED/CEO Abdi Warsame joined Mayor Frey, Hennepin County Commissioner Angela Conley, City Council President Andrea Jenkins to celebrate the grand opening of the Belfry Apartments near George Floyd Square. The Belfry Apartments brings 41 units, 26 units being supported by MPHA project-based vouchers.



ERNESTINE GRAND OPENING

In June 2024, MPHA ED/CEO Abdi Warsame joined Mayor Frey, Wellington Management, Inc., Carl Eller, and other community leaders to celebrate the Ernestine’s grand opening. This building will provide 187 homes, 40 units being supported by MPHA project-based vouchers.



AGATE GROUNDBREAKING

In June 2024, MPHA ED/CEO Abdi Warsame joined Minnesota Housing, Hennepin County, Mayor Frey, Agate Housing and Services, and Trellis Co. to celebrate the groundbreaking of Agate’s Housing and Shelter Project bringing 54 shelter beds and 50 apartments, with 22 apartment units being supported by MPHA project-based vouchers.

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PROJECT-BASED UNITS CAME ONLINE IN 2024



OPPORTUNITY CROSSING GROUNDBREAKING

In July 2024, MPHA Deputy Executive Director Dominic Mitchell joined Lieutenant Governor Peggy Flanagan, Minnesota Housing, Mayor Frey, Hennepin County Government, Wells Fargo, and Project for Pride in Living to celebrate the groundbreaking of Opportunity Crossing. This project will bring 110 affordable units, with 12 being supported by MPHA project-based vouchers.



WADAAG COMMONS GROUNDBREAKING

In July 2024, MPHA Deputy Executive Director Dominic Mitchell joined Congresswomen Ilhan Omar, Mayor Frey, Minnesota Housing, Hennepin County Government, Metropolitan Council, Noor Companies, and others to celebrate the groundbreaking of Wadaag Commons, a 39-unit, 6 story apartment building, with 24 units supported by MPHA project-based vouchers.



KYLE GARDEN SQUARE GROUNDBREAKING

In September 2024, MPHA Deputy Executive Director Dominic Mitchell joined Mayor Frey, Minnesota Housing, Alliance Housing Inc., Touchstone Mental Health, and others to celebrate the groundbreaking of Kyle Garden Square, a 59-unit supportive housing development with 27 units supported by MPHA project-based vouchers.



SHELBY COMMONS GRAND OPENING

In September 2024, MPHA Deputy Executive Director Dominic Mitchell joined Woda Cooper Companies, Inc., Project for Pride in Living, Mayor Frey, Hennepin County Government, Minnesota Housing, and others in celebrating the grand opening of Shelby Commons. The 46-unit affordable housing development was supported by 12 MPHA's project-based vouchers.



MPHA HELPS END VETERAN HOMELESSNESS

IN OCTOBER 2024, Minneapolis Public Housing Authority (MPHA) staff joined federal, state, county, and veterans' service leaders to announce that Hennepin County has effectively ended homelessness among veterans. The "functional zero" designation comes from the United States Interagency Council on Homelessness, the Department of Housing and Urban Development (HUD), and the Department of Veterans Affairs (VA) and means that in Hennepin County, veterans' homelessness is considered rare, brief, and non-reoccurring.

Through the years, MPHA has provided hundreds of Hennepin County veterans and their families rental assistance through HUD's Veterans Affairs Supportive Housing Voucher (HUD-VASH). Nationwide, the number of veterans experiencing homelessness has fallen by more than 52% since 2010, in part due to the success of the HUD-VASH program. Now, in Hennepin County, the program has helped eliminate veterans homeless entirely. Key to that success is MPHA, which administers 347 HUD-VASH vouchers, more than every other jurisdiction in Hennepin County combined.

Developed in 1992 and expanded in 2008, HUD-VASH creates a special Housing Choice Voucher (HCV, "Section 8" vouchers) tailored specifically to serve veterans and their families facing homelessness. The HUD-VASH program combines

HCV rental assistance for homeless veteran households with case management and clinical services provided by the U.S. Department of Veterans Affairs Medical Centers (VAMC) or a VA contractor or VA-designated service provider (DSP). Supportive social services include healthcare, mental health services, and employment resources and support.

In Minneapolis, MPHA maintains a partnership with the Minneapolis Veterans Affairs Medical Center (VAMC). The Minneapolis VAMC screens homeless veterans for initial eligibility. Eligible veterans who agree to participate in case management are then referred to MPHA for a voucher where they are evaluated for income eligibility before being issued a voucher.

The HUD-VASH program offers two types of vouchers: tenant-based and project-based vouchers (PBVs), mirroring MPHA's more traditional HCV programs. The tenant-based voucher allows participants to find their own Section 8-eligible housing in the private market, whereas the PBV remains associated with specific units within housing developments serving Section 8-eligible populations.

Once in stable housing and receiving federal rent assistance through MPHA, program participants continue receiving case management and services support from the Minneapolis VAMC.

