

**Testimony by  
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**U.S. Senate  
Committee on Banking, Housing, Urban Affairs  
Subcommittee on Housing, Transportation, and Community  
Development**

**“Safe at Home: Preserving and Improving Federally Assisted  
Housing.”**

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The Minneapolis Public Housing Authority (MPHA) is the largest housing authority in the state of Minnesota and our mission is to promote and deliver quality, well-managed homes to a diverse low-income population and, with partners, contribute to the well-being of the individuals and families in the community we serve. MPHA provides rental assistance to over 26,000 people through our public housing and Housing Choice Voucher Programs. MPHA owns and operates over 6,000 units of public housing, including over 900 single family homes/townhomes and 42 high-rise apartment communities. Our high-rise population is over 60% elderly and disabled, over 80% identify as a person of color, and our average household income is under \$13K annually, which is approximately 18% of the Area Median Income.

I am also the Chair of the Legislative Network Advisory Committee of the National Association of Housing and Redevelopment Officials (NAHRO). NAHRO, which was established in 1933, is a membership organization of 20,000 housing and community development providers and professionals throughout the United States. NAHRO members create and manage affordable housing for low- and middle-income families and support vibrant communities that enhance the quality of life for all. They administer more than 3 million homes for more than 8 million people.

I come here today to support Sen. Tina Smith’s and Sen. Amy Klobuchar’s Public Housing Fire Safety Act (S. 265), which would provide needed resources to Public Housing Agencies (PHAs), including MPHA, to install fire sprinklers. Additionally, I am here to support the investment of at least \$70 billion to address the capital needs of public housing properties across the country.

## **Why Sprinkler Systems are Critical Infrastructure: Minneapolis Public Housing Authority's Story**

In November of 2019, a fire occurred in one of MPHA's 42 high rises that took the lives of 5 MPHA residents. In April 2020, I was selected to serve as MPHA's new Deputy ED alongside Abdi Warsame, MPHA's new Executive/CEO. Despite overwhelming physical needs throughout the entire portfolio, we have made the installation of fire suppression systems a top priority. In doing so, constrained by a severe lack of funding, we are forced to ignore other critical needs of our aging building systems.

MPHA is implementing a plan to install sprinkler systems in ten of its buildings in 2021 (16 are already retrofitted with sprinkler systems) and plans to complete installations in all remaining buildings within the next 3 years. Retrofitting a single sprinkler system can cost \$1 million or more, with the overall cost for this year's installation in ten additional high rises estimated at over \$9.3 million. Each of these buildings has many additional urgent needs that demand attention at the same time, but this work alone will consume more than one-half of all capital funds appropriated from Congress to MPHA for 2021. While we recognize that the investment in sprinklers is essential, the result of prioritizing the sprinkler work is that other crucial capital needs remain unmet.

Federal investment in public housing has declined for many years and there is a growing backlog of capital needs. These needs include not just sprinklers, but electrical, plumbing, heat, and other essential building systems. MPHA estimates a \$164 million capital repair backlog across our 6,000-unit portfolio and this figure does not include important upgrades to improve the housing we provide for the long-term.

Despite inadequate funding, MPHA has made progress on addressing the health and safety needs in our public housing buildings. We have installed radon mitigation systems in all new builds since the mid-late 2000s. This includes a few scattered sites, 350 Van White, Feeney Manor and most recently Minnehaha Townhomes. Funding/dates as follows:

- 350 Van White: primarily HUD HOPE VI funds, 2005
- Feeney Manor: primarily federal competitive stimulus dollars (ARRA), 2009/10
- Minnehaha: state, county, city, Federal Home Loan bank and MPHA/HUD resources, 2018/19

We have installed a few radon mitigation systems in existing scattered sites, as issues were identified in the course of major rehabilitation work. For the scattered sites rehab effort, we plan to test all units as part of lender due diligence and install mitigation systems as part of construction in all units that have radon levels that require mitigation. We plan to test in fall 2021 and work from 2022-24. We have installed soil vapor mitigation systems at three high-rise properties – the two Elliot Twins and Signe Burkhardt Manor. We received a Brownfield Gap grant from Hennepin County for the consulting/design work associated with the Elliot Twins.

