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## Housing

Data for the Housing section was acquired from several public and private sources, including the 2000 Census, Minneapolis Public Housing Authority, Minneapolis Assessor's Office, GVA Marquette Advisors, the Minneapolis Department of Regulatory Services, Division of Inspections, and the Minneapolis Planning Department.

Basic inventory data, as well as information about housing condition and home purchase prices within the city, were provided by the Minneapolis Assessor's Office. Maxfield Research also contributed housing cost data

Contributors to the Housing Policy include the Assessor's Office, Division of Inspections, Minneapolis Public Housing Authority (MPHA), Minneapolis Neighborhood Revitalization Program (NRP), the Office of Grants and Special Projects, Minneapolis Community Development Agency (MCDA), the Office of the Mayor, Minneapolis Planning Commission, and Minneapolis Planning Department.

The Minneapolis Public Housing Authority provided the pages on subsidized housing and housing assistance programs.

GVA Marquette Advisors and the Minneapolis Planning Department provided data on apartment rental costs within the city.

Permit files maintained by the Minneapolis Division of Inspections were used for new construction and demolition data.

This chapter can be found on the city's web site at: [www.ci.minneapolis.mn.us/planning](http://www.ci.minneapolis.mn.us/planning)

**Housing in the 2000 Census  
Housing Inventory and Profile  
Housing Policy and Achievement Goals  
Change in Housing Condition  
Construction and Demolition  
Home Prices  
Rental Costs  
Publicly-Owned Rental Housing**



## Housing in the 2000 Census

The decennial census conducted by the U.S. Census Bureau provides a large amount of information on housing in addition to population demographics. The 2000 Census reports that there are 168,606 total housing units in Minneapolis. The 1990 Census states there were 172,666 housing units. This is a loss of 4,060 housing units since the 1990 Census, representing a 2.4 percent decrease in housing units.

	Total Housing Units	Total Occupied Units	Owner Occupied Units	Renter Occupied Units	Home Ownership Rate
1990	172,666	160,682	79,845	80,837	49.7%
2000	168,606	162,352	83,408	78,944	51.4%
Change	-2.4%	1.0%	4.5%	-2.3%	

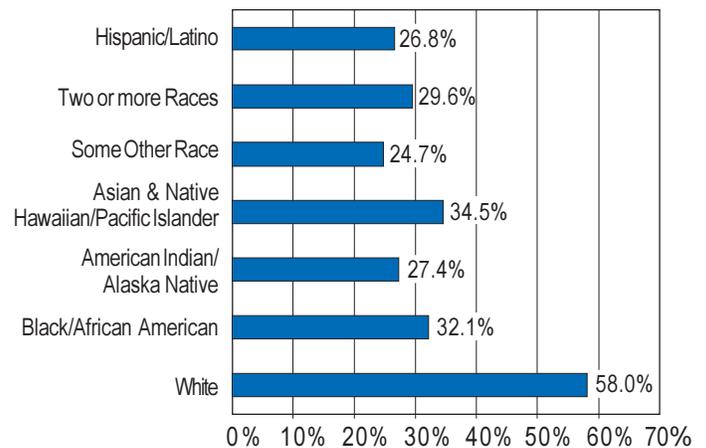
The number of vacant housing units in Minneapolis has decreased considerably. In the 1990 Census, there were 11,984 vacant housing units, and in the 2000 Census, there were 6,254. The homeowner vacancy rate decreased from 1.9 percent to 0.7 percent in the decade, while the rental vacancy rate dropped from 8.1 percent to 2.8 percent. The rental vacancy rate has continued to drop since the 2000 Census.

Minnesota has one of the highest rates of homeownership in the country at 74.6 percent. The homeownership rate for Minneapolis is 51.4 percent. This is slightly up from the 1990 owner-occupied rate of 49.7 percent. However, differences in owner-occupied units and renter-occupied units vary considerably by race. Characteristics of homeowners and renters are in the table below. As the table shows, non-white households make up 15 percent of owner-occupied units, but 35 percent of renter-occupied units. This gap in homeownership by race reaches greater parity in the Near North and Phillips communities, where non-whites constitute 61 percent and 39 percent of owner-occupied units respectively.

	No. of Units	Percent
<b>Owner-Occupied</b>	83,408	
White	70,822	85%
Non-white	12,586	15%
<b>Renter-Occupied</b>	78,944	
White	51,232	65%
Non-white	27,712	35%

Another way to discuss the differences in homeownership by race is to look at the percent of households of a racial group who own their home. In the 2000 Census, 58.0 percent of white households owned their home, 32.1 percent of blacks or African-Americans, 34.5 percent of Asians, 27.4 percent of Native Americans, and 26.8 percent of Hispanics owned their home. Compare this to the state of Minnesota 2000 Census percents: 53 percent of Asians were home owners, 50 percent of Native American owned homes, and 32 percent of black or African-American owned homes. The state rates for Asian and Native American homeownership increased 29 and 16 percent respectively, while black or African-American increased only two percent. Part of the reason for the statewide increase in minority homeownership (and the lower numbers in Minneapolis) is the increases in minority homeowners in the suburbs.

PERCENT OF HOMEOWNERS BY RACE AND ETHNICITY, 2000



HOUSING UNITS AND OCCUPANCY BY COMMUNITY, 2000

Community	Total Housing Units	Total Occupied Units	Owner Occupied Units	Renter Occupied Units	Vacant
Calhoun-Isles	17,745	17,256	5,859	11,397	489
Camden	11,671	11,212	9,019	2,193	459
Central	15,650	14,395	2,376	12,019	1,255
Longfellow	13,328	13,040	8,222	4,818	288
Near North	11,433	10,624	5,215	5,409	809
Nokomis	16,437	16,210	13,930	2,280	263
Northeast	17,156	16,511	9,801	6,710	645
Phillips	6,734	6,333	1,366	4,967	401
Powderhorn	23,793	22,884	9,377	13,507	909
Southwest	21,786	21,384	15,682	5,702	402
University	12,837	12,503	2,561	9,942	334



## Housing Inventory and Profile

The Minneapolis 2001 housing stock consisted of 98,344 residential structures containing 167,913 units. The City Assessor's records include an estimated 75,825 single-family detached homes, 6,898 single attached units (townhouse, condominiums, cooperatives), 24,354 duplex units; 4,698 apartments in structures with four or five units, and 56,138 apartments located in structures having six or more units. The 2001 housing profile shows that 84.7 percent of all residential structures in the city are owner-occupied. Single-family detached homes make up the majority of homestead properties, and over three-quarters of the single attached units and one-half of the duplex structures are owner-occupied. The housing profile shows that 19.6 percent of the city's housing units are rated as below average. The City Assessor, over the past four years has been working to establish a more

standardized condition rating system. The age of residential buildings in the city reflects an older housing supply—37.7 percent of the structures were built before 1920 and another 48.1 percent were built between 1920 and 1959; only 12.3 percent have been constructed since 1960.

The following tables highlight the city's housing inventory for 2001 from the City Assessor's Office. The first table shows the total number and percent of residential units by various housing categories for the city as a whole and for each of the city's eleven communities. This inventory table is followed by a citywide housing profile, which highlights the 2001 homestead status, condition rating for each housing category and an age profile of residential structures. A brief description for each housing category follows this inventory.

