

Keeping Communities Strong by PRESERVING PUBLIC HOUSING

From Greenbush to Worthington, Ely to Austin, public housing provides shelter to more than 36,500 Minnesotans statewide. With the vast majority of households headed by seniors and people with disabilities, public housing provides safe and affordable homes to low-income people who would otherwise lack adequate housing. Through the Publicly Owned Housing Program (POHP) the state has invested nearly $48 million to improve more than 5,200 units of public housing since 2012. This report highlights the populations served by public housing, and the impact of POHP funding in preserving in-demand community assets across the state.

High-Quality Homes in Communities Statewide

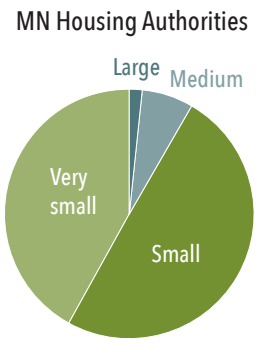
In Minnesota, public housing is a vital part of the community, a valued asset and property that is often the pride of residents and policy makers alike.

Home to more than 20,300 households in communities across the state, Minnesota's public housing properties are administered by 117 Housing Authorities (HAs)[1]. These organizations are responsible for all aspects of managing their properties, including maintenance, repairs, rental of units, and administration. These HAs vary tremendously in size, with larger communities, such as Minneapolis and St. Paul, managing dozens of public housing sites, while rural regions frequently have only a few units in a single building.

In Minnesota, all but 10 of the 117 HAs are classified as "small" or "very small," with fewer than 250 units each. More than 75% of Minnesota's public housing properties have 100 units or less, and almost half have 50 units or less. However, the 10 largest HAs account for 66% of the state's overall units.

The quality of Minnesota's public housing is high. In 2016, nearly **75% of the state's HAs were classified as "high performing"** by the federal government. A 2008 survey by MHP found that the insured value of public housing properties totaled **nearly $2 billion**.

SIZE	HAs	UNITS
Large 1,250-10K units	2	10,520
Medium 250-1,249 units	8	3,254
Small 50-249 units	58	5,432
Very small 1-49 units	49	1,586



Photos: Residents of Jordan Tower in Red Wing and Minneapolis Public Housing Authority properties. 1- Housing Authority is a collective title for government entities that manage public housing, including Public Housing Authorities, Housing and Redevelopment Authorities, Community Development Authorities, and Economic Development Authorities.

Providing Homes to Seniors and Kids

Public housing is a critical piece of the housing continuum, predominantly **providing homes to our most vulnerable community members: seniors, children, veterans, and people with mental or physical illness or disabilities.** By providing stable shelter for those who often face the biggest barriers, public housing reduces costs in other areas, like shelters and services for the homeless and disabled.



65% of households have a head of household who is a senior, has a disability, or who is both a senior and has a disability

33% include children

Currently, more than 36,500 individuals reside in public housing, accounting for 6 percent of all Minnesota renter households — and 3 percent of all individual renters.

In Minnesota, the average household size living in public housing is less than two, with 69 percent of households including just one individual and just 13 percent including households of four or more.



$16,270 / year is the average household income and 60% of households earn less than $15,000 per year

Sixty-five percent of households have a head of household who is a senior, has a disability, or who is both a senior and has a disability. Children are present in 33 percent of households. Outside of Minneapolis, most households in public housing are white (67 percent), with Black households representing 18 percent, and Asian representing 10 percent.

The average annual income of households living in public housing is $16,267 — a quarter of the state median household income — and 60 percent earn $15,000 or less per year. Households pay on average $380 per month, including rent and utilities for housing. Despite the perception that public housing residents stay in their housing long-term, 37 percent of households have been in their current public housing fewer than two years and 60 percent fewer than five years.

Because the Minneapolis Public Housing Authority is a Moving to Work program[2], it does not report data to the Department of Housing and Urban Development in the same manner as the other 116 Housing Authorities.

In Minneapolis, 76 percent of households in public housing are Black, with white households representing 17 percent and Asian households representing 6 percent. Seventy-five percent of public housing units in Minneapolis have a head of household who is a senior, has a disability, or who is both a senior and has a disability. The average income in Minneapolis public housing is $15,262 and 70 percent of households have an income of $15,000 or less per year. Households pay on average $309 per month, including rent

2- Data around public housing in Minneapolis is separated from the rest of the state due to Minneapolis having the only Moving to Work program in the state. Data from this program is collected and entered to HUD via a different form than other PHA's tenant data. The Resident Characteristics Report, from which this data is derived, does not include tenant information submitted through Moving to Work.

Funding Declines Threaten Health and Safety

For a disabled senior or a veteran in a wheelchair, a broken elevator is more than an inconvenience. When water heaters or electrical systems fail in our public housing communities it puts our most vulnerable populations at risk.

