

To: The Governor's Task Force on Housing Call for Ideas To Sustain Public Housing in Minneapolis Merritt Clapp-Smith, Project Manager for the Governor's Task Force on Housing <u>merritt.clapp-smith@state.mn.us</u> 651-296-9792.

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1. Contact Information (optional):

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- b. Email Address: <u>defenglendale@gmail.com</u>

2. What housing issue will your idea address? Why is it critical that Minnesota address this issue? (About 75 words)

Our idea addresses public housing, specifically the need to retain public ownership of public housing and expand the number of units in order to provide safe, affordable housing for the state's low-income, elderly, and disabled residents. A <u>2017 study</u> by the Minnesota Housing Partnership found that nearly half of all renters in the state are rent-burdened, and rents are continuing to rise faster than wages. Public housing provides the best solution to this crisis.

3. What is your idea/solution? How will it work? Who will implement it? How will it address the issue? Please be as specific as possible with key components of the program or policy. (About 350 words)

The current leadership of the Minneapolis Public Housing Authority (MPHA) is developing plans to privatize and/or demolish public housing. This goes against their mandate, as well as the will of public housing residents and the broader public. **So, as a coalition of public housing residents and allies, we call on elected leaders to create a permanent public policy, city ordinance, and state bill to protect all public housing units as public housing in Minneapolis.** This includes 42 high rises, over 730 homes, Glendale Townhomes, and more - over 6,040 current public housing units. Prohibit the sale or lease of land to private developers/investors or MPHA acting as a private investor, charging market rate or Area Median Income-based rents for profit through Low-Income Housing Tax Credits or Land Use Restrictive Agreements. Keep public housing under the permanent protection of its current Declarations of Trust (DOT).

Stop the sale and lease of public housing buildings and homes that are currently the first target of conversion by MPHA to private developers and investors. This includes Glendale Townhomes, Cedar Riverside Public Housing, Elliot Twins, and Horn Towers, and all the public housing buildings in Minneapolis Ward 6 that predominantly house East African, Somali, and Oromo elders.

Access public funds from the State and the City of Minneapolis to keep public housing public. Funding for public housing (through the city levy, Affordable Housing Fund, etc) must be added to the City of Minneapolis and State legislative agenda. Public funding is available, therefore there is a moral responsibility to fund public housing.

Public funding to private developers that build temporarily limited-income-based housing that does not meet the needs of the state's poorest families must be eliminated. Instead, that funding should be used to build more permanently-affordable public housing, as well as maintaining existing public housing, which provides a long-term safety net and delivers social and economic stability to low-income residents of Minneapolis and around the state.

Hold MPHA accountable to fix and repair the historic Glendale Townhomes with zero displacement and zero privatization. MPHA must eliminate it's "zero budget" policy for Glendale repairs and maintenance. This is the only option to preserve Glendale as it is now (truly public housing), and to not convert Glendale to any private development, which would permanently displace current residents.

The Minneapolis Public Housing Authority must rescind their <u>Guiding Principles for</u> <u>Redevelopment and Capital Investment at MPHA</u>. This policy is the first step toward the privatization of MPHA properties throughout the city. **Before MPHA receives any public funds they must first rescind this policy and approve a community-written policy that will keep public housing public and prohibit any privatization plans permanently.** MPHA needs to adopt a written contract with the city and the state stating that they will not privatize, sell or lease public housing, that all funds will go straight to repairs of public housing and not into the pockets of private developers, and that MPHA will agree to an extensive yearly audit and monitoring process. State and City government must do a complete audit of MPHA's finances before State or City funds are approved.

4. What would be the potential benefits and positive outcomes of the idea/solution? (About 250 words)

Housing is a human right. Keeping public housing public will avoid a total social and economic crisis in the state, as well as the massive displacement of over 15,000 low income families, people of color, immigrants, refugees, seniors, and the disabled from their communities.