MINNEAPOLIS HOUSING INVENTORY, NOVEMBER 2001  
By Number and Percent of Units

Community	Single Family Units	Condo, Townhouse Units	Duplex/ Triplex Units	Apartment Units	Total Units
Calhoun-Isles	4,151	1,281	2,781	10,557	18,770
Percent	22%	7%	15%	56%	
Camden	9,559	141	1,024	995	11,719
Percent	82%	1%	9%	8%	
Central	149	2,747	122	13,192	16,210
Percent	1%	17%	1%	81%	
Longfellow	7,780	102	1,735	3,407	13,024
Percent	60%	1%	13%	26%	
Near-North	5,629	60	2,655	2,499	10,843
Percent	52%	1%	24%	23%	
Nokomis	13,810	195	1,307	1,089	16,401
Percent	84%	1%	8%	7%	
Northeast	8,396	184	4,883	3,440	16,903
Percent	50%	1%	29%	20%	
Phillips	1,001	388	1,490	4,041	6,920
Percent	14%	6%	22%	58%	
Powderhorn	8,154	858	4,086	10,636	23,734
Percent	34%	4%	17%	45%	
Southwest	15,187	232	2,336	4,192	21,947
Percent	69%	1%	11%	19%	
University	2,009	710	1,628	6,788	11,135
Percent	18%	6%	15%	61%	
Minneapolis	75,825	6,898	24,354	60,836	167,913
Percent	45%	4%	15%	36%	

\* The citywide total does not match the community totals because the inventories were completed on different days.

**MINNEAPOLIS HOUSING INVENTORY AND PROFILE, NOVEMBER 2001**

Community Units	Single Family Units	Condo, Townhouse Units	Duplex/ Triplex Units	Four/ Five Units	Six or More Units	Total Units
Number	75,825	6,898	24,354	4,698	56,138	167,913
Percent	45.2	4.1	14.5	2.8	33.4	
<b>Homestead Status*</b>						
Number	69,886	5,471	7,448	359	103	83,267
Percent	92.2	79.3	60.6	32.2	4.6	84.7
<b>Below Average**</b>						
Number	13,134	122	4,664	771	558	19,249
Percent	17.3%	1.8%	37.9%	69.1%	25.2%	19.6%
<b>Age of Buildings</b>						
Before 1920	26,648	1,047	8,113	770	546	37,124
Percent	35.1%	15.2%	66.0%	69.1%	24.6%	37.7%
1920-1959	42,404	605	3,363	267	651	47,290
Percent	55.9%	8.8%	27.4%	23.9%	29.4%	48.1%
1960 to Date	5,114	5,232	733	67	994	12,140
Percent	6.7%	75.8%	6.0%	6.0%	44.9%	12.3%
<b>Total Buildings</b>	<b>75,825</b>	<b>6,898</b>	<b>12,290</b>	<b>1,115</b>	<b>2,216</b>	<b>98,344</b>

\* Calculations are for the number and percent of structures that are homesteads, counting the townhouse, co-op and condominium category as individual structures.

\*\* Calculations are for the percent of structures classified as below average. The unknown category is subtracted from the total unit count.

\*\*\* Citywide totals do not match the community totals because the inventories were completed on different days.

**Single-Family Detached Housing**

In 2001, the single-family detached home remains the dominant residential structure in Minneapolis with 75,825 homes accounting for 45.2 percent of the total stock of housing in the city. The communities of South-west with 15,187 homes, Nokomis with 13,810 homes, and Camden with 9,559 provide one-half (50.8 percent) of all single-family detached homes in the city. Home-ownership grew to 92.2 percent of single-family de-tached homes. The housing condition data shows that 17.3 percent of the single-family detached homes are considered below average. The age profile for single-family detached houses shows that 35.1 percent were built before 1920 and only 6.7 percent have been built since 1960.

**Single-Family Attached Housing (Townhouses, Condominiums and Cooperatives)**

Single-family attached housing is the newest and, as we will see later, is outpacing single-family detached homes in sale price. There are 6,898 single attached units in 2001 accounting for 4.1 percent of all housing units in the city. The four communities of Central, Cal-

houn-Isles, Powderhorn, and University contain more than 80 percent of all single-family attached units. City-wide, 79.3 percent of the single-family attached units are owner-occupied. The housing condition data show that the City Assessor classifies 1.8 percent as below average. The condition rating system does not work well for this housing category, primarily because each unit is counted as a separate structure, which results in many of the units classified as unknown. The year built profile for single-family attached housing units is rather new. More than three-fourths (75.8 percent) of the single-family attached units have been added since 1960. Most of the recently added units are either large buildings located in the downtown area or lower density townhouse developments located in a residential neigh-borhood.

**Duplex and Triplex Housing**

In 2001, two and three unit residential structures made up 14.5 percent of the city's housing supply and ac-count for 24,354 units. Almost 60 percent of the duplex/ triplex units are located in four communities: Northeast with 4,883 units, Powderhorn with 4,086 units, Near



North with 2,655 units, and Calhoun-Isles with 2,281 units. In 2001, the rate of owner-occupancy of duplex/triplex structures is 60.6 percent. Two-thirds (66.0 percent) of the duplex/triplex structures were built prior to 1920, making them relatively old. Thirty-seven percent of the duplex/triplex properties are rated below average condition. This high percentage of below average ratings reflects, in part, the age of these buildings.

### Four and Five Unit Housing

There are 4,698 dwelling units in residential buildings with four or five units, accounting for 2.8 percent of the city's total housing supply. Almost half (44.3 percent) of the city's small apartment buildings are located in just two communities, Powderhorn with 1,491 units and Calhoun-Isles with 590 units. Citywide, 32.2 percent of the small apartment buildings are owner-occupied. Age and condition are significant features for this housing category. A total of 69.1 percent of these residential structures were built before 1920. Due to aging 69.1 percent are rated as below average. This category of housing has also decreased numerically over the last few years in an effort to reduce residential blight in the neighborhoods. Replacement units have generally been in the form of attached units; new townhouse developments located within residential neighborhoods.

### Six or More Unit Housing

There are 56,138 apartment units located in 2,216 residential buildings, which contain six or more units. The apartment category supplies one-third of all housing units in the city. Two-thirds of the city's apartment units in larger buildings are located in four communities surrounding the downtown central business district: Central with 13,083 units, Calhoun-Isles with 9,967 units, Powderhorn with 9,145 units, and University with 6,366 units. The housing condition data showed 25.2 percent of the larger apartment buildings are below average. The age profile for this residential category shows that 44.9 percent of the city's apartments were added after 1960. Most of the recently added units are large buildings located either in or near the downtown area, or lower density townhouse developments located in a lower density residential neighborhood. In addition, 24.6 percent of this housing category includes many older apartment buildings constructed before 1920. These older buildings are often in poor condition and need serious reinvestment to make them competitive with newer, more modern apartment buildings.

**The city adopted eight housing policies in *The Minneapolis Plan*, which the Minneapolis City Council adopted in March 2000. The Affordable Housing Policy Resolution adopted by the City Council in September 1999 and amended in February 2001 also shapes housing policy. The eight policies are summarized below. Policy 1 articulates four approved housing principles; other policies have recommended implementation steps. More specific direction for policy and strategy development is contained in the full resolution.**

- Policy 1 – Minneapolis will implement its adopted Housing Principles and the Housing Impact Measures through community-based strategies directing future housing development. The four approved principles are:
  1. The variety of housing types throughout the city, its communities, and the metropolitan area shall be increased, giving prospective buyers and renters greater choice in where they live.
  2. The management, quality, and balance of subsidized housing throughout the city and the metropolitan area shall be improved.
  3. Housing markets that are already strong shall be preserved and strengthened.
  4. The quality of Minneapolis housing stock shall be improved.
- Policy 2 – Minneapolis will reasonably accommodate the housing needs of all its citizens.
- Policy 3 – Minneapolis will improve the range of housing options for those with few or constrained choices.
- Policy 4 – Minneapolis will assume both its appropriate responsibility for improving housing options among those with few or constrained choices, and collaborate with partners at the regional, state, federal, and local level to assure that appropriate solutions are pursued throughout the region.
- Policy 5 – Minneapolis will expand the type and range of housing types for residents with substantial choices.
- Policy 6 – Minneapolis will maintain the quality and unique character of the city's housing stock, thus maintaining the character of the vast majority of residential blocks in the city.
- Policy 7 – Minneapolis will work closely with Neighborhood Revitalization Program (NRP) planning and implementation to ensure that plans are consistent with the city's housing policy.
- Policy 8 – Minneapolis will promote major housing development that supports a variety of housing types at designated sites throughout the city.

