

RESOLUTION
By Warren

Approving the Heritage Park Voluntary Relocation Policy to be administered by Community Planning & Economic Development Department.

Whereas, Heritage Park is a 440-unit rental housing development owned by subsidiaries of McCormack Baron Salazar; and

Whereas, approximately 211 of Heritage Park units are currently occupied; and

Whereas, Heritage Park has been the subject of widespread public attention regarding health and safety livability concerns that have resulted in some residents wishing to relocate out of their current units; and

Whereas, on July 16, 2026, in Council Action No. 2026A-0524, the City Council approved \$2,500,000 from the Affordable Housing Trust Fund (AHTF) program to fund relocation needs and necessary health and safety repairs at Heritage Park, to be administered by the Community, Planning & Economic Development Director; and

Whereas, a Voluntary Relocation Policy is needed to define the relocation benefits and services available to residents of Heritage Park who wish to relocate from Heritage Park due to health or safety concerns;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the Heritage Park Voluntary Relocation Policy, as follows and as further set forth in Legislative File 2026-00943, is hereby adopted:

HERITAGE PARK VOLUNTARY RELOCATION POLICY

Goal

The 440-unit rental housing development commonly known as Heritage Park is owned by subsidiaries of McCormack Baron Salazar shown on the map attached as Attachment I (the “Development”). Currently, approximately 211 of those units are occupied. The Development has been the subject of widespread public attention regarding health and safety livability concerns that have resulted in some residents wishing to relocate out of their current units either permanently or until such a time as the livability issues can be adequately addressed. 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. Given the scale of government involvement in the Development and the number of households impacted by the physical conditions of the project, this project specific policy has been crafted to specifically acknowledge time sensitivity considerations.

Household Eligibility Criteria

- Any rental household that legally occupied a unit in the Development as of July 18, 2026 (the “Eligibility Date”) that asserts a health or safety concern related to living in their unit to the City of Minneapolis on or before October 15, 2026 (the “Election Deadline”) and relocates to a unit outside of the Development on or before January 31, 2027 (“Moving Deadline”), subject to the possibility of a six (6) month extension of the Moving Deadline at the discretion of the CPED Director for hardship.
- Households that wish to relocate that do not sign a lease for an acceptable alternate rental housing unit by the Moving Deadline but relocate to another lodging outside the Development by the Moving

Deadline will only be eligible for the Moving Stipend.

- Households are not eligible if they were evicted for good cause pursuant to a court order prior to the date they relocate or if they move out of a unit prior to obtaining approval of eligibility from the City's relocation consultant.
- Households that occupy a public housing unit in the Development are not eligible for the City's relocation benefits pursuant to this policy.
- Public Housing residents should contact the Minneapolis Public Housing Authority (MPHA) about their rights to transfer and any moving assistance.
- Households that have a rental housing voucher from either MPHA or any other provider are eligible for the City benefits pursuant to this policy but should contact their rental subsidy provider to determine if there are any unintended implications of accepting these benefits.
- Households that move into the Development after the Eligibility Date are not eligible for Relocation Benefits through this policy.
- All benefits provided pursuant to this policy are subject to available City budget allocations for this purpose.
- Alternative processes for disbursement of benefits may be available upon approval of the CPED Director and the City's Finance Officer.

Household Relocation Assessment Services

- Eligible households must meet with the City's relocation consultant to determine household preferences, schooling and transportation needs, availability of decent, safe, sanitary and affordable alternative housing options and needed MPHA approvals.
- The receiver for the Development has indicated a willingness to allow relocating households to exit current leases early and return any currently held associated security deposits.
- Households are encouraged to seek professional advice to determine any legal implications of accepting the assistance provided under this policy and for breaking their lease in the Development.
- If no alternate lodging option is acceptable to the household, the household may terminate its interest in receiving relocation benefits.
- Any return to the Development after relocation to new housing would require applying through a standard new resident application process as defined by the property owner.

Permanent Relocation Benefits

- Relocated households will receive a lump-sum payment equal to twelve (12) times the difference between the relocating household's most recent out-of-pocket monthly rent charge (after taking into consideration any rental housing voucher) and the monthly gross rent and the gross rent of the replacement unit (after taking into consideration any rental housing voucher) so long as that replacement unit is suitably-sized and approved as habitable by the relocation consultant.
- Only legal occupants of units will be considered for purposes of calculating the appropriate size of a replacement unit.
- In no event will the permanent relocation benefits exceed the difference between the relocating household's most recent out-of-pocket monthly rent charge (after taking into consideration any rental housing voucher) and the gross rent of a unit with the same number of bedrooms equal to 30% of a household of equal size whose income equals 60% of the median family income as most recently established by the United States Department of Housing and Urban Development for the Minneapolis/St. Paul statistical area (after taking into consideration any rental housing voucher).
- Samples of how this calculation is made are in Attachment II.

Moving Stipend

- Relocated households will receive a lump-sum payment based on bedroom count of the unit that the eligible household is vacating as shown on the attached schedule that approximates City staff's assessment of needed miscellaneous emergency moving costs such as application fees, moving expenses, increased transportation needs, utility connection fees, etc. as determined in the relocating household's sole discretion (Attachment II).
- \$500.00 of the Moving Stipend will be available for disbursement to an eligible household that has met with the City's relocation consultant and identified an acceptable lodging unit to relocate to or if the eligible household has another emergency need that the City's CPED Director has approved as related to health or safety.