The federal government, through the Department of Housing and Urban Development, provides two types of funding for public housing: capital expenses and an operating fund subsidy. Capital funding is meant for property improvements, major repairs, and renovations, while the operating fund subsidy helps to make up the difference between rent payments collected from residents and actual operating expenses.

While many programs funded with federal dollars have seen significant declines in recent years, public housing has been hit hard by cuts, with funding falling by $1.6 billion from 2010 to 2016[3]. Nationally, funding for repairs (capital expenses) has fallen 53 percent since 2000. In 2016, public housing agencies received only 84% of the actual costs of operating their units.

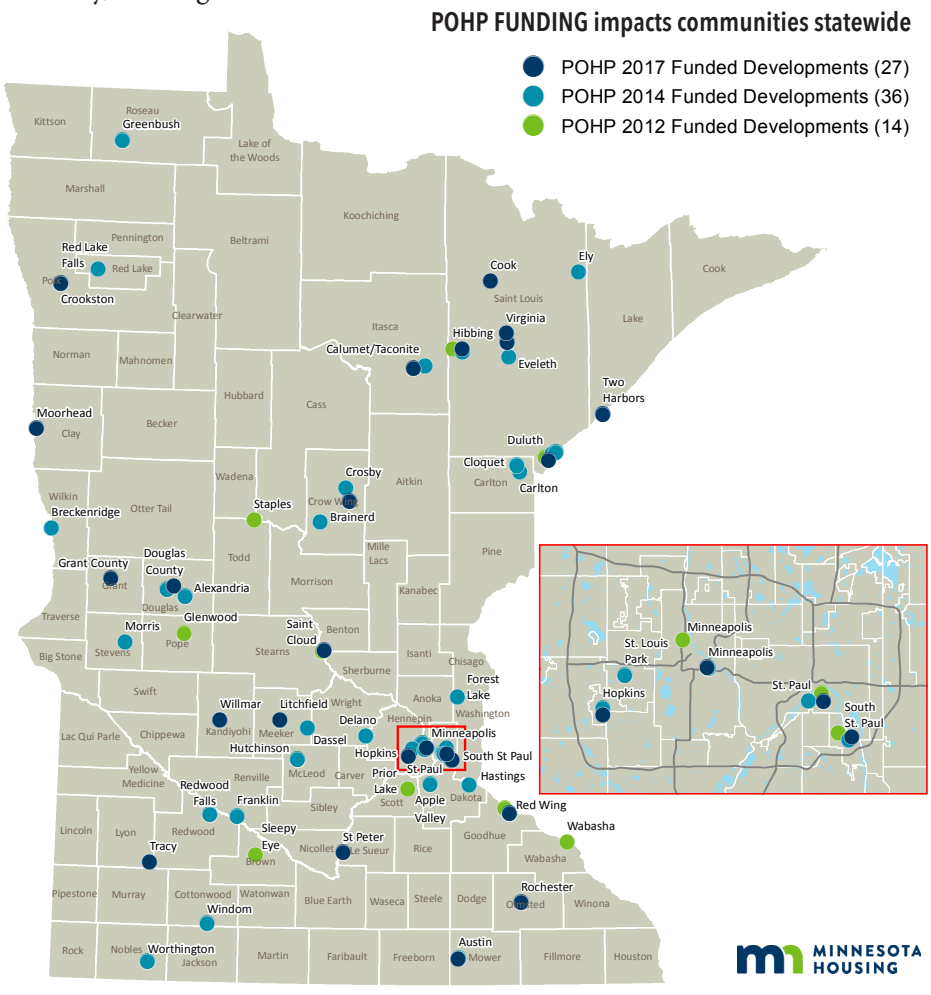
In Minnesota, 95% of the public housing stock is more than 35 years old. Too often, housing authorities don't have the resources to address critical issues like repairing roofs, upgrading major heating systems and implementing security measures. Deferred maintenance and delayed capital improvements can significantly impact residents, as well as the physical and financial viability of public housing.

3- Center on Budget and Policy Priorities, Chart Book: Cuts in Federal Assistance Have Exacerbated Families' Struggles to Afford Housing, 2016.

State Support Plays a Vital Role in Preserving Homes

To ensure the health and safety of the more than 36,500 Minnesotans who live in our public housing, the Publicly Owned Housing Program (POHP) was established by the Minnesota Legislature to offer assistance to Housing Authorities to rehabilitate and preserve public housing units. POHP funds are provided in the form of a 20-year, deferred, forgivable loan and are funded by the sale of General Obligation (GO) bonds.

