



Largest-Ever Non-Federal Investment in MPHA (HF 4169/SF 4020)

This new legislation would be the largest non-federal funding (\$35 million) ever delivered to MPHA and would **permanently and dramatically alter the future of MPHA’s deeply affordable family housing portfolio**—enabling MPHA to overcome decades of underfunding from HUD that produced the portfolio’s current deferred capital backlog. This investment would benefit both the **3,100 residents living in these homes today as well as the estimated 3,800 families (and likely tens of thousands of residents) who would live in these homes over the next 30 years.**

Through the agency’s wholly controlled non-profit, Community Housing Resources (CHR), the agency owns and operates more than 700 deeply affordable single-family, duplex, fourplex, and sixplex homes spread across every legislative district in the city, serving more than 3,100 people. The homes are often referred to as MPHA’s “scattered site” housing. These homes account for more than 80 percent of the MPHA housing available for families with children. **Of the residents who call scattered site properties home, 88 percent are black, 86 percent are female-led, and nearly two-thirds are households of five or more—families with children. The agency also maintains a waitlist for this type of housing, recently exceeding 7,500 people.** More than 80 percent of those on the waitlist are households of color.

These homes are a proven tool to provide families a solid foundation for upward mobility. Of the current scattered site heads of household, 19 percent were employed when entering their new home. On average, these residents earned \$20,722 a year in income. **Today, 70 percent of these residents are employed, earning an average of \$37,321 a year, with more than 60 percent of these residents’ earned income increasing while in these homes. Better yet, since 2020, nearly 16 percent of all families leaving scattered site homes have gone on to purchase their own homes.** Families living in CHR homes stay for an average of six years before moving to new housing.

The portfolio’s current backlog of capital needs stands at \$33 million. If left unaddressed, the need becomes \$70 million by 2034. Currently, the agency is committing more than \$2 million annually into capital repairs into the portfolio, but that investment is insufficient to address the portfolio’s needs. If left to only MPHA’s annual contribution, over the next 10 years, the portfolio of homes will end up in worse condition than they are today.

This proposed investment led by Senator Mohamed and Representative Hassan would transform deeply affordable family housing in Minneapolis for a generation. The ability to resolve an additional \$35 million of work over the next four years on top of the annual funding it receives from HUD and other jurisdictions would mark the single largest non-federal investment ever received to improve the agency’s capital backlog. Upon the completion of work over a four-year window, MPHA estimates its deeply affordable family housing portfolio **would become self-sufficient, with annual federal subsidies covering the estimated costs of routine annual capital improvements.**

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