SUCCESS STARTS AT HOME

AS THE SCHOOL YEAR BEGINS, teachers and school social workers are reminded of the serious toll housing instability can have on students—attendance, academic performance, and health can be negatively impacted. That's why Stable Homes Stable Schools (SHSS) was created: to reduce homelessness among families with elementary-aged kids in Minneapolis.

Stable Homes Stable Schools is a program taking on the homelessness crisis among Minneapolis families through an innovative partnership between MPHA, the City of Minneapolis, Hennepin County, Minneapolis Public Schools (MPS), and the YMCA of the North. The SHSS program addresses homelessness among Minneapolis Public Schools students' families through various levels of support: emergency short-term assistance, multi-year rental assistance, and case management. For nearly 1,900 families, SHSS has been a lifeline.

Knowing safe and stable housing is the most significant out-of-school factor for predicting student success, the leaders from the various organizations teamed up to create a wholistic approach to addressing student homelessness. 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, nearly 1,900 families have been supported by SHSS since its launch in 2019, with more than 4,500 children benefitting from the program.

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.

To be a participant, MPS social workers initiate a referral. School social workers identify eligible families across the district who might qualify and get them connected to the program. Qualifications include: lacking "a fixed, regular, and adequate nighttime residence"; have at least one minor child enrolled in one of the participating Minneapolis Public Schools; have household income of 50 percent or below the Area Median Income; commit to certain program conditions (such as regular school attendance and parental involvement with school activities); and, meet conditions regarding criminal history.

For SHSS participant Shantel, the program has been transformational for her family. When she moved to Minneapolis with her two children, they were living with Shantel's sister and her family, all three in a single room. Shantel and her kids were a few months away from being homeless. That's when Shantel got connected with SHSS through her kids' school social workers.

Now, with the help of the program's rental assistance, Shantel and her kids have their own bedrooms in a rental of their own.

"The kids love [their new home]. They have their own rooms," said Shantel. "We have our own space and that's a big change."

"I am glad to have the program. It helped me when I was feeling like giving up," said Shantel.

Shantel's family is just one of the nearly 1,900 families the SHSS program has supported since 2019. As the school year begins, social workers will continue to identify additional families in need of assistance.



2024 AWARDS



IVORY INNOVATIONS' IVORY PRIZE FINALIST

In February 2024, the Ivory Innovations announced FHEP a top 25 finalist for its Ivory Prize award.



MINNESOTA REAL ESTATE JOURNAL AWARD FINALIST

In April 2024, the Minnesota Real Estate Journal named FHEP as a finalist of its project awards.



NALHFA'S AWARD OF EXCELLENCE WINNER

In May 2024, the National Association of Local Housing Finance Agencies (NALHFA) announced FHEP an Award of Excellence winner.



FINANCE & COMMERCE'S TOP PROJECT

In May 2024, the agency's FHEP was named a Top Project by Finance and Commerce.



ULI'S AWARDS FOR EXCELLENCE FINALIST

In May 2024, the Urban Land Institute (ULI) named FHEP as one of 18 finalists in the 2024 ULI Americas Awards for Excellence.



MINNESOTA NAHRO'S ALLAN ANDERSON AWARD OF MERIT

In September 2024, Mary Boler received the Allan Anderson lifetime achievement award from the Minnesota Chapter of National Association of Housing and Redevelopment Officials (NAHRO).



NAHRO'S AWARD OF MERIT WINNER

In September 2024, the agency's FHEP earned an Award of Merit from the National Association of Housing and Redevelopment Officials (NAHRO).



NAHRO'S OUTSTANDING PROFESSIONAL OF THE YEAR

In September 2024, MPHA ED/CEO Abdi Warsame was named National Association of Housing and Redevelopment Officials' (NAHRO) Outstanding Professional of the Year.



REGIONAL LEADERS AND INNOVATORS AWARD WINNER

In October 2024, the agency's Planning and Development team was named Minneapolis Regional Chamber as a winner of Regional Leaders and Innovators Award.



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MPHA FINANCIALS

2023 FINANCIAL AUDIT INFORMATION

OPERATING CAPITAL TRANSACTIONS - 2023 TO 2022 COMPARISON

Statement of Revenues (Millions)

	2023	2022
Tenant revenue - Rents and other	\$24.4	\$22.4
Federal - Section 8 HAP subsidy	\$78.8	\$73.7
Section 8 HAP subsidy from other PHA's	\$12.6	\$15.3
Federal - Other operating subsidies and grants	\$40.9	\$32.2
Other government grants	\$4.8	\$4.1
Investment income and other revenue	\$5.7	\$3.9
Total Revenues	\$167.2	\$151.6

Statement of Expenses (Millions)

	2023	2022
Administrative	\$28.5	\$25.4
Tenant services	\$2.0	\$1.3
Utilities	\$10.7	\$10.3
Maintenance	\$18.8	\$20.1
Protective services	\$4.0	\$3.4
General	\$7.5	\$8.5
HAP	\$72.1	\$68.9
Depreciation	\$17.0	\$16.2
Total Expenses	\$160.6	\$154.1

2024 AGENCY BUDGET

Budgeted Expenses (Millions)