As a way to determine the city's success in implementing these adopted housing principles, it was necessary to identify key indicators that are easily measurable with statistics that are readily available. These data elements were monitored over the past few years. The tables reflect four years of data to compare to the historical trend and to match with the achievement goals. We will continue to monitor the following impact measures over time to identify the city's success in implementing its housing principles.

**• Residential Homestead Status**

The residential homestead status relates to the housing principle that speaks of preserving and strengthening housing markets. A high level of owner-occupancy in a neighborhood can be directly related to investment in properties and appreciation of their values.

The 2000 data reflect growth in owner-occupied units since the baseline was set in 1996, until this year when there was a decline. The City Assessor's records indicate that in the year 2000 there were 83,186 total residential homestead properties in Minneapolis. This figure falls short of the year 2000 achievement goal as the result of a decrease in all residential categories.

**• Residential Property Values**

Increasing property values are critical to achieving housing principles three and four, which relate to strengthening housing markets and improving the quality of the city's housing stock. As the housing stock ages, it is important that owners maintain their property and are confident that making improvements to their property is economically justified. Homes represent the largest single investment that most people make. Their confidence that the investment will be increasing in value over time is essential in achieving the housing principles.

The 2000 property values show a very strong upward trend since establishing the baseline in 1996. In part, the growth in property values reflects the strong economy, but also reflects the very strong housing demand generated by the regional population and job growth.

**• Affordable Housing Policy**

It is the goal of the City of Minneapolis that all of its citizens live in safe, decent, affordable housing. Lack of affordable housing creates instability for families, forcing them to move frequently, and thereby disrupting their children's progress in school. It is also a contributing factor to the increase of homeless families and children. The City of Minneapolis recognizes there is a serious shortage of affordable housing in Minneapolis, and the region, in both the homeownership and the rental market.

To deal with the problem, the City Council adopted an Affordable Housing Policy in September 1999. The resolution stated the city's goal: to grow the population and to have no net loss of housing across all income levels. In March 2001, the City Council passed Resolution 2001R-057, an addendum to the previous Affordable Housing Policy for *The Minneapolis Plan* as recommended by the Affordable Housing Task Force. The resolution was designed to strengthen the city of Minneapolis and the MCDA's affordable housing policy. The resolution calls for 20 percent of the units in a city and MCDA assisted housing project of 10 units or more to be affordable to households earning 50 percent or less of the metropolitan median income (MMI). The project can be for rental units or homeownership. Additionally, 50 percent of the affordable units must be affordable to those with incomes 30 percent or below of the MMI for rental properties in a 10 or more units building.

**DATA ELEMENT: TOTAL NUMBER OF OWNER-OCCUPIED RESIDENTIAL STRUCTURES**

Data Element Description	Trend Data (Actual)				Baseline Data	Achievement				Achievement Goals	
	1993	1994	1995	1996		1997	1998	1999	2000	2000	2005
Total Residential Homestead	82,909	85,279	84,518	84,352	84,518	85,234	85,264	86,619	83,186	86,208	88,743
Single Family Detached	67,188	68,701	68,153	69,764	68,153	69,052	69,146	69,153	68,052	69,516	71,560
Single Family Attached	8,213	8,665	8,722	6,931	8,722	8,104	8,056	9,444	7,558	8,896	9,158
Duplex /Triplex	7,171	7,472	7,220	7,153	7,220	7,372	7,524	7,503	7,113	7,364	7,581
Apartments	337	441	423	504	423	533	538	519	463	432	444

Data Source: City Assessor's records

**DATA ELEMENT: AGGREGATE MARKET VALUES OF RESIDENTIAL PROPERTIES (IN MILLIONS OF DOLLARS)**

Data Element Description	Trend Data (Actual)				Baseline Data	Achievement				Achievement Goals	
	1993	1994	1995	1996		1997	1998	1999	2000	2000	2005
Total Residential Value	8,660	8,740	8,800	9,095	8,800	9,775	10,530	11,956	12,049	10,100	11,900
All Residential Non-Apartment	7,480	7,610	7,700	7,930	7,700	8,600	9,218	10,147	10,148	9,000	10,700
All Residential Apartment	1,180	1,130	1,100	1,166	1,100	1,175	1,312	1,809	1,901	1,100	1,200

Data Source: City Assessor's records

According to the 2000 Affordable Housing Report, all 14-rental housing projects assisted by the City and MCDA completed in 2000 had at least 20 percent of the units affordable. Regarding the decision that there should be no loss to housing units: in the year 2000 the city demolished 212 housing units considered affordable. Of these, the MCDA demolished 42 units and Minneapolis Inspection Department demolished 24 units. In 2000, the MCDA produced 272 units and the MPHA replaced 69 public housing units, a net gain of 129 units. The goal from the resolution required the city and MCDA to produce 650 affordable units in 2000; the actual amount was 505 units-233 units preserved and 272 newly constructed. Additionally, the MCDA assisted in the production or preservation of 877 total rental housing units in Minneapolis. Of these, 120 units were for families with incomes below 30 percent of the MMI, 193 were for families making below 50 percent and 315 were for families making less than 80 percent. Another 180 units are for special needs households making below 30 percent of the MMI. Of the units completed in 2000, 47.5 percent were located in non-impacted areas (places where affordable housing was currently lacking). The goal from the resolution was to locate 50 percent of the affordable housing units in non-impacted areas.

Compared to the metropolitan region, Minneapolis has a higher concentration of lower cost and low value homes. This limits the choices low-income households have of where they would like to live in the region. It also conversely limits the number of houses higher income households can buy in the city. This adds to the city's problem of over-concentration of poverty households. Local policies may also have added to the affordable housing crisis by limiting the production of affordable homes through increasing the costs of building and rehabbing the housing stock. These costs include state property tax codes, zoning regulations, building inspection codes, and housing codes. Since Minneapolis has the largest minority population in the state, housing discrimination also plays a role in the affordable housing shortage.

Housing is deemed affordable if a family making less than 50% of the HUD MMI can rent it, or a family making 80% of the MMI can purchase it. In 2000, the metropolitan median income was \$68,600. In 2001, the median income was \$74,400. This amount represents the household income for a family of four. See chart below for more detail.

#### 2000 HUD ADJUSTED INCOME LIMITS

Family/Household size	one	two	three	four	five	six	seven	eight
Very Low-income (30% Limits)	\$13,800	\$15,750	\$17,750	\$19,700	\$21,300	\$22,850	\$24,450	\$26,000
Low-income (50% limits)	\$23,000	\$26,300	\$29,550	\$32,850	\$35,500	\$38,100	\$40,750	\$43,350
Moderate-income (80% limits)	\$35,150	\$40,150	\$45,200	\$50,200	\$54,200	\$58,250	\$62,250	\$66,250
Metro Median Income	\$48,020	\$54,880	\$61,740	\$68,600	\$74,066	\$79,601	\$85,067	\$90,533

The median income level is for the entire Metropolitan Statistical Area, not for the city of Minneapolis. Estimates for the median income for the city of Minneapolis from the Census 2000 Supplemental Survey (C2SS). In the table below, the estimate is the number derived from the Census Bureau, and the lower and upper bounds are the confidence intervals.

