

NINA MOINI: A housing development in North Minneapolis was meant to be a better model for public housing. Heritage Park opened in the early 2000s after a legal settlement over housing segregation. It's a mix of market rate and subsidized units. And today, many of its units sit vacant. And residents and city leaders say neglected maintenance has caused roof leaks, mold, and many other problems.

City council member Pearll Warren represents the area. She recently toured a few vacant units. And she led a request from the city council for an audit of how public funds were used on the property. She joins me now. Council Member Warren, thanks for your time.

PEARLL Hi. How are you? You're welcome. It's my pleasure.

WARREN:

NINA MOINI: I'm doing OK. Thank you. I have to say, I looked through some of the videos that you captured at Heritage Park-- very concerning things. Could you tell us just a little bit about what you saw when you went there to see for yourself what was going on?

PEARLL Well, we toured a number of different units. The video that you saw showed a unit. The one with the a-- large

WARREN: amount of mold is a unit that had been vacant for upwards of three years. Then we saw a unit that had been vacated within the last 90 days that had also been squatted in. And then the last unit in the video was a unit that had been vacated within the last 30 days. And as you can see, all three of those units contained mold and damage, significant damage, that created pretty concerning livable conditions for the residents there.

NINA MOINI: And what have you heard from some of the people currently living at Heritage Park about just the many ways this impacts them?

PEARLL A lot of people are very sad. Housing insecurity is a real thing. And a lot of people are very sad. They're hurt.

WARREN: They're frustrated because they have been complaining for a significant amount of time. They're grateful that someone is finally hearing them and listening differently. But they also are really frustrated about what the future looks like.

There are a lot of residents, too, who are upset and embarrassed about the fact that these living conditions at Heritage Park have been made public because they consider themselves to be very private individuals. And they don't want people to know that those are the conditions that they live in there. So both statements are true. But I'm really trying to bring light to the situation to help our community because our community deserves better.

NINA MOINI: Do you have a sense for how things got this bad? You mentioned just learning recently about what was going on there and that some of the people are more private. But how did it get this bad? What's your understanding of that?

PEARLL I think this is a time when we got to be honest with ourselves about what misappropriation of funding looks like. I

WARREN: think we have to be honest with ourselves about how public dollars that become privatized from individuals who are not truly invested in a community can be misused.

I think a lot of people, and I've stated this before-- they see development opportunities and say, oh, wow, I'll build this place, and I'll rent it to someone who is receiving some housing assistance or subsidy, because then they know that they'll get their money for rent. But the reinvestment doesn't go back into the development itself.

Think about it. As a homeowner, you spend anywhere between \$5,000 to \$10,000 annually just on the maintenance of your home to keep your home in good standing and ensuring that water heaters are flushed and rotated and different things are happening in order to-- you're checking the foundation, making sure you're touching up paint, doing all kinds of different things like that.

NINA MOINI: Right.

**PEARLL
WARREN:** And these things were not being done. Routine maintenance was not being done. And this is how this property got this way.

NINA MOINI: And just to give folks some more just information, just background, there's some-- there's a few players involved here. The Minneapolis Public Housing Authority owns the land and sends funding for the public housing units. Then a private company called McCormack Baron Salazar used to own and manage the property.

Last year, a court-appointed third party took over. So now it's under new management. It sounds like the long-- the short story is that company ran out of money or the owners ran out of money. And then now it's under new management, a third party, to try to get a sense for this. But you also have requested this audit. What are you hoping to learn from that? And what's your sense for how the new management is doing?

**PEARLL
WARREN:** Well, that's a really loaded question. So yes, the property is in court-appointed receivership. The receiver service took over management of this property in December. And I have truly enjoyed working with Certus. They have been very transparent upfront.

I can pick up the phone and call them and ask any questions. And they have been very forward-facing, which I am appreciative of, in addition to Property Solutions, who is the property management company, also very forward-facing and resident-centered. So I want to give a shout-out to them because I appreciate the work that they are doing with myself and with the residents as things arise there with the property.

And then I'm going to say, McCormack Baron has-- now he's out of the picture at this time. We're hoping that we can attract a new developer for the property. I've requested an audit. But I also put out a legislative directive before the audit. And both of those things are important because the legislative directive will give the different departments from the city, from CPED to Regulatory Services to the Public Health Department to Bassett Creek Watershed, all of the different auxiliaries that support the safety and infrastructure of Heritage Park, an opportunity to speak to the narrative of what's happening there, what the current conditions are, and how we are going to approach altering those conditions.

And with the audit itself, we're hoping to get some very transparent information about how much funding has tunneled down from the city of Minneapolis to Minneapolis Public Housing Authority, what those funds have been spent for because every dollar has a job. Our tax dollars, each one of them-- it has a job. And we want to make sure that the jobs associated with our tax dollars are being fairly spent.

NINA MOINI: And I also wondered about the people who have had to move homes or others who might be thinking it might be easier to relocate while this new group of people overseeing it get some of these repairs done. Would you tell us about how people are doing-- are other people going to have to move, current residents?

PEARLL
WARREN: So to my understanding, and thank you for that question, there are currently eight residents who are facing eviction at Heritage Park, allegedly. And what I have done is ensure that they have an opportunity to work with our NAACP and the Urban League Twin Cities for some advocacy around that eviction. You don't get evicted from Heritage Park, not in its current condition.

Housing insecurity is a real thing. And a lot of times, the only thing that you have control of in a situation that has become that deplorable is your financial means. And so to keep those close to you so that you are prepared for an emergency, an emergency situation, or whatever alternatives that you had to take to wash your clothes or move around or do different things because the conditions have become that bad-- I understand why some people may not have paid their rent, and especially if they've been making complaints and things have not been resolved over this period of time.

And then I also know that there were some issues around ledgers and ledgers not being accurate during the time that the property was transferring from privatization to receivership. And there was switches in property management companies.

So those things are being worked on. There are some people who need to be relocated just because of the conditions of their unit. And to my understanding, to date, there is about six or seven families that they're working on relocating.

The 1002 building that is on the campus there should be completely rehabbed. It was the building with the least amount of damage, a moderate damaged building that will be rehabbed by the end of July, from my understanding, and will be available to move individuals into those units.

NINA MOINI: Council Member Warren, thanks so much for coming by and giving us this update. We hope you'll come back and let us know how things are going. Thank you for your time.

PEARLL
WARREN: You're welcome. Just let me know when you have questions. I'm here for you all in the community.

NINA MOINI: Thanks so much. That's Minneapolis City Council Member Pearl Warren, who represents Ward 5 in North Minneapolis. The Minneapolis Public Housing Authority and the previous owner, McCormack Baron Salazar, said in statements to MPR News that they support the council's calls for a financial audit and a goal of stabilizing this housing development.