Minnesota Statute 299F.50 requires approved carbon monoxide (CO) alarms in all single-family homes and multifamily apartment units. MPHA installed combo smoke-carbon monoxide (CO) detectors in all units in the mid-late 2000s and we replace in kind as required/needed in accordance with state requirements.

Finally, like all PHAs nationwide, in 1992 MPHA evaluated its scattered sites portfolio for lead-based paint hazards; remediation efforts were completed in the 426 homes where hazards were identified. In 2018, MPHA applied for and was awarded a \$1M HUD LBP capital grant to re-evaluate and remediate identified LBP hazards in our scattered sites homes. MPHA identified and remediated LBP hazards in interiors/exterior of 26 units and the exteriors only at 180 units. The exterior work identified was primarily soils remediation work.

In recent years, our Minnesota State lawmakers and Congressional delegation have been working on a variety of bills that would help address the need for fire sprinkler systems in high-rise buildings. The Minnesota National Association of Housing and Redevelopment Officials has estimated that in addition to MPHA, at least 1,000 other public housing units in the state are not fully sprinkled. In July 2021, the MN Legislature passed a bill that will mandate sprinklers in public housing high-rise apartments by 2033, but the bill did not include any type of funding to support this mandate. MPHA hoped that the state legislature would have recognized the scale of the expense and public housing's overall unmet capital needs along with its recognition of the need for sprinklers. The funding proposed in the Public Housing Fire Safety Act would help us address this unfunded state mandate.

## **Housing is Infrastructure: Federal Disinvestment in Public Housing is a National Problem**

Minneapolis is not the only agency that struggles to keep up with growing capital needs and few federal resources to preserve our affordable housing. The state of Minnesota has units in all 87 counties with a total estimated backlog of \$355M. The National Association of Housing and Redevelopment Officials estimates that the current backlog of capital needs for public housing properties nationwide exceeds \$70 billion.