	Estimate	Lower Bound	Upper Bound
Median household income	\$40,643	\$37,878	\$43,408
With earnings	135,672	128,509	142,835
With Social Security	28,224	24,363	32,085
With retirement income	16,107	13,114	19,100
With public assistance income or non-cash benefit(s)	30,015	24,438	35,592
With Supplemental Security Income	3,667	2,141	5,193
With cash public assistance income	7,544	4,914	10,174
With Food Stamp benefits in the past 12 months	12,478	8,855	16,101
With free or reduced price school meal benefits in the past 12 months	10,897	7,397	14,397

Source: Census 2000 Supplemental Survey, in 2000 inflation adjusted dollars.

The city's median income is estimated to be \$40,643. The difference between the city of Minneapolis's estimated median income and the MMI from the year 2000 is \$27,957, with the lower and upper bounds giving a possible difference range of \$25,952 to \$30,722. The table also illustrates how various income sources dramatically change the dollar amount. The range is from those with Supplemental Security Income having a median of \$3,667, to those with earning having a median income of \$135,672.

### Consolidated Plan Strategies – Housing

Housing needs as outlined in the 2001 Minneapolis Consolidated Plan occur at every level:

**Very low-income**, 0 to 30 percent below the MMI comprises about 20 percent of the city's households. It is estimated there is a shortage of 14,776 housing units for those at this income level. Thirty-two percent of all renters fall into this income category. Fifty eight percent of very low-income renters pay more than 50 percent of their gross income on housing, and 61 percent of very low-income owners more than 30 percent. Most very low-income residents require financial assistance for housing. Also needed are supportive services to deal with family, personal, and financial problems that disproportionately affect this income group. High priority has been assigned to renters in this income group.

**Low-income** includes households earning 31 to 50 percent of the MMI, and account for almost 15 percent of the city's households. There is a surplus of 21,559 housing units affordable to this income level, but higher income households occupy many of these units so the surplus is misleading. About 75 percent of renters and 35 percent of owners in the low-income category face some form of housing problem, such as cost burdens, overcrowding, or substandard housing. Because of the shortage of housing units available to low-income households, a high priority to renters and a medium priority to owners have been assigned to this income group. An important strategy for this income group is to insure low-income residents are able to access the housing units affordable to them, and to distribute these units into a wider geographic area.

**Moderate-income** households earn 51 to 80 percent of the MMI. These households comprise about 20 percent of the total households. Twenty-two percent of all renters and 18 percent of owners fall in this income category. There is a surplus of 43,851 housing units, but again these units may be occupied by higher income households, and are not really available to moderate-income earners. Approximately one-third of moderate-income households experience housing problems. Priority levels assigned to renters in this group are medium and high priority for owners. There is a high priority to diversify the city's affordable housing stock affordable to this income group. Included in this is the policy to encourage mixed-income development and to rehabilitate deteriorated buildings.

**Middle-income and above** have an income 81 percent of the MMI and over, and are the largest percentage of Minneapolis households or 46 percent. There are 59,259 housing units available for these households, with a shortage of 14,435 housing units for middle-income households. The supply of higher priced rental units has not kept up with the number of middle-income renters. There is no priority level assigned to this income group. To deal with the shortage, ownership should be encouraged to improve neighborhood stabilization, and the housing stock needs to be diversified structurally and geographically.

### Housing Priority Needs and Goals:

		Need Level	Unit Goals
Renter	1-30% of MMI	High	875
	31-50% of MMI	High	875
	51-80% of MMI	Medium	500
Seniors	Medium-Low	125	
Owners	1-30% of MMI	Low	-
	31-50% of MMI	Medium	320
	51-80% of MMI	High	1,100

To accomplish these goals, funding resources will come from Consolidated Plan resources and additional housing resources under control of the city such as Tax Increment, MCDA Development Account, NRP, HOPE VI, MPHA, Multi-family Housing Revenue Bonds, Mortgage Revenue Bonds, Low Income Housing Tax Credits, and Project-based Section 8. The available federal resources include the four entitlement fund programs that HUD provides to the city. They are Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). Other federal aid resources are Section 8 rent certificates and vouchers.

Another strategy used is to implement Empowerment Zones (EZ) in the city. Not solely a housing policy, but EZs include housing in an effort to reduce the number of poverty-level families by economic development strategies to stabilize and sustain distressed areas in the city. The federally funded Empowerment Zone initiative tackles urban renewal in a holistic manner by seeking to create jobs, childcare, safety strategies, a comprehensive education system, support services for youth and families, transportation, and sufficient housing.

As part of the Minneapolis EZ, the city mandates that businesses receiving more than \$100,000 from city agencies employ residents at a living wage. A living wage job means a job that pays employees the union wage scale where a collective bargaining agreement is in effect or a wage level equivalent to at least 110 percent of the federal poverty guideline for a family of four. The 2001 federal poverty guideline issued in the Federal Register by the Department of Health and Human Services for a family of four is \$17,650; 110 percent is \$19,415. A person working at this rate full time would



be making \$9.33/hour. Other ways the city is attempting to deal with the barriers to employment are job readiness programs, childcare services, increasing transportation options, and working to eradicate racism and prejudice by employers. In addition, the city, through MCDA and NRP loans, encourage resident entrepreneurial endeavors and home-based businesses. The EZ fund will receive \$12.3 million in federal funds in 2001.

### Homelessness

Directly related to the affordable housing issue is the increase in the number of homeless people in the Twin Cities. In October of 2000, the Wilder Research Center conducted a statewide study of homeless people. From the interviews conducted, they estimate that there are 7,121 homeless people in Minnesota, 5,514 in the Twin Cities metro area. This is a 366% jump from the 1985. Children represent 44% of the homeless population in the cities, or 2,418 children. In 1999, there were an average of 675 single adults staying nightly in shelters and secure waiting in Hennepin County. Another study conducted by the American Indian Task Force on Housing and Homelessness showed one-fourth of those interviewed did not stay in shelters, but rather doubled-up or slept outdoors. The number one reason cited for the increase in homeless people and families is the lack of affordable housing, and the increase in rents without a comparable increase in income. While average rents increased 34% in the past decade, the household income of renters only increased 9%. The Wilder study found 41 percent of the homeless were employed, and 21 percent were employed full-time.

Strategies for addressing the needs of the homeless are found in the Continuum of Care for the Homeless for the city of Minneapolis and Hennepin County. The city also relies on the work of the City/County Homeless Task Force and the City/County Shelter Advisory Board. Suggestions put forth by the Continuum are to emphasize permanent supportive housing rather than emergency shelters. Housing should be combined with supportive services, and there should be an adequate variety of services to work with recipients. Under-served persons should have priority to these services. Short-term goals are to increase shelter capacity in the county to 100 beds, provide a 24-hour service program for homeless youth, and expand all housing resources to homeless adolescents and young adults. Long term goals for the next five years are to raise funds from federal, state and local resources to develop 1,825 adult single room occupancy (SRO) units, and 125 youth SRO units.

**The City Assessor's Office has the responsibility for maintaining property descriptions on all parcels in the city as a basis for estimating their market values for tax purposes. The condition rating is a qualitative factor that is one of the variables used in valuing properties. With the implementation of an automated valuation system, a comprehensive review was made of all condition ratings. The result of that review was all properties were viewed from at least the exterior, and the condition ratings updated. It had been an extended period since a similar project was done on a citywide basis. The 2001 property management files show that 18.7 percent of all Minneapolis housing structures were classified below average.**

The following table shows the change in housing conditions for each housing category over the past three years. The number of single-family detached units classified below average increased slightly from last year. The 2001 data show 13,180 single-family detached units were classified below average, compared to 14,228 in 1999.

Over one-third or 38.6 percent of all units in duplex structures are currently rated below average. The number of buildings classified below average decreased to 4,627 in 2001.

