



August 26, 2017

## Minneapolis Public Housing Authority's (MPHA) Steps to Displacement

MPHA's message to residents is:

- Your houses and apartments are falling apart in ways you cannot see (they show scary pictures).
- There is no public money available to make these repairs.
- In order for your housing to be safe, we need to partner with private investors and corporations.
- We will do our best to make sure you aren't displaced, but no promises.
- If we move you out for repairs and renovation, we will move you back - "guaranteed right to return."
- What does this actually mean? See below on how MPHA will displace residents.

"The Guiding Principles for Redevelopment and Capital Investment at MPHA" approved by MPHA's Board Commissioners on May 24, 2017 is Gregory Russ' plan that will move public housing from public to private, which will displace residents in the following steps:

- Residents move out, and MPHA renovates the buildings through private dollars with a private partner.
- Residents have to qualify to come back based on how much income they make.
- The higher the income, the greater chance for residents to move back.
- Residents will no longer pay 30% of their monthly income for rent. They will have to pay higher rent.
- To qualify to come back to the renovated buildings, residents must make 30% to 60% of the Area Median Income of Minneapolis-St. Paul Bloomington Area (AMI).
- See page 4 of the letter MPHA sent to residents without translation. <http://tinyurl.com/MPHA-Resident-Ltr>.
- What does Area Median Income (AMI) mean? It is the average income of families from your local city and surrounding counties.
- The Area Median Income for a family of four in Minneapolis is \$85,500.
- The Area Median Income for Black families in Minneapolis is \$30,300 a year.
- The average income for public housing residents is \$20,656 a year.
- MPHA will own the land, but not the buildings. MPHA becomes a silent partner with the private developer, and the private developers takes over the leases.
- The private developer will not charge residents 30% of their monthly income for rent, which is the only rent residents can afford due to their low- income.
- In the new formula, residents must make between 30% to 60% of \$ 85,500 a year to qualify to come back to the buildings.
- Public housing residents will not be able to move back to the buildings because they are not making enough income. Residents do not qualify and buildings are no longer public.
- Let's calculate what this means:
  - At 30% ( $\$85,500 \text{ yearly income} \times .30 = \$25,650$ )
    - Residents have to make at minimum \$25,650 income a year, which is \$2,137.5 per month.
    - At 60%, ( $\$85,500 \times .60 = \$51,300$ ) residents have to make \$51,300 a year which is \$ 4,275 per month

MPHA is telling public housing residents they will come back. This is false. Residents will only come back if they qualify. Public housing residents do not qualify because they will not make enough income to afford the rent. MPHA can easily get money to fix the homes and keep public housing public through city and the state funds. However, the new Executive Director of MPHA Gregory Russ is against public funds. He wants to sell all public housing through his plan, "**Guiding Principles for Redevelopment and Capital Improvement at MPHA.**" Through this plan, private partnerships will take over public housing/ land for free through the Low- Income Housing Tax Credit because private developers have been eyeing public housing for decades as potential new developments for profit.

**\*NEW INFORMATION\***

**Who are the allies of Gregory Russ and the developers?**

- Allies include Mayor Betsy Hodges who has been pushing for gentrification plans through the city as a previous Council Member and current Mayor. Mayor Hodges approved the hiring of Gregory Russ.
- Council Member Lisa Goodman also approved the hiring of Gregory Russ. She is a key ally for developers in Minneapolis. She is also the Chair of the Community Development & Regulatory Services Committee that over sees selling of public properties to private developers.
- Barb Johnson, President of City Council, and other silent council members.
- Key allies also include all of the MPHA Board of Commissioners appointed by Lisa Goodman and others at City Council such as:
  - Commissioner & Chair F. Clayton Tyler who has a private law firm that lobbies for developers such as Sherman Associates.
  - Commissioner Chuck Lutz is the Vice Chair of MPHA's Board & Deputy Director of (CPED) Community Planning & Economic Development Department at City of Minneapolis. CPED oversees all development projects and works directly under Lisa Goodman's Committee.
  - Commissioner Thomas J. DeAngelou is a well-known private architect.
  - Commissioner Cara Letofsky runs a private consulting firm for developers.
  - Commissioner Hon. James Rosenbaum oversaw the destruction of public housing in North Minneapolis in 1990's through the Hollman Decree.

MPHA and their key allies kept these plans hidden and failed to be transparent with public housing residents and citizens of Minneapolis. As result, if these plans are approved, 26,000 residents will be displaced step by step each year starting 2018. Public housing in Minneapolis will end. Communities will be destroyed and homelessness will quadruple.

Sources:

- [US Department of Housing and Urban Development](#)
- [Pioneer Press](#)
- [National Housing Law Project](#)
- [Minnesota Housing Finance Agency](#)
- [University of Minnesota CURA](#)
- <http://mphaonline.org/housing/programs/high-rise-buildings/>
- <http://tinyurl.com/Citywide-Public-Housing>
- <http://tinyurl.com/All-Public-Housing-Highrises>
- <http://tinyurl.com/MPHA-Resident-Ltr>
- <http://tinyurl.com/MPHA-Plans-4-2017>
- <http://tinyurl.com/LIHTC-in-MPLS>
- <http://tinyurl.com/DGC-on-MPHA-Paths-to-Presv>
- <http://tinyurl.com/Committee-Action-11-29-16>
- <http://tinyurl.com/DGC-Fact-Check-6-17>

Sincerely,  
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