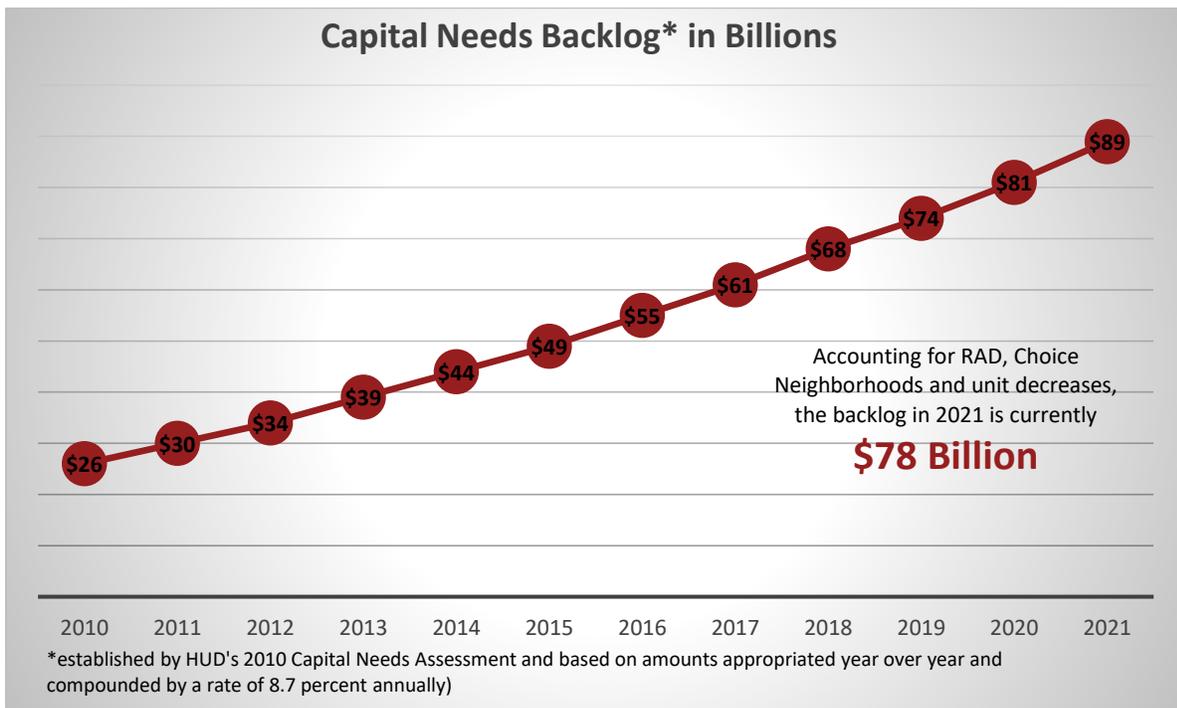
### *What is the Capital Fund backlog?*

PHAs own and operate approximately one million units of federally subsidized public housing, providing affordable housing to families, the elderly, persons with disabilities, and veterans. Funding for public housing comes from two sources, the Operating Fund, which covers day-to-day maintenance and operations, and the Capital Fund. PHAs use Capital Fund dollars to repair and improve their public housing sites and buildings, address deferred maintenance needs, and replace obsolete utility systems. Sadly, chronic underfunding of the program has placed the inventory at risk, and Capital Fund appropriations lag dangerously behind accruing modernization needs.

In 2010, the national Public Housing Capital Needs Assessment showed that the total backlog for public housing capital funding was \$26 billion, with a projected growth rate of approximately \$3.4 billion per year. Furthermore, the report noted that each year the cost of the backlog compounds at a rate of 8.7 percent due to inflation and the increased cost of addressing deferred maintenance. As a result, even when accounting for other federal capital programs, including the Rental Assistance Demonstration (RAD) and Choice Neighborhood Grants, NAHRO estimates the Capital Fund backlog was approximately \$70 billion in 2019.

### *NAHRO Capital Fund Backlog Methodology*

Since 2010, the number of public housing units across the country has decreased from the 1,079,561 units included in the 2010 assessment to 957,971 units in 2020, based on HUD Picture of Subsidized Housing (POSH) data. This represents an 11.26% reduction in units. To address this, we have decreased the backlog by 11.26%, representing the percentage of units that have left the Public Housing program through RAD, demolition, disposition, and voluntary conversion since 2010. This places the backlog at \$78.828 billion.



### *RAD and Choice Neighborhoods help, but do not replace the Capital Fund*

PHAs have been able to reduce the Capital Needs backlog through RAD and Choice Neighborhood Grants. PHAs have used \$12.6 billion through RAD and have received \$487.425 million in Choice Neighborhood Implementation Grants specifically for housing rehabilitation

and new construction through those grants since 2010. RAD and Choice Neighborhoods have only reduced the backlog by about \$13.087 billion. In June 2020, MPHA completed their first RAD conversion, which enabled us to do a complete rehabilitation, including sprinkler retrofitting.

In addition, MPHA has turned to looking for resources outside of the Capital Fund to complete our sprinkler projects. In February 2020, I, along with Resident Commissioner Tamir Mohamud testified before the state legislature about the Capital Fund backlog and advocated for state dollars to fill the gap to allow for the completion of important health and safety projects. We have advocated and applied for dollars at the city, state, and federal levels. Most recently we applied for Congressionally Directed Spending within all 3 of our MN delegation offices.

### **What can be done to Save Public Housing?**

Eradicating the public housing capital needs backlog is an investment in people and a cost-saving mechanism that prevents additional expenditures downstream. Each year the Capital Fund backlog grows, resulting in deferred maintenance costs add additional strains to the public housing portfolio. Accounting for underfunding, inflation, and the costs of deferred maintenance, the Capital Needs backlog has grown significantly in the past decade. Congress must provide the funding necessary to ensure communities can provide safe, secure housing to current residents of public housing and families who will need access to low-income housing in the future.

This is unlikely to happen through annual appropriations. Congress must make a large-scale investment in public housing to preserve this affordable housing asset for future generations. Congress must include at least \$70 billion for the Public Housing Capital Fund, including a robust allocation to Capital Fund formula funding.

