



## **PART 1**

### **Public Comments to Minneapolis Public Housing Authority's (MPHA) 2018 Draft "Moving to Work" Plan, Budget and "Public Housing Statement of Policies" documents.**

**September 29, 2017**

1. **Must remove LURA and keep DOT.**
2. **Add Glendale repairs to the budget and capital improvement plan. Stop disinvesting in Glendale.**
3. **MPHA needs to comply with Federal (Limited English Proficiency) guideline for interpreting and translations services for all language.**
4. **MPHA published plenty privatization evidence in their reports and plans. Stop attacking and targeting public housing residents for speaking the truth. Own and be transparent that MPHA wants to privatize Glendale Townhomes and other public housing properties listed below. As a result, residents will be displaced.**
5. **Explain your plans in detail please: When do you plan to submit to HUD/ City proposals for LURA, and Low Income- Housing Tax Credit ? Date please? And, who are the developers you are talking to privatize? Will there be any sales of MPHA properties in 2018 or 2019? Yes, or No**
  
6. **MPHA's Guiding Principles for Redevelopment and Capital Investment is privatization plan should be deleted, removed, and replaced with a public plans that secure public funding.**
7. **No late fees added to rent checks.**
8. **No increase to zero-income rents.**
9. **Resident involvement is not legitimate. MPHA and Minneapolis High-rise Council is in violation of HUD resident policies and procedures .**
10. **Resident Advisory Board is tokenizing and just rubber stamps MPHA plans.**
11. **what are "opportunity areas"; These plans sound similar to other plans that have been used to push out public housing residents.**
12. **Activity 3 - Laws around Section 8 aren't strict enough to prevent discrimination. No need to waste money on consultants.**
13. **Activity 4 - What does it mean to combine Faircloth Authority?**
14. **Activity 6 - What happens to residents after they are finished with this program? Is this program related to people who have been in prison?**
15. **Activity 7 - What is a leverage fund? Why not create MPHA executive salary caps to save money?**

## 16. Statement of Policy - Offering property managers to coerce families into renting units manipulate Policy for Family Units they don't want/threatening families.

### FIVE POINT EXPLANATION

The immediate defect in the MPHA staff's Draft MWT Annual Plan 2018 is that its budget continues MPHA's historic disinvestment in Glendale Townhomes, Minneapolis' one remaining family public housing community. More fundamentally, the MPHA staff's Draft MTW Annual Plan for 2018 and how MPHA staff have advanced their plan contains several indicators that the MPHA staff has already *de facto* decided to move forward with the privatization of Glendale and other public housing properties without the approval of City of Minneapolis and Department of Housing Urban Development( HUD). MPHA privations plans include 730 family homes, 42 high-rises, Glendale Townhomes, and 6000 units. This is all the MPHA public housing portfolio from North Minneapolis to South displacing the communities and lives of 26,000 low income residents of Minneapolis, and 17,000 residents in MPHA waiting list.

Those indicators include:

1. In advance of the much-heralded "public, portfolio-wide planning process to assess the needs and mission-oriented opportunities at all properties owned by the agency" that MPHA plans to undertake in 2018<sup>1</sup>, this staff Draft Plan quietly moves to strip Glendale and other MPHA public housing properties of Declaration of Trust (DOT) protections<sup>2</sup> and substitute weaker Land Use Restriction Agreements (LURAs)<sup>3</sup>, a move that opens the properties to private investment at the cost of 1) eliminating access by families with incomes below 30% of this area's median income<sup>4</sup> ( AMI) and 2) opening the door to total and permanent loss of this housing within a relatively short timeframe, 3) resulting in displacement of low-income residents, and homelessness. This will also dismantle the current public housing foundation that residents rely on which is income based rent and charges 30% of residents individual monthly income for rent.

**Recommendation:** The Draft Plan's provision initiating move MPHA properties from DOTs to LURAs should be removed from the 2018 Plan. See analysis of the move from DOT to LURA, attached.

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<sup>1</sup> Draft Plan, page 8.

<sup>2</sup> Draft Plan, page 26.

<sup>3</sup> Draft Plan Executive Summary, page 8.

<sup>4</sup> Consequently, this proposal to switch to LURAs violates the pledge made at page 8 of the Draft MTW Annual Plan 2018 : "MPHA commits to protect residents who are particularly vulnerable, including the elderly, persons with disabilities, **persons with income below 30% of the area median income**, and immigrant families (as permitted by law)."

2. The staff's proposed budget (not one penny of capital funding is for Glendale Townhomes!). This continues to undermine Glendale Townhomes' viability, starving Glendale of "stitch in time" capitol funding, building by this manipulation a case for the "inevitability" of soliciting private financing to "save" (and own! and redevelop!) Glendale Townhomes. Disinvest of Glendale Townhomes is intentional and the other public housing properties are next. We will hold MPHA accountable to fix & repair Glendale Townhomes with zero displacement, and zero privatization of Glendale Public Housing. Funding is available from City and State, which MPHA chose not to access to fix and repair Glendale.