	2024
Property Management and Program Admin	\$22.6
Administration	\$11.9
Development Administration	\$1.1
Tenant Services	\$3.2
Utilities	\$9.9
Maintenance	\$20.2
Protective Services	\$5.4
Insurance and Casualty Loss	\$2.9
Other General	\$20.3
Debt Service	\$1.9
Housing Assistance Payment	\$75.3
Capital Improvements and Equipment	\$40.1
Total Uses	\$214.8

2024 HOUSING LEVY BUDGET

Budgeted Spend (Millions)

	2024
Spring Manor RAD – 809/828 Spring St NE	\$2.5
Three-Unit Scattered Sites Infill Demonstration Project	\$0.75
Two-Unit Scattered Sites Infill Demonstration Project	\$0.5
Highrise Elevator Modernization – 600 18th Avenue North	\$0.7
Highrise Elevator Modernization – 1314 44th Avenue North	\$0.55
Total Spend	\$5

CAPITAL NEEDS

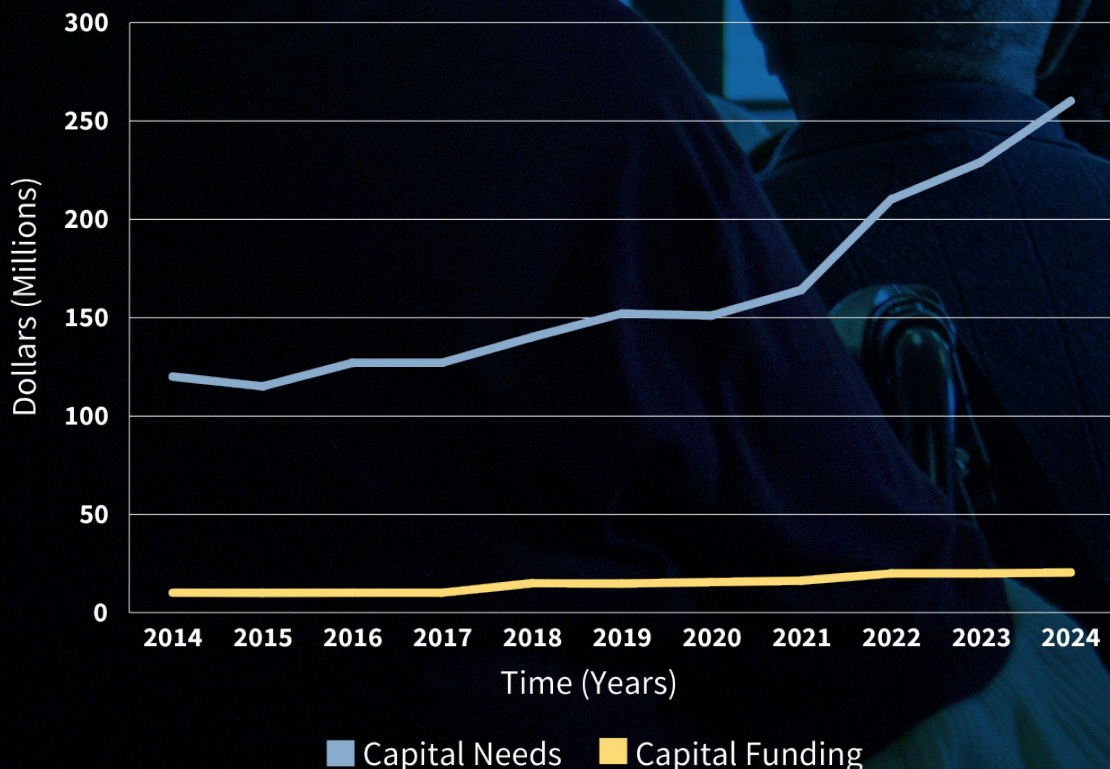
The single largest threat to MPHA is its growing capital backlog.

MPHA's housing stock is comprised of nearly 6,000 units located across 42 high-rise buildings, 736 scattered site homes, 184 rowhouse units, and a 16-unit townhome development. Forty of MPHA's high-rise buildings were built in the 1960s and early 1970s. The age range of MPHA's single-family homes is 1-100+ years old, and MPHA's 184-townhouse development (Glendale) is more than 70 years old.

Historically, HUD has only provided about 10 percent of the funding necessary for major building improvements. That means each year MPHA is forced to choose band-aid options to triage leaky roofs, repair and maintain brick façades, replace inefficient 60-year-old windows, or improve decades-old high-rise electrical and plumbing systems instead of more comprehensive—albeit more expensive—solutions. Over time, this problem has only compounded, creating a capital backlog of \$260 million in needs.

On average, capital needs grow by an estimated \$25 million annually, not accounting for the recent historic inflation and volatile construction market that has made addressing capital needs even more costly and challenging. And while MPHA has secured tens of millions in state and local funding support with an “all-of-the-above” approach, it has not been enough. The agency continues to need additional state and local funding support to preserve and produce the housing Minneapolis desperately needs.

Recent Capital Needs vs Capital Funding





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