Additionally, funding targeted specifically at health and safety issues in public housing would ensure that any issues with properties that could endanger residents' lives are quickly addressed. The Public Housing Fire Safety Act, in conjunction with a large-scale investment in the Public Housing Capital Fund, is needed to ensure that the critical needs of public housing across this country are being met.

MPHA cannot make these needed repairs without significant resources provided by Congress. My residents are depending on Congress to finally provide MPHA with the funding it needs to improve and preserve their units.

### **Public Housing is Worth Preserving**

Public Housing is a critical piece of the affordable housing landscape. It provides permanently affordable units to the lowest income families across our nation. According to a recent report by the National Low-Income Housing Coalition, there were only about 37 affordable and

available rental units for every 100 extremely low-income renter households prior to the COVID-19 pandemic. At that point, 70% of extremely low-income renters spent more than half of their incomes on housing costs. Preserving public housing for future generations is crucial to meeting the growing need for more affordable units in every community.

In Minneapolis, public housing is an integral part of the community, serving 5% of the city's population. In March, Minneapolis High Rise Representative Council Vice President Tamir Ali Mohammad testified before the House Financial Services Housing, Insurance, and Community Development Subcommittee on the importance public housing played in his community during the pandemic. I want to share with you his testimony that in his words shows the importance of having a safe and affordable place to call home:

“When the pandemic hit and Gov. Walz issued the first stay-at-home order last March, MPHA closed the high-rise community rooms and asked residents to stay in their apartments and only go out for appointments, necessary shopping and exercise.

MPHA stopped staff from entering resident apartments for routine maintenance and instead had them do extra cleaning of building entrances and elevators. MPHA provided food boxes and boxed meals by working with community partners when congregate dining and mobile food shelves had to close, including providing halal meals during Ramadan. MPHA hosted a mask drive and through community donations, including Dunwoody Institute, they were able to provide masks for all residents and staff when that became a recommendation for preventing COVID. Through community donations and a grant from the Pohlad foundation, MPHA organized delivery of personal hygiene products to residents after many stores were looted and burned following the police killing of George Floyd in May.

MPHA posted informational signs about mask wearing and physical distancing and worked with Resident Council members and Security to enforce mask mandates. MPHA also restricted the number of visitors that could come into the buildings and added extra security guards to help control traffic and enforce the mask-wearing rules. Throughout the year, MPHA staff shared information and answered questions at on-going resident meetings held via teleconference due to the pandemic.

MPHA organized on-site COVID testing throughout the pandemic and offered on-site flu shots in the fall. On March 8, MPHA, through its collaboration with the city health department, began vaccinations in high rises and today nearly all 1<sup>st</sup> round of COVID vaccination clinics have been completed at all 42 high rises at MPHA.

Not only has MPHA provided me with stable housing, MPHA has been an important partner with residents. Through resident councils and MHRC board and committee meetings, residents regularly communicate, and problem solve with MPHA staff on

individual high-rise and city-wide issues, like safety and building maintenance. This partnership and cooperation has been invaluable in improving the quality of lives of people living in public housing high-rises.

Public housing is a valuable resource to the city of Minneapolis as it means safe and affordable housing for the members of our community who have the greatest need. Homelessness has grown in Minneapolis. We see ‘tent cities’ spring up all around us and there are not enough shelter beds to meet the need. Public housing is one answer to the housing shortage. It is critical that it is preserved and increased. We depend on Congress to provide enough funding to preserve and expand public housing. It has failed in this role for too long. It’s time to provide sufficient funds so that existing public housing homes are no longer lost to disrepair and it’s time to end the prohibitions on construction of new public housing.”

### **Conclusion**

In order for MPHA to make the needed investments in its public housing stock, including the addition of fire sprinklers in its towers, we need Congress to meet their obligation to provide safe housing to our residents and fully fund the \$70 billion Public Housing Capital Fund backlog. We also need targeted investments to help us quickly address this pressing safety issue through the passage of the Public Housing Fire Safety Act.

Chairwoman Smith, Ranking Member Rounds, thank you for the opportunity to testify today. I am happy to answer any questions.