Apartments also have a large percentage of below average buildings with 29.9 percent in 2001. This is a decrease in the percent of apartment buildings rated below average from 1999, but a steady increase in actual number of buildings rated below average.

Minneapolis housing condition is based on the Minneapolis City Assessor's regular evaluation of all residential structures in the city. The definitions used for the new categories are listed below. Generally, the need for rehabilitation is associated with parcels classified as Condition 6 or higher. As the condition rating system becomes more standardized, the City Assessor's Office will be able to adjust and refine their definitions to help identify the type and extent of rehabilitation that may be necessary within each condition classification.

The following table provides a comparison of the estimated number of units identified in each housing category as average or above, below average, those without a classification and the percent rated below average, for the years 1999 through 2001.

## HOUSING CONDITION 1999 - 2001

### Single-Family Detached Units

Condition	1999	2000	2001
Average or Above	63,166	61,520	61,592
Below Average	14,228	13,134	13,180
Unknown	266	253	148
Percent Below Average	18.4%	17.5%	17.9%

### Single-Family Attached Units (Condominium, Cooperative and Townhouse Units)

	1999	2000	2001
Average or Above	7,217	9,142	8,885
Below Average	60	122	138
Unknown	916	2,635	2,647
Percent Below Average	.8%	1.0%	1.2%

### Units in Two and Three Unit Structures

	1999	2000	2001
Average or Above	7,496	7,402	7,362
Below Average	4,740	4,664	4,627
Unknown	73	34	0
Percent Below Average	38.5%	38.5%	38.6%

### Apartment Unit Structures

	1999	2000	2001
Average or Above	3,129	3,172	3,101
Below Average	1,304	1,329	1,337
Unknown	68	34	24
Percent Below Average	37.9%	29.3%	29.9%

### All Structures

	1999	2000	2001
Average or Above	81,163	81,236	80,940
Below Average	19,249	19,249	19,282
Unknown	3,045	2,956	2,819
Percent Below Average	18.6%	18.6%	18.7%
Total Number of Units	103,457	103,441	103,041

### The Condition Rating System

The following definitions of the condition rating classifications were adapted from the former classification system.

#### Condition 1, Excellent; Condition 2, Very Good; Condition 3, Good

The top three classifications represent a well-built house with no observable maintenance requirements. Everything is in perfect condition.

#### Condition 4, Average Plus

This classification represents houses with no observable defects in structure and only minor maintenance requirements such as small plaster or stucco cracks. Minor wear and tear on woodwork and cabinets may be noticeable, and some paint or shingles may be needed, but no maintenance items have been deferred to the point where permanent damage exists.

#### Condition 5, Average

This is the midway range in the condition category and represents the largest grouping. The assumption is that the average structure is in satisfactory condition and is a desirable property as living or working quarters. The maintenance requirements are being satisfactorily covered and the buildings are perfectly salable "as is." No major defects or maintenance requirements are observable, but a considerable number of minor items can be seen. Many items such as the roof, plumbing, heating, windows, cabinet work, and exterior are showing some deterioration but are still reliable and not in need of immediate replacement.

#### Condition 6, Average Minus Condition 7, Fair

These classifications represent houses that have considerable deferred maintenance with permanent damage to structural items, such as roofline sagging or cracks in basement foundation beginning to show. Windows, window frames and sills may be deteriorating from water in the wood. Floors and roof may have some sag. Plaster may have some water stains or damage. The foundation has cracks, but no major settling. Considerable wear and tear on woodwork and cabinets may be noticeable and cabinets should probably be replaced. Heating and plumbing are beginning to show considerable wear and may be unreliable.

#### Condition 8, Poor

The last two classifications represent houses that show considerable damage to major structural items. The foundation has large cracks and settling may be substantial. Substantial settling may be noticeable in floors, and doors and windows are no longer square. Rotting wood, large plaster and stucco cracks may be observable in several places. Heating and plumbing is unreliable. House is still habitable, but probably beyond the present occupant's capacity to restore or to maintain it.

#### Condition 9, Bad

These houses are condemned and uninhabitable.

Another interesting aspect of the rating system is to look at how Minneapolis communities compare to one another in the number of buildings with below average ratings.

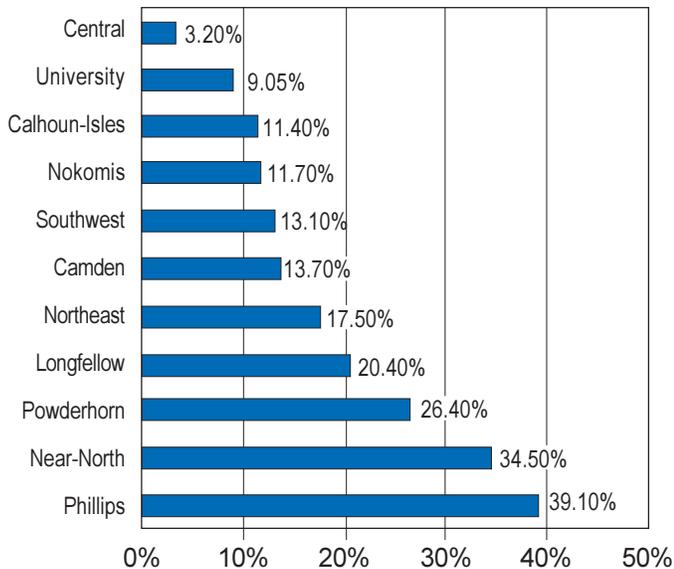
Community	Percent Below Average
Calhoun-Isles	11.40
Camden	13.70
Central	3.20
Longfellow	20.40
Near-North	34.50
Nokomis	11.70
Northeast	17.50
Phillips	39.10
Powderhorn	26.40
Southwest	13.10
University	9.05



## Construction and Demolition

The table shows that Phillips, Near North, and Powderhorn have the highest percentage of buildings rated below average. These communities have one-quarter to one-third of all structures rated below average. Two communities—Central and University—have low percentages due mostly to the high number of “unknown” status. Despite this, these two communities still have relatively low percentages of below average structures, as do Calhoun-Isles, Nokomis, Southwest, and Camden.

### BELOW AVERAGE HOUSING CONDITION, BY COMMUNITY



**New residential construction permits were issued for 347 housing units during 2000. There were wrecking permits were issued for 437 housing units, resulting in a net loss of 90 housing units in 2000. January through September 1, 2001, there were 290 construction permits, and 78 demolition permits, creating 212 new housing units.**

Construction permit data indicate a proposed addition of 347 housing units during 2000. New construction of 223 units for student housing, riverfront housing, and downtown housing projects contributed the most to this positive figure. New residential construction permits were issued to build 93 single-family detached homes and 30 units in smaller apartment structures. January through September 1, 2001, 153 more apartments in large buildings were added. The number of single-family units constructed in the first nine months of 2001 has already exceeded last year's total.

Residential demolition permits were issued for the removal of 437 residential units in 2000. During 2000, removal of public housing projects continued to contribute to this significant amount of demolitions. Permits were issued for the removal of 171 single-family detached structures and 71 duplex and smaller apartment buildings with three or four units. The largest category was the 195 apartment units removed in larger apartment structures. By September 1, 2001, there was a significant decrease in the number of wrecking permits. Demolitions for all types of housing were down by more than half. Of particular note is there were only two wrecking permits for large apartment buildings, down 96.5 percent from last year.