Since 2012, the POHP program has awarded $47.6 million in funding to 76 projects across the state, impacting 5,232 units. In 2017 alone, the program received a total of 38 applications representing 2,368 public housing units in need of rehabilitation. These applications requested a total of $19.3 million in funds with only $12 million to award.



MINNESOTA HOUSING

WOODLAND PINES: "A tight knit community" in Carlton

"I can do almost any kind of craft you can think of," says Alice, a resident of **Woodland Pines, a public housing complex in Carlton**. Handy since childhood, Alice learned to work on cars at her father's paint and body shop, and since then, she's picked up crocheting, sewing, beading, and painting t-shirts.

But during the four years Alice was homeless, there was no place to put her crafting supplies, no place to keep and cook healthy food, no space she could call her own. That instability took a toll. "I was never sure how long I'd be able to stay at a place or where I could go once I couldn't stay any longer," Alice says. "It kept my nerves in turmoil. That stress and instability is why I ended up with diabetes."



Since moving into Woodland Pines five years ago, Alice has seen a drastic improvement in her health, including keeping her blood sugar under control. Built in 1970, Woodland Pines provides a stable, affordable home to 19 people who, like Alice, have a low or fixed income. Nearly 75% of residents are seniors, 25% are veterans, and many live with a physical or mental disability.

At Woodland Pines, 75% of residents are seniors and 25% are veterans.

Debra Schaff, Executive Director of the Cloquet/Carlton Housing and Redevelopment Authority (HRA), says Woodland Pines is a tight-knit community. "We had a veteran who had experienced homelessness move in and he couldn't recall the last time he'd had a home – the last time he wasn't living on the street or with somebody," Schaff says."The residents embraced him. By the next day, he had a bed, a sofa. By the end of the week, he had a full apartment. The residents told me they all contributed something."

In 2016, the Cloquet/Carlton HRA completed a series of critical capital improvements – from replacing boilers and water distribution infrastructure to elevator mechanicals and fire alarm panels – by utilizing 2014 POHP funds. "By investing in public housing, you're not just helping people with low incomes," Alice says. "You're helping the community by keeping people off of the streets. They've got a place to call home."

ASPEN ARMS: Where residents are "a family" in Cloquet

When Wanda moved to **Cloquet** to be closer to her son and three grandchildren, she found an affordable place to call home at **Aspen Arms, a 76-unit public housing complex**. She's deeply engaged in the community, serving on the HRA board, heading up the resident council, writing the building's newspaper, and organizing events for residents."The residents here consider Aspen Arms family," she says.

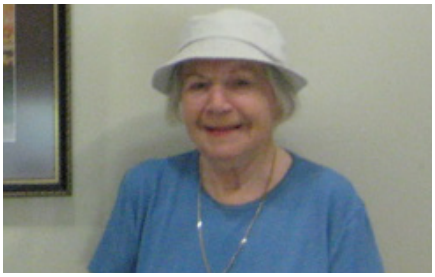
Wanda's passionate about providing that same opportunity for others. She recently worked with the Cloquet HRA to secure funding for an affordable housing complex adjacent to Aspen Arms, the White Pine apartments – because she's seen how affordable housing, including public housing, changes lives. "My heart lies with the homeless and people needing a place to live," she explains. "Public housing provides that."

At Aspen Arms, more than half of residents are seniors, 20% are veterans and 50% have a physical disability or mental illness. Most live on a fixed income. With more than 65 people on the waiting list, Aspen Arms is an in-demand community resource. But, according to Debra Schaff, Executive Director of the Cloquet/

There are more than 65 people on the waiting list to get a home in Aspen Arms.

Carlton HRA, it's becoming more challenging to maintain Aspen Arms. To help cover the gap created by declining federal funding, Cloquet/Carlton HRA applied for POHP funds from Minnesota Housing in 2014 to replace boilers, lighting, fire alarms, elevator mechanicals, and electrical branch panels. Schaff says POHP dollars are a critical resource to maintain public housing assets in communities across the state. "POHP dollars are important, but they're going to become even more significant, and the impact of not having them is going to become much greater," she says.

Wanda says her home at Aspen Arms "means everything" to her. "It's so important to help everybody – especially those who may not be able to help themselves, and people like me at my age who seek independent living," she says.



JORDAN TOWER: No better place to be in Red Wing

When Nada Peters thinks about the day she arrived in Minnesota from Yugoslavia 60 years ago, she still gets goosebumps. "There's no other country like this one," she says. For the past two decades, Nada has called **Jordan Tower – a 101-unit public housing community in Red Wing** – home. "I love it," she says. "I couldn't find any better place to be."

Nada is 93 years old and her income-based rent helps her budget for essentials, like groceries. Even 20 years ago when she first applied, she had to wait two years to get a spot at Jordan Tower, which still has 60 households on the waiting list. A 2014 housing study identified a 0% vacancy rate for subsidized housing in Red Wing and 2% vacancy rate for market rate housing.

