



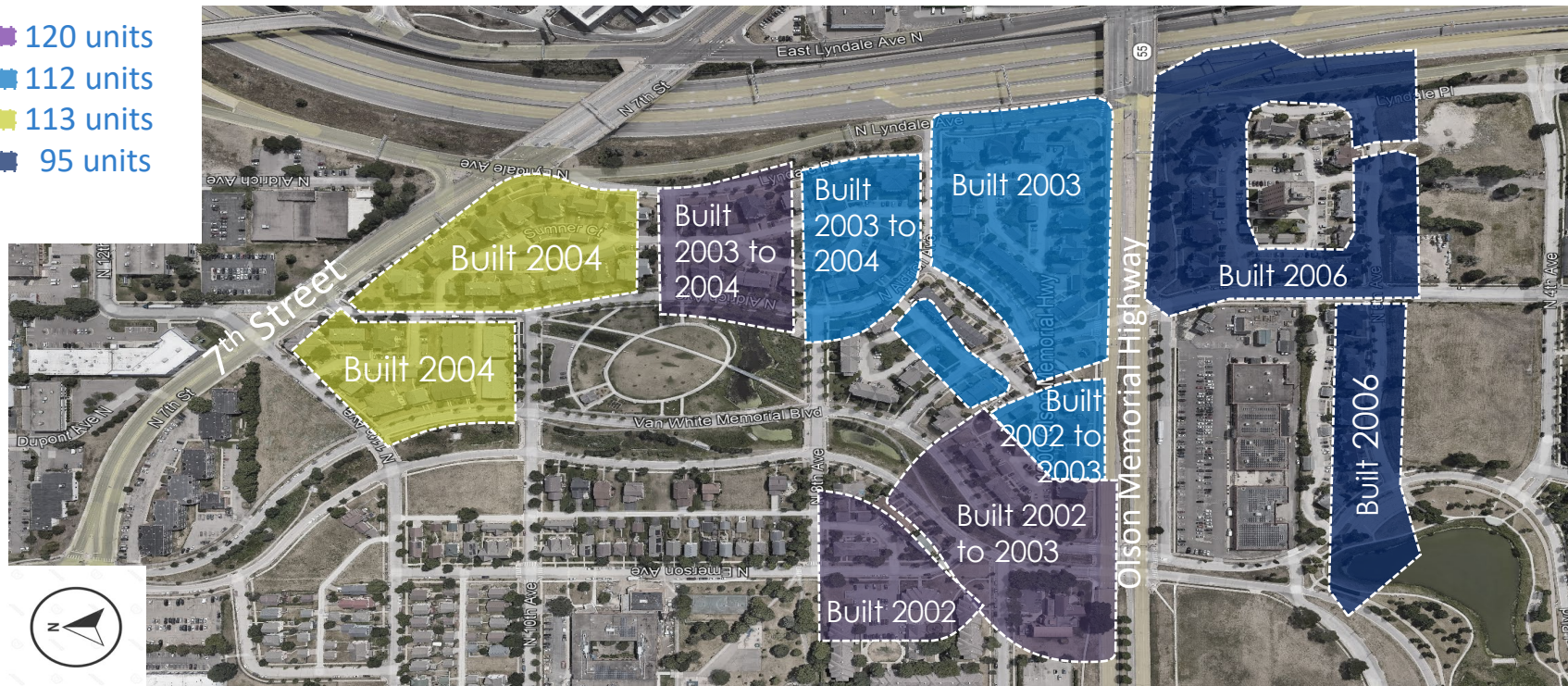
Heritage Park Voluntary Relocation Policy

Committee of the Whole
August 10, 2026



Heritage Park – rental housing sites

- 120 units
- 112 units
- 113 units
- 95 units



Update on Heritage Park



1. Heritage Park continues to be in court-ordered receivership with Certus Financial (Certus)
2. City continues to work with Certus and Minneapolis Public Housing Authority (MPHA) on coordination of response to property conditions.
3. City Council passed \$2.5 million to support emergency repairs and relocation assistance in July
4. Between July 15 and July 31, Emergency Management Department stood up the cross-enterprise Heritage Park Coordination Group (HPCG) focused on:
 - i. identifying and addressing urgent household-specific needs
 - ii. working with MPHA and Certus on plans for potential outcomes, including potential for relocation
5. HPCG coordinated needs survey, communicated with residents, coordinated resources with partners, tracked repairs by unit, hosted community hours with updates
6. On August 1, CPED resumed leadership of the HPCG, now asking for voluntary relocation policy to assist in relocation.