### CONSTRUCTION/DEMOLITION, Year End 1997 – 2001 (through September)

#### Construction Permits

(Units Added)	1997	1998	1999	2000	2001
Single Family	97	83	80	93	117
2,3,4-unit	17	30	30	31	20
5+ unit Rental	395	217	856	223	153
Total Units Added	527	357	994	347	290

#### Demolition Permits

(Units Removed)	1997	1998	1999	2000	2001
Single Family	121	197	274	171	63
2,3,4-unit	158	224	222	71	13
5+ unit	211	324	217	195	2
Total Units Removed	490	745	713	437	78

Net Change in Units	+37	-388	+281	-90	+212
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## Home Prices

One of the most challenging issues for Minneapolis in 2001 was affordable housing. The low vacancy rate and the rising cost of both apartments and houses brought the issue to the forefront. In the Wilder Research Center's *Metrotrend Report*, residents cited affordable housing as their number one concern in the Twin Cities. Home sales data for the first quarter of 2001, again, reflect a significant increase in sales prices over the past five years. Average single-family sales prices increased 21.6 percent over last year and by 53.1 percent since 1997. The median sale price for a single-family home in the city increased by 59.0 percent since 1997. First quarter 2001 saw the average sale price for a single-family detached home increase to \$163,967 dollars. Median sale price for a single-family detached home in Minneapolis rose to \$127,009, a 7 percent increase over last year. Sales volume decreased to 471 homes sold in the first quarter compared to 849 for the same period in 2000. This is a reflection of the very tight housing market in Minneapolis. In other words, there were few houses available to buy.

The entire state of Minnesota has been experiencing increased home prices. The median sales prices of existing homes grew 61 percent for the state between 1990 and 1999. The Minneapolis percent increase was 43 percent for the same period. In 2000, the Minneapolis-St. Paul area had the tenth highest median price for existing homes in the country for the 20 largest metropolitan areas. Home sale prices presented in this section

are detached single-family home sales within Minneapolis. Prices reflect sales occurring during the first quarter of the past five years. Sales data represent unverified and unadjusted prices reported on certificates of value submitted to the Hennepin County Property Taxation Department.

The average sale price of a Minneapolis single-family detached home sold during the first quarter of 2001 was \$163,967. This reflects a 21.6 percent increase from last year. The median sale price for a single-family detached home increased by 7 percent to \$127,009 in the first quarter of 2001. The high prices continue to reflect the strong regional demand for housing. The volume of single-family detached home sales decreased to 471 sales for the first quarter of 2001.

Community data show that the median sale price ranged from \$79,000 for the Phillips community to more than \$250,000 in the Calhoun-Isles community. Seven communities reported a median sale price at or above the citywide median. Four communities reported lower than citywide median sale prices.

In addition to the rising prices of single-family homes, townhouses rapidly increased in price and actually surpassed the price of single-family detached homes in 2000. The Maxfield Research Housing Study found that townhouses cost more in 2000 than single-family detached homes. The median sale price for a townhouse was \$145,361, while the median sale price for a single-family detached home was \$133,295.

### FIRST QUARTER SINGLE FAMILY HOME SALES 1997-2001

	1997	1998	1999	2000	2001
Median Price*	\$79,900	\$89,000	\$97,750	\$118,000	\$127,009
Average Price*	\$107,123	\$109,425	\$119,447	\$134,860	\$163,967
Number of Reported Sales	838	867	784	849	471

### FIRST QUARTER SINGLE FAMILY HOME SALE PRICES BY COMMUNITY 1997-2001\*

Community	Average Price					Median Price				
	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001
Camden	\$62,660	\$67,708	\$74,079	\$95,515	\$97,924	\$60,000	\$67,950	\$74,900	\$94,250	\$100,750
Northeast	\$75,434	\$78,900	\$89,646	\$106,808	\$143,039	\$78,450	\$79,500	\$89,900	\$103,785	\$135,500
Near-North	\$53,917	\$59,133	\$60,254	\$70,977	\$93,831	49,900	54,950	\$62,450	\$72,250	\$95,000
Central	NA	NA	NA	NA	\$250,448	NA	NA	NA	NA	\$134,500
University	NA	NA	NA	NA	\$224,091	NA	NA	NA	NA	\$210,000
Calhoun-Isles	\$332,937	\$225,520	\$335,317	\$291,029	\$358,260	\$216,250	\$186,000	\$300,000	\$210,500	\$268,873
Powderhorn	\$64,839	\$71,615	\$78,968	\$95,377	\$122,979	\$65,000	\$72,590	\$75,000	\$92,900	\$124,000
Phillips	NA	NA	NA	NA	\$90,000	NA	NA	NA	NA	\$79,000
Longfellow	\$80,796	\$85,353	\$107,966	\$109,616	\$140,744	\$75,900	\$81,950	\$85,353	\$104,500	\$143,300
Southwest	\$161,861	\$161,914	\$170,180	\$199,673	\$235,196	\$127,500	\$138,375	\$152,200	\$173,500	\$204,000
Nokomis	\$95,229	\$103,120	\$115,567	\$136,523	\$156,487	\$92,000	\$95,000	\$109,950	\$133,650	\$151,075

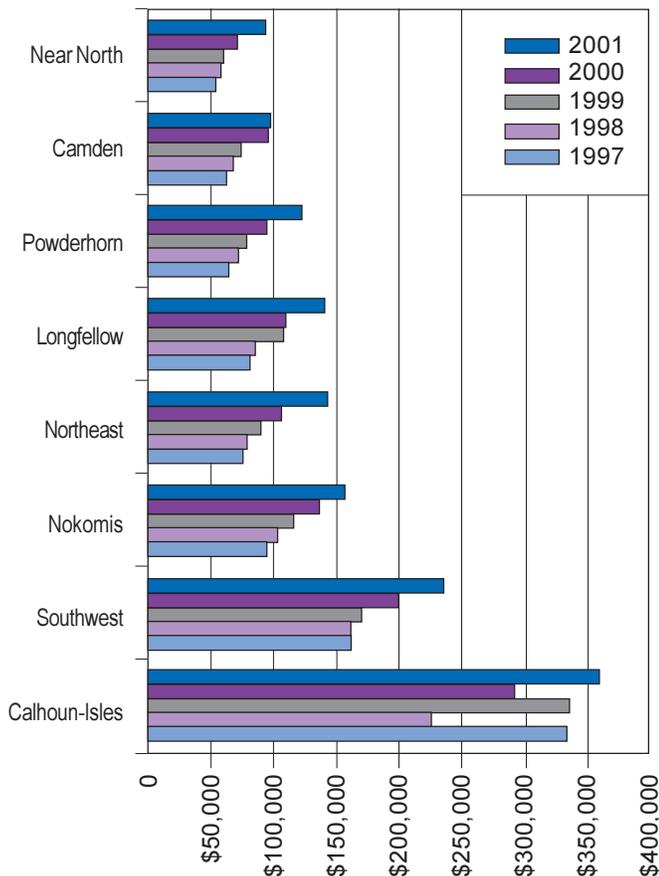
\*All figures reflect current dollars, not adjusted for inflation. Data from the Minneapolis Assessor's Office.



## Rental Costs

It was stated above that an owner-occupied house is considered affordable if a household earning 80% of the MMI could afford to buy it. Using the 2001 HUD MMI, a family of four earning 80% of the median income can purchase a home for \$140,000. Using this criterion, Camden, Near North, Phillips, and Powderhorn are affordable communities for a moderate-income household. Looking at median sale prices, more than 50 percent of houses sold in six communities were affordable to moderate-income households. In five communities, more than 50 percent of the houses sold are unaffordable.