With declining federal funding, though, Red Wing HRA has utilized POHP funds in the past to replace outdated elevators and inefficient, malfunctioning windows. Both projects had a direct impact on the safety of Jordan Tower residents and the bottom line to operate the property.

"We're not talking about buildings," says Randall Hemmerlin, Executive Director of the Red Wing (HRA). "We're talking about the impact of preserving affordable housing on people's lives and on their communities."



PARK TOWER: Keeping seniors active in Hutchinson

LouAnn is a retired mother of five with multiple sclerosis. Staying mobile is important and her home at **Park Towers, a 101-unit public housing complex in Hutchinson** makes that possible.

"I retired because I had health issues, and I could no longer work," LouAnn says. "The only income I have is social security. I've learned how to budget, but if I had to pay more, it would make things very difficult." LouAnn's income-based rent helps her afford the essentials that keep her active.

Jean Ward, director of the Hutchinson HRA, says places like Park Towers are essential to the community. "Sixty percent of our residents are extremely low income," she says. "If we don't keep up our public housing, we're going to lose a key housing asset in our community."

In 2014, Hutchinson HRA secured POHP funds to replace outdated elevators. "At the time, 97% of residents were elderly or disabled," Ward says. "We knew it was a health, and safety issue for our residents." That was true of LouAnn, who lives on the sixth floor and can't navigate steps.

"POHP is a good use of funds and a good value for taxpayers," Ward says. "If we can keep up the housing we have, that's a lot more cost-effective than building new."



NORTH STAR APARTMENTS: Meeting mobility needs in Brainerd

Dennis contracted polio when he was two years old. "The same year the vaccine came out, I caught it," he says. Polio led to chronic leg pain, and, ultimately, relying on a motorized cart to get around.

Dennis is among the 165 residents of **North Star Apartments in Brainerd**, a 12-story building where 65% of residents have a disability and the average annual household income is $13,200. "My home at North Star means a lot to me because I only have so much income, and I need something easily accessible for a wheelchair," he says.

For years, though, the property struggled with an outdated elevator system. Jennifer Bergman, director of the Brainerd HRA, says staff had to call the fire department to rescue residents trapped inside malfunctioning elevators.

But, receiving no more than $200,000 annually in capital funds from HUD, the $600,000 necessary to upgrade the elevators was prohibitive. "It would have taken three years of our capital funds, and during that time, we wouldn't have been able to fix *anything else* in *any* of our public housing," Bergman says. In 2016, POHP funds covered 75% of the project cost, and made it possible for residents like Dennis to live without fear of being stranded.

For residents like LouAnn and Dennis, who have limited mobility, a reliable elevator is absolutely essential to daily life. POHP funding makes those vital repairs possible in places like Red Wing and Brainerd.



For 15 years, Shoua, her parents, and her siblings lived in **Minneapolis Public Housing in northeast Minneapolis**. In 2015, after many years of working, saving, and planning, the family bought its own home in the east metro. All five kids have graduated from college; two have graduate degrees. Shoua put it best in a letter she recently wrote to the MPHA: "It was made possible because of the opportunities MPHA paved for us. Because you provided us with stability, we were able to truly live and thrive...Your work matters and it works."

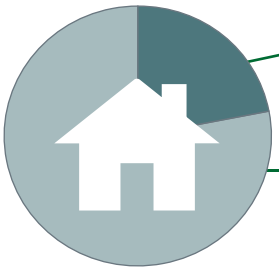
PRESERVING COMMUNITY ASSETS STATEWIDE

Public housing is designed to make sure **people like Dennis and LouAnn, Wanda and Shoua** are stably housed. State funds are essential to the preservation of community assets that are home to our state's most vulnerable populations.

Since 2012, the POHP program has awarded $47.6 million in funding to 76 projects across the state, impacting 5,232 units. With funds to address capital improvements, housing authorities can preserve this valuable public asset for decades to come.

We need continued investment in bonds for housing to ensure the 36,500 Minnesotans who live in public housing, in communities from Greenbush to Worthington, Ely to Austin, have a safe and healthy place to call home.

We need bonds for housing
S.F. 2939 | H.F. 3125



$30 MILLION
Public housing rehab

$110 MILLION
Affordable housing production + preservation

With contributions from Minnesota NAHRO Executive Director Shannon Guernsey, this report was written and designed by Carolyn Szczepanski, Director of Research and Communications, and Laura Proescholdt, Communications Associate, at Minnesota Housing Partnership, with data analysis by Gabriela Norton, Research Associate.

mhp Minnesota Housing Partnership

MINNESOTA NAHRO SERVING MINNESOTA'S HOUSING & COMMUNITY DEVELOPMENT NEEDS