Heritage Park Voluntary Relocation Policy

Needed to establish policy to facilitate the relocation activities contemplated in the previous City Council cycle to assist with residents at Heritage Park who do not qualify for assistance from other agencies. This policy makes available relocation assistance on a voluntary basis to both help households that have health or safety vulnerabilities or concerns and to allow for an easier assessment of the rehabilitation needs of the Development.

Overview

- Financial assistance for voluntary permanent relocation to existing Heritage Park residents who do not reside in a MPHA public housing unit
- **Moving Stipend:** Lump-sum stipend for moving expenses based on number of bedrooms
- **Rent Stipend:** Lump-sum equal to 12 months difference between the relocating household's most recent out-of-pocket monthly rent charge and that of the replacement unit
- **Total Stipend:** Estimated between \$6,500 to \$12,500 in support to a household (based on number of bedrooms)



Relocation Eligibility

Eligible residents who voluntarily choose to relocate because of health or safety concerns can receive City relocation assistance, provided they meet the eligibility dates and obtain approval before moving.

Eligibility & Key Conditions

- **Eligible households:** Must have legally occupied a Heritage Park unit as of July 18, 2026, report a health or safety concern to the City by October 15, 2026, and relocate outside Heritage Park by January 31, 2027 (Subject to a six-month extension). Residents who have moved into Heritage Park after July 18 are ineligible.
- **Eligibility approval required:** Households must receive approval from the City's relocation consultant before moving. Households evicted for good cause pursuant to a court order are not eligible.
- **Public housing residents:** Residents of public housing units at Heritage Park are not eligible for these City benefits and should work with MPHA regarding transfer rights and moving assistance.
- **Voucher holders:** Households receiving rental housing vouchers are eligible
- **Funding:** All benefits are subject to available City budget allocations.
- **Administrative flexibility:** Alternative benefit-disbursement methods may be authorized by the CPED Director and City Finance Officer.



Household Relocation Assessment Services

The City will provide individualized relocation assistance to help eligible households identify suitable alternative housing, while maintaining resident choice throughout the process.

Relocation Assessment & Process

- **Individualized housing assessment:** Eligible households will work with the City's relocation consultant to identify their housing preferences and needs, including schooling, transportation, affordability, habitability and MPHA approvals.
- **Lease flexibility:** Certus has indicated a willingness to allow relocating households to end their leases early and receive their existing security deposits back.
- **Legal guidance:** Households are encouraged to seek professional legal advice about accepting relocation assistance and ending their existing lease.
- **Resident choice:** If the household cannot identify an acceptable alternative lodging option, they can decline the relocation benefits.
- **Returning to Heritage Park:** A household that relocates and later wants to return would need to go through the property's standard new-resident application process.



Permanent Relocation Benefit and Moving Stipend

Permanent relocation assistance covers up to 12 months of increased housing costs when an eligible household moves to an appropriately sized, habitable replacement unit, subject to a defined affordability cap. A bedroom-based moving stipend provides flexible financial assistance for the practical costs of relocating, with \$500 available early for immediate relocation or health/safety needs.

Summary

- **12-month rent differential:** Eligible households receive a lump-sum payment equal to 12 times the monthly increase in rent between their current out-of-pocket rent and the approved replacement unit, after accounting for any rental housing voucher.
- **Replacement housing requirements:** The new unit must be appropriately sized for the household's legal occupants and approved as habitable by the City's relocation consultant.
- **Stipend amounts:** Flat amounts ranging from \$3,500 for a 1-bedroom unit to \$7,500 for a 5-bedroom unit.
- **Covers miscellaneous moving costs:** Helps with costs such as application fees, moving expenses, increased transportation needs and utility connection fees, with households having discretion over how they use the funds.
- **Benefit cap:** The relocation payment is capped based on the cost of a comparable unit at 30% of the income of a household of the same size earning 60% of area median income, after rental subsidies taken into account.
- **\$500 available early:** \$500 of the stipend can be provided once an eligible household has met with the relocation consultant and identified acceptable lodging, or when the CPED Director approves another health- or safety-related emergency need.



Relocation Benefit Sample Calculation*

Category	1BR	2BR	3BR	4BR	5BR
Estimated current monthly rent	\$1,233	\$1,480	\$1,710	\$1,907	\$2,104
Estimated future monthly rent	\$1,479	\$1,776	\$2,052	\$2,289	\$2,525
12-month rent difference	\$2,952	\$3,552	\$4,104	\$4,584	\$5,052
Moving stipend	\$3,500	\$4,500	\$5,500	\$6,500	\$7,500
Total potential benefit*	\$6,452	\$8,052	\$9,604	\$11,084	\$12,552

*Illustrative maximum-style example based on assumptions; actual permanent relocation benefit is based on the household's rent and eligibility calculation. Voucher recipients are eligible only for an increase in their portion of rent.



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