**FIRST QUARTER AVERAGE SINGLE FAMILY HOME PRICES BY SELECTED COMMUNITIES, 1997-2001**



**Average rental cost for an apartment continued to increase during the first half of 2001. Average rent for a Minneapolis apartment was \$815 dollars, an increase of 18.7 percent for the first half of 2001. Rental survey data show rental costs increased for all unit types except studio. One-bedroom apartments increased by 12.4 percent. Large apartments with two or more bedrooms increased by 8.2 percent from the first half of 2000. Median rental costs increased to \$742, a 15.8 percent increase over the 2000 first half median.**

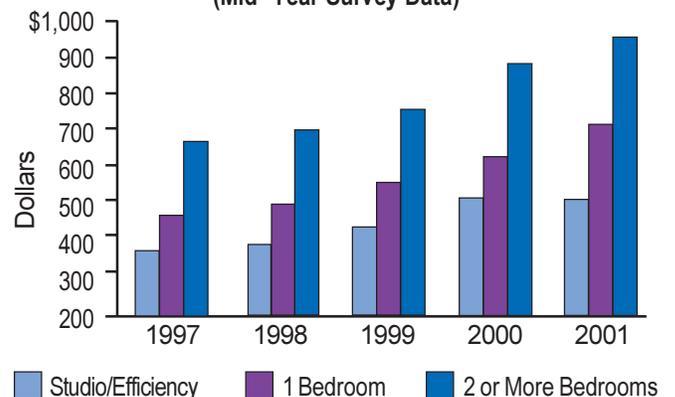
Apartment rental costs are from the GVA Marquette Advisors "Apartment Trends" report, second quarter 2001. Rents are reported for studio/efficiency, one-bedroom and two or more bedroom apartments. Numbers reported reflect rents during the first six months of 2001.

The average rent for a Minneapolis apartment increased to \$815 dollars, a 18.7 percent increase from the first half of 2000. Average rents ranged from \$502 for a studio/efficiency unit to \$710 for a one-bedroom unit and \$967 for units with two or more bedrooms. Three bedroom units (not listed in the table) climbed to \$1,092 a month. Median rental costs increased to \$742 in the first half of 2001. The difference in the average and median rents shows how very high rents are skewing the dollar amount upwards. Affordability, housing condition, and neighborhood livability remain top concerns for most renters, particularly for families with children who have very limited income and, therefore, very limited housing choices.

**FIRST HALF AVERAGE APARTMENT RENTS, 1997 - 2001**

Apartment Type	1997	1998	1999	2000	2001
All Apartments	\$507	\$536	\$606	\$671	\$815
Studio	381	390	441	507	502
One-Bedroom	476	502	572	622	710
Two or More Bedrooms	674	704	772	888	967
Median All Apartments	475	495	575	625	742

**AVERAGE MINNEAPOLIS APARTMENT RENT, 1997 - 2001 (Mid-Year Survey Data)**



Rental costs vary considerably from community to community in Minneapolis. Using information in the StarTribune classifieds, the table below shows the difference in price of units for the Minneapolis communities for 1997 and 2000. The differences in rent for 1997 range from a low of \$431.67 in Camden to a high of \$700.25 in Calhoun-Isles. For the year 2000, all communities experienced an increase in rent. The highest rent in 2000 was in the Central neighborhood where rent was averaged at \$960.25. The Central neighborhood also experienced the largest percent change in rent, up 39 percent from 1997, and the largest decrease in the number of units available during this period, down 147 percent. The cheapest rent in 2000 was in the Nokomis Community, with an average of \$601.67 per month. This is the smallest increase in rent from 1997 to 2000, at a 6 percent climb. The Camden and Nokomis communities were the only community to have an increase in units available with a 22.7 percent increase. The communities with the largest decrease in units available are the aforementioned Central (-147.8 percent), Phillips (-118.8 percent), Powderhorn (-73.6 percent), and Longfellow (-67.0 percent). This illustrates how extremely tight the rental market was in the year 2000.

The number of units available for rent is important since it indicates the vacancy rate. The Minneapolis vacancy rate for the second quarter of 2001 is 1.7 percent, one of the lowest rates in the country. Experts say the desirable vacancy rate is 5 percent, whereby there is "market equilibrium" in the rental market. Rates below 5 percent can result in higher rents, as has happened in

Minneapolis. As the number of seniors grow, and the children of the baby boomers – the baby "boomlet" – graduate, the rental market may continue to be tight in the next few years.

Another piece of information included in this table is the housing wage. Housing wage is the amount of money one must make per hour working full time in order to afford rent using 30 percent of their gross income, as recommended by housing experts. In 1997, the housing wage for Minneapolis was \$10.56 per hour. In 2000, that number grew to \$13.80 per hour, a 23 percent increase. As stated above, the livable wage for a full-time worker in Minneapolis is \$9.33, a difference of almost \$4.50.

Housing is deemed affordable if a family making at least 50% of the HUD median income level can rent it, or a family making 80% of the median income can purchase it. In 2000, the metropolitan median income was \$68,600. In 2001, the median income is \$74,400. This number represents the household income for a family of four. The baseline for renting an apartment at 50% of the median income is \$738 a month for a two-bedroom apartment (the minimum size apartment for a household of four). In 2000, the average two-bedroom apartment rented for \$888 (\$976 in 2001). As we can see by looking at the table above, only three communities have average rents below \$738 for two bedroom apartments. They are Nokomis, Northeast, and Phillips (the Nokomis community is normally not considered affordable, and indeed, this may be a reflection of the low amount of apartment units found in that community).

Community	Average Rent 1997	Average 2000 Rent 2 Bedroom	Average Rent 2000	Percent Change in Rent	Percent Change in Number of Available Units
Calhoun-Isles	\$700.25	\$971	\$899.75	22	-32.9
Camden	431.67	871	667.00	35	22.7
Central	587.25	821	960.25	39	-147.8
Longfellow	552.25	800	625.33	12	-67.0
Near-North	507.75	750	758.75	33	-52.2
Nokomis	567.00	687	601.67	6	-23.1
Northeast	520.50	698	831.50	37	-34.0
Phillips	518.50	641	656.00	21	-118.8
Powderhorn	551.75	789	726.00	24	-73.6
Southwest	635.75	860	881.50	28	-1.0
University	566.00	828	745.75	24	-53.1
Minneapolis Average Rent	548.25		716.36	23	-46.0
Housing Wage 2000-1997	10.56		13.80 3.24	23	

Source: Planning Department



## Publicly Owned Rental Housing

The Minneapolis Public Housing Authority (MPHA) began implementing its first ever five-year strategic plan in 2001. Additionally, MPHA made plans to expand its seniors housing program, help more families become first-time homeowners, increase citywide capital improvements to nearly \$120 million, and to more fully utilize its affordable housing resources. HUD again rated MPHA as one of the top performing large public housing authorities in the country. In 2001, MPHA provided quality, affordable housing for nearly 20,000 families and individuals through its public housing, Section 8 rental assistance, and homeownership programs.

In August 2001, HUD designated MPHA as a public housing "High Performer" for excellence in overall operations during the year 2000. HUD has rated MPHA as one of the best-operated housing authorities in the country since 1997.

An inventory of publicly owned housing in Minneapolis reveals that MPHA owns and manages 5,770 public housing units throughout the city. There are 4,854 units in 40 high-rise, mid-rise and low-rise apartment buildings. In addition, there are 183 townhouse apartments in the Glendale family development in Prospect Park near the University of Minnesota, and 733 scattered-site, single-family homes. MPHA marked its 69<sup>th</sup> consecutive month of 99 percent occupancy of all its available public housing units in August 2001, and currently has some 7,200 individuals and families on its public housing waiting list.

MPHA administered some 3,700 Section 8 certificates and vouchers during 2001. The agency increased its Section 8 utilization rate from 89 percent in 2000 to 93 percent in August 2001; therefore, several hundred more families were able to secure affordable housing in 2001. There are now fewer than 2,800 families on the Section 8 waiting list.

### Senior Housing

MPHA operates what many industry leaders consider the best and most successful senior public housing program in the country. The agency manages seven senior housing sites with more than 1,400 apartments, and made plans to expand this program to four other buildings by the end of 2002, starting in the fall of 2001. MPHA also operates assisted living programs for elderly and frail adults at four of its apartment complexes.