**Recommendation:** The MPHA Board should return the Draft Plan's budget to staff for development, to treat Glendale's capital improvement needs fairly and on a par with other MPHA properties.

3. While violating residents' participation and translation rights, MPHA staff attempted to push the MPHA Board to adopt the Draft MTW Annual Plan 2018 at its August Board Meeting. Highly paid MPHA staff even informed an inquiring member of the public that Board consideration of the Draft Plan could not possibly be postponed beyond the Board's August 27 meeting over translation and ambiguity concerns because HUD had a deadline for receiving the Board's decision and the matter could not wait. Even when, due to numerous translation and ambiguity concerns raised by residents, translation of a summary was subsequently promised (August 17) and time to comment was extended to September 30. MPHA staff continued to short-change Somali, and other immigrant & refugee residents who need translation, and their interest in reviewing the Draft Plan. MPHA continues to fail these residents; 1) by not providing the translated Executive Summary **until early September** (less than 30 days prior to the public hearing and comment deadlines); 2) by failing to inform residents of how, when, and where to access the Somali translation, and that the public hearing and comment periods had been extended; and 3) restricting access to the translated Executive Summary by making it available only on-line or to read in the office.

**Recommendation:** To remedy this going forward, the MPHA Board should decide that effective immediately, prior to issuance of documents, and announcements relating to MTW, other activity relating to capital funding, other redevelopment issues impacting the lives of residents, and prior to any MPHA-sponsored meetings held on those subjects, an affirmative action officer shall evaluate the appropriateness of translation and interpretive in light of the four factor test required by federal (Limited English Proficiency) guidelines, and include that written evaluation as an attachment to any document/announcement issued by the MPHA on the above-identified subjects.

4. Repeated efforts by highly paid MPHA staff to paint resident concerns about privatization of Glendale Townhomes as unwarranted/premature/paranoia by making non-credible claims 1) that there is no plan to privatize other public housing properties or Glendale Townhomes<sup>5</sup>; and 2) that if Glendale is privatized residents will not be displaced since they will have the option to transfer residence within Glendale during the redevelopment period.

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<sup>5</sup> Staff's claim in this regard is, of course, patently false given the on-going disinvestment in Glendale, the stealth abandonment of the Declaration of Trust status tucked away in this Draft

**Recommendation:** First: stop treating Glendale Townhomes as if there is a **de facto** plan to privatize it and hence in no need of a fair share of capital improvement funding when it is sure to be “redeveloped” (aka demolished). Second: formally repudiate the Sherman Four-Options Report (online at [http://www.mphaonline.org/wp-content/uploads/2016/01/MPHA\\_Sherman-Presentation\\_01.27.16FINAL.pdf](http://www.mphaonline.org/wp-content/uploads/2016/01/MPHA_Sherman-Presentation_01.27.16FINAL.pdf)) that clearly pictures and favors privatized options for Glendale Townhomes. Third: acknowledge that any assertion that Glendale Townhome residents or other public housing residents would always have the option to avoid displacement by transferring to another unit in Glendale Townhomes or other units is without authority and vacuous, absent a legally binding pledge by the MPHA Board that Glendale residents have such an enforceable right. And furthermore, the Board should clarify that such an assertion is not consistent with the Draft MTW Annual Plan 2018 or Board approved Guiding Principles for Redevelopment and Capital Investment explained in the MTW Plan which state this about the displacement prospects of residents facing “redevelopment”: aka “privatization”

“MPHA’s planning efforts shall include a process (including relocation plans) that minimize displacement and includes first right-of-return for any current MPHA resident.” MTW Annual Plan 2018

The “right to return”, after all is not the equivalent of a guarantee of having the option of a temporary transfer within Glendale Townhomes while homes are rehabbed, fixed or repaired. It assumes a displacement followed later by exercise of a right to return. We know from history and research low-income residents never return such as Hollman Consent Decree. Through, Hollman Consent Decree, MPHA demolished 900 public housing homes in Sumner-Glenwood, displacing African America, Hmong families, and elderly out of North Minneapolis in the 1990’s. The eviction-demolition process started as early as 1994 through 1999, ([www.southsidepride.com/pulsetc/article9678.html](http://www.southsidepride.com/pulsetc/article9678.html))

5. In the June of 2017, MPHA sent a letter <http://tinyurl.com/MPHA-Resident-Ltr> all public housing residents from Glendale Townhomes, high-rises, family homes, and to other properties, stating MPHA Board of Commissioners approved in May of 2017, “**Guiding Principles for Redevelopment and Capital Investment**”. This is also in the Draft MTW Annual Plan 2018 under 2018 Capital Investment & Objectives, Portfolio Analysis. The letter explains the principles and its implementation process. These principles are designed by Gregory Russ, New Executive Director of MPHA, and they are blue print to privatization, using Low –Income Housing Tax Credit ( LIHTC) to sell, lease, demolish or as they say renovate public housing units ( aka, displacement) in partnership with private developers that will take over and lease properties in the private market. MPHA will move residents out for renovation (aka

