



November 22, 2017

Side-by-Side

What MPHA reported about the McKnight Grant in its September 27, 2017 News Release

Versus

What MPHA is now telling HUD about the McKnight Grant

| <p>MPHA News Release re: McKnight's \$1 Million Grant (September 27, 2017)</p> | <p>MPHA Spin to HUD re: McKnight's \$1 Million Grant in MPHA's request that HUD approve MPHA's Annual Plan for 2018 (November 13, 2017)</p> |
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| <p>Online at http://mphaonline.org/1-million-grant-from-mcknight-helps-kick-start-investment-in-public-housing-across-minneapolis/, the MPHA's September 27, 2017 News Release identifies the purposes of the McKnight Grant:</p> <ul style="list-style-type: none"> • "The Minneapolis-based McKnight Foundation has awarded \$1 million to the Minneapolis Public Housing Authority to preserve and repair the city's aging public housing. Together with a \$1 million investment from MPHA's own reserves, the grant will create a \$2 million "Working Capital Fund." <p>.....</p> <ul style="list-style-type: none"> • "The funding from McKnight also includes a specific investment in community engagement," Russ said. "At the heart of every building—at the heart of our mission—are people: seniors, the disabled, hard-working families, and the immigrant communities that MPHA is proud to serve. These funds will drive our efforts to learn from and respond to those most affected by | <p>Working Capital Fund (page 17) http://tinyurl.com/MTW-FY2018-to-HUD</p> <p>... The Working Capital Fund was established to cover the costs associated with the portfolio assessment needed to launch a 10-to 15-year improvement effort. This fund covers the pre-development costs associated with planning and completing the assessments, and, in selected cases, moving to close on individual deals. Led by MPHA staff, MPHA has assembled a team of experts including development consultants, financial and legal advisors, architects, and planners.</p> <p>In September 2017, the McKnight Foundation awarded a \$1 million matching grant to MPHA to fund this work.</p> <p><u>[Defend Glendale & Public Housing Coalition comment]</u>: MPHA clearly intends this term "this work" to refer to the purposes it lists in its preceding sentence ("... the pre-development costs associated with planning and completing the assessments, and, in selected cases, moving to close on</p> |

these decisions.”

The MPHA’s entire September 27, 2017 News Release online at <http://mphaonline.org/1-million-grant-from-mcknight-helps-kick-start-investment-in-public-housing-across-minneapolis/>, is this:

\$1 million grant from McKnight helps kick-start investment in public housing across Minneapolis

[Note that the headline of the MPHA’s News Release is spin itself, not borne out by the actual purposes of the grant reported in the text of the release. Who writes the MPHA’s headlines?]

The Minneapolis-based McKnight Foundation has awarded \$1 million to the Minneapolis Public Housing Authority to preserve and repair the city’s aging public housing. Together with a \$1 million investment from MPHA’s own reserves, the grant will create a \$2 million “Working Capital Fund.” This fund will launch a long-term effort to assure MPHA’s 6,000 apartments, houses, and townhomes serve low-income families for decades to come.

“This initiative by a major foundation to support federally-funded housing is a rare event,” said MPHA Executive Director/CEO Greg Russ, who announced the news at today’s MPHA Board of Commissioners meeting. “We give McKnight great credit for recognizing the dramatic funding shortfalls that threaten these homes, and the essential role that MPHA’s very-low-income housing plays in the city’s housing system.” Most residents of public housing make less than 30 percent of the area median income, and pay 30 percent of their income toward rent.

MPHA faces around \$130 million in major repair needs across its properties, which in 20 years will grow to \$500 million under current trends. Congressional funding for public housing repairs and improvements has fallen precipitously since the 1970s. MPHA currently receives around \$10 million a year for these needs via the U.S. Department of Housing and Urban Development.

The Working Capital Fund will support in-depth

individual deals.”) and is, therefore, totally misleading. McKnight’s purposes, well-known to MPHA, were as clearly documented in MPHA’s September 27, 2017 News Release: to fund “preservation and repair” of the city’s aging public housing” - - - and not to privatize, demolish and replace it - - and to fund “community engagement”.]

structural and financial analysis of MPHA's current needs across its 42 highrises, 199 townhouses, and 730 free-standing homes across Minneapolis. It will fund staff and specialist consultants to explore architectural and financing options—including public, nonprofit, and private sources, as well as borrowing and bonding—to inject hundreds of millions more to remodel or redevelop MPHA's housing for the families who live there.

“The funding from McKnight also includes a specific investment in community engagement,” Russ said. “At the heart of every building—at the heart of our mission—are people: seniors, the disabled, hard-working families, and the immigrant communities that MPHA is proud to serve. These funds will drive our efforts to learn from and respond to those most affected by these decisions.”

In May, MPHA's Board of Commissioners passed a set of “Guiding Principles” that guarantee public housing residents stable rent, no loss of housing benefits, and a first right-to-return following any work on their building.

The McKnight Foundation's grant to MPHA falls under its [Region & Communities](#) program, which includes an emphasis on “Homes for All”: affordable housing strategies and systems that increase family stability and link families to opportunities. It extends McKnight's ongoing focus on preserving and expanding the availability of affordable housing to maintain our region's vitality.

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By [Jeff Horwich](#) | September 27th, 2017