



MPHA \$35M POHP Cash Investment Fact Sheet

Since 2023, the Minneapolis Public Housing Authority (MPHA) has pursued funding from the Minnesota State Legislature to permanently alter the future of MPHA's deeply affordable family housing portfolio—enabling MPHA to overcome decades of underfunding from the U.S. Department of Housing and Urban Development (HUD) that produced the portfolio's current deferred capital backlog of \$37 million.

Through the agency's wholly controlled non-profit, Community Housing Resources (CHR), the agency owns and operates nearly 800 deeply affordable single-family, duplex, fourplex, and sixplex homes spread across every legislative district in the city, serving more than 3,300 people. These homes account for more than 80 percent of the MPHA housing available for families with children.

Of the 3,300 residents who call scattered site properties home, 88 percent are black, 88 percent are female-led, and 60 percent are households of five or more—families with children. These homes are the most sought-after type of MPHA housing, with nearly 4,300 families on the waiting list. More than 80 percent of those on the waitlist are households of color.

These homes are a proven tool to provide families a solid foundation for upward mobility. Of the current scattered site heads of household, 24 percent were employed when entering their new home. On average, these residents earned \$26,039 a year in income. Today, 55 percent of these residents are employed, earning an average of \$43,594 a year, with more than 56 percent of these residents' earned income increasing while in these homes. And these homes are often only a temporary stop in a family's journey to economic independence, with families living in CHR homes for an average of six years before moving to new housing. **Better yet, since 2020, nearly 14 percent of all families leaving scattered site homes have gone on to purchase their own homes.**

The portfolio's current backlog of capital needs stands at \$37 million. If left unaddressed, the need becomes \$70 million by 2034. Recently, the agency has secured a variety of state and local funding to help address this backlog, driving it down from \$45 million in recent years to its current \$37 million figure. However, without additional outside investment coupled with MPHA's annual \$2 million invested into portfolio capital repairs, over the next 10 years, the portfolio of homes will end up in worse condition than they are today.

In the 2025 legislative session, MPHA will seek a one-time \$35 million Publicly Owned Housing Program (POHP) cash investment to transform deeply affordable family housing in Minneapolis for a generation. The agency estimates this investment would benefit 3,800 families who would live in these homes over the next 30 years. The agency would be able to resolve an additional \$35 million of work over the next four years. Upon the completion of work over a four-year window, MPHA estimates its deeply affordable family housing portfolio **would then become self-sufficient, with annual federal subsidies covering the estimated costs of routine annual capital improvements.**