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MTW Annual Plan, the un-repudiated Sherman 4-option report that illustrated in detail and Clearly favored privatized options for Glendale (available online [http://www.mphaonline.org/wp-content/uploads/2016/01/MPHA\\_Sherman-Presentation\\_01.27.16FINAL.pdf](http://www.mphaonline.org/wp-content/uploads/2016/01/MPHA_Sherman-Presentation_01.27.16FINAL.pdf) .

displacement). While renovation is under way, leases expire; properties are transferred from public to private through City approved permits, ordinances, etc. HUD does not care if City of Minneapolis and residents approve the plans to privatize because HUD deregulated MPHA, and HUD provides funds, but does not have strict management over MPHA. MPHA will be the silent partner, and may have 1% of the ownership, but they will keep on the maintenance, some other staff, and other partnerships with programs and nonprofits.

As a result, low-income residents are displaced because they cannot come back to newly renovated privately owned/ leased buildings. Similar to Hollman Decree Consent, MPHA will have no contact with residents after they move out. In addition, if residents are lucky, they may receive 3 months of paid rent from MPHA to move to where ever they can, and after that, residents are out of MPHA's hands. Low-income residents can't come back, qualify, or afford to rent market rate buildings which will be based on the 30% or more of the area median income of the Minneapolis for rents. The rents will not be based on the previous public housing rents, which was income based rent where MPHA based rents on 30% of resident's monthly income. Anytime, the terms area median income and Low- Income Housing Tax Credit ( LIHTC) are used, this means private development, and market rate rents will apply. In this letter, MPHA uses code language for privatization schemes, and misleads residents by omission, or not fully explaining what this really means.

**MPHA code privatization language in the letter:**

**" Marketability of units, through high quality design, 30% of area median income, redevelopment"**

*This means privatization.*

- **" If the eventual redevelopment effort result in the loss of units, MPHA commits to develop replacement units else where in the city and to the extent feasible MPHA will develop replacements unit before the demolition of existing units."**

*MPHA has neither plans nor land to build replacement public housing units elsewhere.*

*Why would MPHA do that while they say HUD is cutting their capital funds, and they don't have money to build more public housing, and they don't have money to take care of th homes they manage now. This statement is misleading and contradicting.*

- **"MPHA's planning efforts shall include development of a comprehensive relocation plans with residents of each affected properties "**

*This is forced relocation, displacement, and gentrification.*

*MPHA may pay 3 months of rent and moving costs. In the meantime, issue of permits, legal process for transferring land, year by year, building by building takes place through City of Minneapolis. When leases expire and residents are moved out through false premise of coming back, MPHA is free of any responsibility after residents move out. Another MPHA option is to move residents out of the city, out of their community to transfer their leases to profit/ non-profit management homes in far way suburbs as they have done to 100's or more families. However, residents have to qualify, or be on a waiting list.*

**Recommendation:** The Guiding Principles for Redevelopment and Capital Investment privatization plan should be deleted, removed, and replaced with a public plans that secure public funding. Such as having access to 10 million dollars from the City's Affordable Housing Fund that only private developers can access. It is time for the City to allow public housing to access these funds. Other public funding options include City Levy, MN State legislator, and MN State Housing Finance Agency. If City of Minneapolis can fund \$150 million for Vikings Stadium, then they can easily fund public housing that requires a fraction of that. Low -Income Housing Tax Credit ( LIHT), and Rental Assistance Demonstration, ( RAD) are both private financing schemes for private developers to profit, both should be deleted, and replaced with city or state public financing models to keep Minneapolis Public Housing truly public.

### **Summary of Recommendations**

Based on these points alone, the Draft Plan should be returned to Staff for corrections and deletions per these five points. In addition: one of the MPHA's *Guiding Principles for Redevelopment and Capital Investments at the MPHA* states:

*MPHA will encourage active and meaningful resident and community participation throughout the planning and implementation process . . .*

Because of the MPHA staff's demonstrated predisposition to privatization as shown throughout the course its preparation and advancement of the Draft MTW Annual Report 2018, *Guiding Principles for Redevelopment and Capital Investments*, facilitation of resident participation in the planning process in 2018, described (page 8) and budgeted with \$100,000 (page 18) cannot be entrusted to MPHA staff. Knowing the history of MPHA, this funding will go to consulting fees instead home repairs, or a finding public funding model that is community, and resident approved, and transparent. In addition Minneapolis High-rise Council is controlled by MPHA and undermines the true leadership, voice, and empowerment of residents of MPHA in order to push MPHA's agenda. In order to accomplish proper true community engagement, City of Minneapolis has a legal charter over MPHA, and should hold MPHA accountable for undermining public housing.

MPHA Board in partnership with City Elected officials that care about the well-being of public housing residents should secure outside, independent services to oversee an equitable resident participant selection, to convene, and to facilitate community meetings using a process that hires a culturally competent, and independent facilitator committed to *“active and meaningful resident and community participation throughout the planning and implementation process” to create a long term plan to access public funds to secure the future of public housing and to keep public housing public with no privatization.*

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