



MINNEAPOLIS PUBLIC HOUSING AUTHORITY

HOLLMAN VS. CISNEROS PUBLIC HOUSING LAWSUIT **10 YEARS LATER, 1992 - 2002: MPHA** **IMPLEMENTATION UPDATE**

August 28, 2002

The Minneapolis Public Housing Authority (MPHA) has played a lead role in implementing required actions in the Hollman Consent Decree since it was approved by the federal court in April 1995. This is a preliminary report documenting implementation activities completed or being completed as of August 2002. The Family Housing Fund is planning to publish a more formal 10 year update by the end of this year.

This preliminary 10 year Hollman update from MPHA includes four parts:

- Part 1 – Historical background to the Hollman lawsuit
- Part 2 – A brief overview of the Hollman Consent Decree
- Part 3 – An update of the primary implementation activities completed or currently underway
- Part 4 – MPHA's main conclusions on the implementation steps being taken and the results

PART 1 - HISTORY

The Hollman vs. Cisneros lawsuit was filed on July 29, 1992 by public housing and Section 8 families and the NAACP alleging historical patterns of segregation in the location and administration of the city's family public housing and Section 8 programs. The lawsuit was filed against the Minneapolis Public Housing Authority (MPHA), the City of Minneapolis, the Minneapolis Community Development Agency (MCDA), the U.S. Department of Housing and Urban Development (HUD) and the Metropolitan Council.

In a sense the seeds to the lawsuit were planted in the early 1950s. At that time the Minneapolis City Council decided to locate hundreds of new low-income family units on the city's near northside (along with 184 units in Glendale in the Prospect Park neighborhood), rather than in scattered locations throughout the city as proposed by the Minneapolis Housing and Redevelopment Authority (MHRA).

CONTINUED ON NEXT PAGE

**HOLLMAN LAWSUIT 10 YEARS LATER
MPHA IMPLEMENTATION UPDATE/AUGUST 28, 2002 - PAGE TWO**

The lawsuit, in which Legal Aid represented the class of families, sought more locational choice for families in public housing and Section 8 programs and improved housing conditions for families living in public housing on the near northside through redevelopment of that immediate area. For a variety of reasons, the plaintiff and defendant parties agreed to settle the case.

Major terms of the settlement were reached between HUD, MPHA and the City on January 6, 1995, in a meeting facilitated by Congressman Martin Sabo in his Washington office. These terms were announced at a January 13 news conference in former Mayor Sharon Sayles Belton's office in Minneapolis.

The terms were formalized in the Consent Decree approved by the Fourth District Federal Court under Judge James Rosenbaum on April 20, 1995. This settlement agreement was called the Hollman Consent Decree and the defendant parties were ordered to implement certain requirements to achieve the overall goals of the Decree.

PART 2 – CONSENT DECREE

The Consent Decree requires a number of actions to be taken by MPHA and the other defendant parties. The primary required actions include: relocation of families from the Sumner-Olson and Glenwood-Lyndale housing developments prior to the demolition of this housing; the disposition or demolition of up to 770 public housing units and the replacement of these units; the redevelopment of the city's near northside; creation of an affordable housing clearinghouse; the issuance of 900 new Section 8 certificates (now vouchers); and providing housing mobility counseling to families.

PART 3 – CONSENT DECREE IMPLEMENTATION UPDATE

The following is an update as of July 29, 2002, of the Consent Decree implementation activities completed or being completed by MPHA.

Family Relocation

- 514 families occupied Sumner-Olson and Glenwood-Lyndale family public housing units prior to the demolition of the units and all relocated and secured other housing.
- Relocation benefits included moving costs, security deposits, rental application fees, counseling and for qualified families, down payment and closing cost financial assistance in purchasing homes.

CONTINUED ON NEXT PAGE

Near Northside Redevelopment

- The Consent Decree required a redevelopment “Action Plan” to be developed through a process to incorporate resident and community input. Focus groups met in 1996 and adopted recommendations to the Action Plan for a mixed-income, high-amenity community.
- The City, MCDA and MPHA approved the Action Plan in late 1997.
- McCormack Baron & Associates and Legacy Management and Development were selected as the lead development team in spring 1999.
- The Master Plan for redevelopment was approved in spring 2000 – groundbreaking that October.
- Housing construction started in November 2001, with the first units to be completed for occupancy by fall 2002.
- A community naming committee met in the fall of 2001 providing input and recommendations from which the development was named Heritage Park.
- Heritage Park will include 900 new housing units – 800 family, and 100 units for seniors. The 800 family units break down this way:

440 rental units

- **200 public housing**

- **90 other affordable (tax credit) units**

- **150 market-rate**

360 Homeowner units

- **250 market-rate**

- **110 affordable**

- An extensive community outreach plan has been implemented to contact families who have a priority to return to the area. First priority goes to families who were displaced because of the demolition of the Sumner-Olson and Glenwood-Lyndale units. As of August 1, 2002, 154 or 41% of all priority one families have indicated an interest in returning, and the first 15 priority one families have had their applications completed, screened and accepted for occupancy. These indications show that most if not all of the first public housing units completed will be occupied by priority families who are returning to the area.

Clearinghouse

- Consent Decree requires the establishment of a metro area affordable housing clearinghouse with MPHA to provide \$2.5 million in funding to get it started. MPHA provided that full amount of funding in getting the clearinghouse created and up and running.
- This clearinghouse, the HousingLink, began operations as an independent, non-profit organization in 1997. HousingLink has published three affordable housing directories, works with more than 400 agencies and averages about 250 visits per day to its Web site.

Section 8 certificates/vouchers

- Consent Decree mandates issuance of 900 new Section 8 certificates/vouchers that can only be used in non-concentrated neighborhoods – to date, 280(31%) have been utilized.
- MPHA is now working with Person to Person to provide counseling to eligible families on the Section 8 waiting list in order to get up to 600 or more Hollman vouchers utilized.

Housing mobility counseling

- The Consent Decree requires providing mobility counseling services to Section 8 families to better assist them in utilizing their Section 8 vouchers in areas not concentrated in terms of race and poverty, while helping to remove as many barriers as possible which impede the exercise of informed choice by Hollman class members in determining where they will use their Section 8 vouchers.
- To date, 635 families have received mobility counseling. (See above regarding additional mobility counseling now being provided through a contract with the Person to Person firm.)

PART 4 – MPHA CONCLUSIONS

1. Implementing the Consent Decree is providing increased housing choices for more families than at any time in the history of the city's public housing program.

- The 770 replacement units will provide families on MPHA's waiting list with rental housing opportunities in at least 29 Twin Cities communities.
- 80 families became first-time homeowners through relocation.
- Family public housing in Minneapolis has more locations spread throughout the city rather than concentrated on the near northside.

2. Developing the replacement public housing units in suburban communities, non-concentrated Minneapolis neighborhoods and Heritage Park is vastly improving the quality of family public housing units for families.

- The 770 replacement units include new construction homes, and the purchase and rehab of existing family homes.
- The quality of the replacement units exceeds and in many cases far exceeds the quality of the homes that were disposed of or demolished.

3. No other large urban public housing authority in the country has succeeded as well as MPHA in securing such broad locational choices in the development of family public housing units.

- The Chicago Tribune in a November 6, 2001, front page story contrasted MPHA's success with Chicago being unable to develop even one suburban unit 30 years after the landmark Gautreaux lawsuit was filed.
- Unlike cities with HOPE VI redevelopment projects where concerns are being raised that families displaced by demolition are not getting adequate opportunities to move back into the newly-constructed housing, MPHA is ensuring that families with a priority to return (as defined in the Consent Decree) have the opportunity to do so. It is estimated that all of the first units available in Heritage Park will be occupied by priority families.

4. The development of Heritage Park produces a positive renewal impact on the city's near northside as well as the broader community.

- The former concentration of 700+ distressed public housing units will be replaced with 900 housing units - both rental and homeownership - for families and individuals of a wide range of incomes.
- New park spaces and other outdoor amenities will add appeal to the area.
- The new north-south boulevard will help eliminate the isolation that has enveloped this area for 50 years.
- The redevelopment activity has created employment and business opportunities for lower income city residents, minority and women owned businesses and Section 3 owned businesses.

5. Developing the suburban replacement units and Heritage Park demonstrate the success of using mixed-finance, mixed-income developments in producing new affordable housing units.

- Mixed-income developments eliminate the stigma that too often went with public housing or other affordable housing in the past.
- Development of the replacement housing has resulted in numerous public-private partnerships in housing development in the metropolitan area.

For more information regarding this report, please contact MPHA Public Information Coordinator Bill Paterson at 612-342-1399. The report can also be accessed through MPHA's Web site at www.mphaonline.org (Under home page link "About MPHA," go to "Reports & Documents.")