

SECTION 18 Demolition & Disposition: A Fact Sheet

MPHA Plans to privatize over 730 public housing single family homes

What is Section 18 Demolition & Disposition?

****Section 18 is NOT the same as Section 8****

[Section 18 of the 1937 United States Housing Act is a policy of the federal Department of Housing & Urban Development \(HUD\)](#) which **allows public housing authorities to demolish and redevelop their properties under certain conditions.**

The specific terms used for this process are **“Demolition and Disposition.”** Demolition means the destruction of housing, simple enough but what does **“Disposition”** mean?

Disposition is the transfer of public housing properties to private developers and authorities. Disposition allows private developers and housing nonprofits to take ownership of public housing properties, allowing them to be converted into private, market-rate housing.

Section 18 in action means **destroying and privatizing public housing and redeveloping the properties into new housing which is unaffordable to working, low income and poor people.**

How has it been used?

Many American cities have used Section 18 to privatize their public housing properties; [San Francisco](#), [Dallas](#), [Philadelphia](#), [New Orleans](#), and [Oklahoma City](#) are just a few examples. **In most cases, properties were redeveloped and handed over to private developers or non-profits. This resulted in the displacement of tenants and accelerated the processes of gentrification.**

Section 18 has contributed to the loss of over [200,000](#) units of public housing in the United States as of 2009, and many thousands more in the decade since. At the same time, the [affordable housing stock in American cities has declined over 60 percent since 2010](#) according to the Washington Post.

What does it mean for public housing in Minneapolis?

The Minneapolis Public Housing Authority (MPHA) has **736 “scattered-site” units** in the city. These are mostly single-family homes and duplexes and are primarily located in North and South Minneapolis, Wards 4, 5, 6, 8, 9 and some in Ward 1 in majority BIPOC neighborhoods and working-class Wards of Minneapolis. **These homes provide security and assurance to tenants. They are the only universally affordable income based single-family and duplex public housing units remaining in the city.**

Under the newly-passed 2040 Comprehensive Plan, high-density development is now permitted in all residential areas in the city; this has increased property speculation, as **luxury developers seek to build new fourplex or triplex buildings in gentrifying neighborhoods; these neighborhoods contain hundreds of public housing scattered-site single family home.** Mayor Jacob Frey and Council-Member Lisa Bender pushed the 2040 Plan using a [PR company](#), coincidentally they are also the only two members of the City Government [to sign a letter \(written by MPHA\)](#) in support of MPHA’s Section 18 Plans. **Mayor Jacob Frey and City Council President Lisa Bender and MPHA are using Section 18 Disposition & Demolition to gentrify the city and turn our remaining public housing into unaffordable housing developments.**

With Mayor Frey and Council Member Bender’s support MPHA is applying to HUD to use Section 18 for both Demolition and Disposition. In [their February 2019 Board Packet MPHA states that they are planning on substantially rehabilitating or demolishing approximately five units under Section 18](#). This demolition plan is straightforward and devastating for public housing residents.

MPHA’s disposition plan is more complex but no less devastating. [First MPHA will sell the 736 units for one dollar to a non-profit called Community Housing Resources \(CHR\)](#). MPHA has been lying to residents about CHR. They claim that CHR is an “instrumentality” of MPHA meaning they have full control of this nonprofit. However, it is unclear whether it is legal for MPHA to sell their properties to a nonprofit wholly owned and controlled by MPHA. There are conflicting regulations and MPHA must only sell the properties to a nonprofit where they have a “**controlling interest**”. This means other interests, including private developers and investors will be on the nonprofit board deciding what happens to these scattered sites. What’s more, we already know that MPHA’s planned non-profit structure will only give them [.001% control of the non-profit and 99.9%](#) will be owned by private investors . MPHA is selling people’s homes for one dollar and then planning on flipping the homes into Market Rate homes. The profit margin on this move is massive as developers get these

proprieties for free. The private developers and investors on the nonprofit board stand to gain millions. [This is the same way Dallas flipped their scattered sites into housing that low-income residents could not afford.](#)

If the MPHA's Section 18 application is approved, thousands of low-income public housing families with children in Minneapolis will lose their housing. These tenants are disproportionately people of color, with the majority being Black and Black East African Immigrants; many are Muslims, refugees, and recent immigrants with limited knowledge of English, and a disproportionate number are elderly, disabled, or both.

New housing built on formerly MPHA-owned property would be controlled by investors, private developers, and corporations which would have virtually no oversight from city, state, or federal authorities. **As has happened in many cities, private developers will convert these properties into expensive luxury housing, preventing former residents from returning to their communities.**

What can be done about it?

On Wednesday, February 27th at 1pm the MPHA's Board is meeting to approve the Section 18 application. Please attend this meeting and stand in solidarity with Public Housing Residents fighting on the frontlines to stop gentrification.

Not only the rich deserve to live in Minneapolis. Public housing is the only universally affordable housing in the city, and is a crucial defense against the forces of gentrification which threaten to displace thousands more poor and working people. **Stand with public housing residents and tell the MPHA and City of Minneapolis: Keep public housing public! No to privatization!**

Contact your City Council Member, Mayor Frey, the MPHA, and HUD and tell them to stop this application and keep public housing public!

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Your Minneapolis City Councilmember

Contact information can be found at

<https://www.dgphc.org/hold-them-accountable>

<http://www.ci.minneapolis.mn.us/>

Your State Representative and State Senator

Contact information can be found at leg.state.mn.us/leg/legdir

Defend Glendale & Public Housing Coalition

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