### Homeownership

MPHA further increased homeownership in Minneapolis by providing homeownership opportunities to eligible public housing and Section 8 families through its two home buying programs. MPHA initiated its Homeownership Made Easy (HOME) program in January 1993. Since that time, 720 families have participated in home-

ownership educational counseling, and 122 families have become first-time homeowners by purchasing their own homes.

At the request of former Mayor Sharon Sayles Belton, the Minneapolis Public Housing Authority developed a national demonstration program to utilize Section 8 rent assistance funding from HUD to assist 50 current Minneapolis Section 8 families in becoming homeowners. HUD approved the program in 1998, making MPHA the first and only housing authority in the country to offer such an innovative approach. The program entitled, *Moving Home*, was formally started in 2000, and three families have now purchased homes. Four other families are pre-approved for mortgage loans and are seeking homes, and another family anticipates closing on their newly renovated home by the end of 2001.

### Capital Improvements

The Department of Housing and Urban Development (HUD) introduced the Capital Fund Program in 1992 through which funding for capital and management improvements could be provided to housing authorities across the country. This funding has enabled MPHA to embark on the most ambitious and comprehensive modernization of public housing in the city's history.

Since initiating its comprehensive grant program, Minneapolis has received \$136.5 million in capital and management improvements funding for projects throughout the city. More than \$132 million worth of work has been completed, including nearly \$120 million in capital improvements citywide. This includes the renovation of all 40 high-rise buildings and the rehabilitation of nearly all scattered-site homes. MPHA's capital improvements program is affecting many dozens of neighborhoods throughout Minneapolis.

MPHA's citywide capital and management improvements campaign is producing the most unprecedented renewal ever of the city's public housing stock, while better preserving these affordable housing properties for the future.

### Other MPHA Accomplishments

- Introduced its strategic plan in 2001 (*see following section for details*).
- In collaboration with resident organizations drafted and introduced a new public housing lease in 2001.
- Earned a \$1.4 million Public Housing Drug Elimination Program grant from HUD this year to help fund its comprehensive security program.
- MPHA and resident organizations collaborated in developing distribution and use guidelines for funding from HUD's new resident participation funding program.
- The agency launched a comprehensive website in 2001

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## MPHA Celebrates its 10<sup>th</sup> Anniversary

MPHA marked its 10<sup>th</sup> anniversary as an independent agency this past year. A comprehensive booklet that documents MPHA's key milestones and accomplishments over the past decade was released. The document – ***A Decade Of Performance, A Future of Promise*** – can either be viewed on MPHA's website at [www.mphaonline.org](http://www.mphaonline.org) under About MPHA: *Reports, Plans and Documents*, or a copy may be obtained by calling the Public Information Office at 612-342-1399.

## Five-Year Strategic Plan Introduced

The MPHA completed its first five-year strategic plan in 2000, and began implementing the plan in 2001. The plan commits the agency to five priority action areas:

- Core Services – property and resource management
- Leadership and Partnership
- Expand Housing
- Customer Relations
- Communication

Highlights of the initial strategic plan implementation in 2001 include:

***MCDA/MPHA Joint Senior Housing Policy:*** MPHA and the MCDA have worked closely together over the last year to explore the legal and policy issues surrounding MCDA or MPHA ownership of senior rental housing. As part of that effort, MPHA and MCDA obtained a citywide market study of senior housing supply and demand to guide the development of a senior housing policy. The market study has provided valuable information supporting the city's need for senior housing strategies.

The policy framework identified agency roles and financing options. In addition, the MCDA has changed its multi-family rental and cooperative program so that additional points are given to those projects that meet the city's senior housing development goals and policies.

The policy framework also recommended an amendment of MPHA's charter ordinance to allow MPHA to own and develop moderate-income senior housing projects. This ordinance change will allow MPHA to participate in a number of potential funding tools, such as essential function bonds, and will allow the MPHA to become a full partner with the MCDA in its efforts to implement the senior rental housing policy framework.

***"It's All About Our Kids:"*** MPHA has joined forces with the Minneapolis Public Schools, the Minneapolis Community Development Agency, the Family Housing Fund, the Minneapolis Youth Coordinating Board, and Lutheran Social Services. Their goal is to work with families who are committed to participating in their children's education and who want to move to the community where their child's school is located. The goal of this collaboration is to increase student achievement

by providing a child with a stable safe home close to their school that will promote family involvement with the school, regular attendance, and better schoolwork.

MPHA has reserved 75 Section 8 vouchers for this program. The neighborhoods surrounding the following eight community schools are being targeted. Waite Park School in Northeast Minneapolis and Kenwood, Armatage, Kenny Keewaydin, Wenonah, and Morris Park schools located in South Minneapolis,

***Section 8 Project Basing:*** MPHA is converting up to 655 units of tenant-based Section 8 vouchers to project-based vouchers. MPHA sent out proposals with the Minnesota Housing Financing Agency's (MHFA) Super Request for Proposals process and the Minneapolis Community Development Agency's (MCDA) Multi-Family Housing Assistance process to solicit project-based Section 8 applications. MPHA received 20 applications for a possible 341 project-based units. MPHA's Board of Commissioners approved all 341 project-based units pending HUD approval. Virtually all of the applications are for supportive or transitional housing.

***Hollman Lawsuit Implementation:*** A class action lawsuit was filed in the summer of 1992 against MPHA, the City of Minneapolis, the Minneapolis Community Development Agency, and HUD alleging racial discrimination in the administration of public housing and Section 8 rental assistance programs in Minneapolis. The plaintiffs and defendants reached a settlement in January 1995 that was approved by the Federal Court in Minneapolis in April 1995.

The following is a brief recap of the key components of that settlement in light of the progress achieved through the implementation of that settlement:

- Two hundred and sixty nine replacement public housing units completed and readied for occupancy in Minneapolis (80) and suburban communities (189), up 47 units from 2000. In addition, the Metropolitan Council has acquired 50 more units for occupancy, and several hundred more units are being negotiated for development.
- The HousingLink, the metro area's first clearinghouse on affordable housing is now in full operation.
- The master plan for the redevelopment of the city's Near Northside into a mixed-income community with 900 new housing units was approved in 2000; a community groundbreaking ceremony was held on October 2, 2000. Infrastructure construction started in 2000 and housing construction will begin before the end of 2002, including the construction of 200 family public housing units and 100 senior public housing units.
- Successful relocation of all families from Sumner-Olson and Glenwood-Lyndale completed with nearly one-fifth of these families becoming first-time homeowners.

**TOTAL PUBLICLY SUBSIDIZED RENTAL HOUSING 2001**  
(Publicly Owned and Subsidized, as of September 2001)

	Publicly owned		Subsidized		Total	
	Family/General Occupancy	Elderly/General Occupancy	Family/General Occupancy	Elderly/Special Needs	Family/General Occupancy	Elderly/Special Needs
Camden	0	251	0	6	0	257
Northeast	0	943	17	4	17	947
Near North	0	644	588	8	588	652
Central	0	964	608	1,006	608	1,970
University	183	539	884	205	1,067	744
Calhoun-Isles	0	0	16	0	16	0
Phillips	0	664	334	568	334	1,232
Powderhorn	0	533	341	14	341	547
Longfellow	0	317	676	302	676	619
Southwest	0	0	12	4	12	4
Nokomis	0	0	30	36	30	36
Scattered Site	733	0	0	0	730	0
(Section 8)	0	0	3,700	0	3,700	0
Subtotal	916	4,855	7,206	2,153	8,119	7,008
<b>Total Publicly owned</b>		<b>5,767</b>				
<b>Total Subsidized</b>				<b>9,459</b>		
<b>TOTAL</b>						<b>15,226</b>