Public housing is more than just housing, it provides long-term stability for the households it serves. By providing high quality, stable housing, public housing creates strong, vibrant communities with supportive and resilient social networks. Vulnerable populations that live in

public housing in Minneapolis and in other cities have access to public transportation, health care, food, schools, and other social services whereas, if they were displaced out of their communities, they may lose access to these necessities. Public housing does not rely on the private, speculative real estate market that devastates so many families around the state. Residents pay 30% of their income in rent, so they are protected from the rising rents that are displacing so many. This means that public housing reduces homelessness. It also means that populations that face discrimination in the private rental market and the economy at large, such as people of color, seniors, and people with disabilities, are able to access safe, stable housing.

Preventing the privatization of public housing and expanding the number of public housing units will minimize gentrification, displacement, homelessness, the housing crisis, and a social and economic crisis that disproportionately impacts people of color, the elderly, and the disabled in the coming decades in Minnesota.

5. What would be the potential costs, hurdles, burdens, and negative outcomes of the idea/solution? (About 250 words)

This plan for the protection of public housing would require public investment in maintaining (and eventually expanding) the existing public housing stock. However, we believe much of this investment can and should come from the substantial amount already allocated for affordable housing - housing that does not actually meet the needs of the state's poorest households. Much of this money currently ends up in the pockets of private developers and companies, so overcoming the lobbying of these special interest groups would represent a hurdle.

Although some might characterize an ongoing investment in public housing as a burden, the failure to fund and protect public housing as truly public housing will have long term social and economic impacts that will contribute to the worsening of the chronic racial and economic disparities that people of color and the poor already face in Minnesota. Furthermore, given the substantial funding that has historically been granted to both for-profit and nonprofit privately owned affordable housing, our proposal does not necessarily need to represent an increased investment, but rather a reallocation of existing funding.

It's hard to imagine a negative outcome of saving public housing. In fact, <u>research has shown</u> that many of the unfavorable myths about public housing are not true.

6. Has this idea/solution been implemented elsewhere? If yes, where and how well did it work? Please cite the specific community or state where it was implemented, the official program or policy name, and any evaluations or reports documenting the program/policy and outcomes. Feel free to include hyperlinks to polices, statutes, reports, and/or other relevant documents. (About 300 words)

Public housing is not a new idea. Public housing has provided affordable income-based, stable, high-quality housing to millions of Americans since the Housing Act of 1937. This program was designed to replace the dangerous and inadequate slums that at the time provided housing to

low-income families. Failure to protect public housing would create the very real spector of a return to the era of substandard housing and dangerous, overcrowded slums. This would create a much bigger social and economic burden for the state than adequately funding and protecting truly public housing.

We would emphasize strongly that MPHA's new privatization plans are a new and untested idea. We are merely proposing the conservation of a program with a proven track-record of success. The current "Declarations of Trust" or (DOTs) that protect public housing provide much stronger protections than MPHA's planned Land Use Restriction Agreements (LURAs). Unlike DOTs, LURAs open the door to privatization and the foreclosure by banks on public housing. For more on this, please <u>see this fact sheet</u>. Furthermore, public housing is truly affordable for low-income populations in a way that Area Median Income "affordable housing" is not. For more on this, please see our original research <u>here</u>. Public Housing is income based (which is 30% of tenants' income for rent), not AMI-based which will displace low-income residents out of Minneapolis.

We believe that Minnesota has the opportunity for bold leadership on the issue of public housing. By investing in keeping public housing public and ensuring the continued public ownership of this housing, Minnesota would take a leadership role in demonstrating how to solve the affordable housing crisis that plagues so many communities across the country. By protecting vibrant and diverse communities, our plan would uphold the family values that make Minnesota such a special place. Housing is a human right, and Minnesota has a great opportunity to protect this right through the protection of truly public housing.

7. Please provide any additional information that would indicate: (1) the likelihood that your idea/solution would be successful in Minnesota, and (2) the size of the net benefit in Minnesota. (About 250 words)

We believe we have adequately answered this in the previous sections, and don't want to make our letter too long. Thank you for taking the time to read our letter and for seriously considering our proposals.

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