Minneapolis leaders gathered Tuesday to mark the completion of the largest public housing renovation project in the state.

The historic $27 million project at the Elliot Twins brought modern fire safety systems and upgraded living spaces to two downtown high-rise apartment buildings. The city of Minneapolis contributed $2.3 million to improve energy efficiency at the towers.

"This is how to do public housing right," Mayor Jacob Frey said at a news conference at the housing complex Tuesday. "We care about people in our public housing, and we're going to be putting our money where our mouth is. And that means on deeply affordable housing for the long haul."

The renovation remodeled the aging towers' 174 existing public housing units and added 10 disability-accessible units. The upgraded apartment features include new central air conditioning, upgraded kitchens, bathrooms and new finished flooring. The transformation also added 6,200 square feet of new common areas and amenities, such as community and office space, security upgrades, expanded laundry facilities and exercise rooms.

The Housing Authority also retrofitted all units in the Elliot Twins with fire sprinklers and upgraded the fire alarm systems. The need for bringing the authority's aging buildings up to modern safety codes became urgent in November 2019, when a fire at the agency's Cedar High Apartments, which lacked sprinklers, killed five residents.

Work at the Elliot Twins started at the pandemic's onset and took 15 months. To make it happen, the housing authority sought help from private sources such as Bremer Bank, RBC Capital Markets and Hunt Real Estate Capital. The 15-year partnership, through a program called "Rental Assistance Demonstration," transfers ownership of public housing buildings to a private entity. In return, private investors qualify for tax credits issued by the city.
At the time, many were wary that MPHA's use of private financing would lead to permanent displacement of tenants and privatization of public housing stocks. Abdi Warsame, executive director of the Housing Authority, said Tuesday that no tenant was displaced during renovation and the partnership was crucial in addressing an affordable housing shortage in the city.

The project will "serve as a blueprint for how the agency can preserve and produce additional high quality homes for residents," Warsame said. "Every resident who wanted to return to the property following a temporary relocation was able to return to a newly renovated home."

MPHA officials said the agency will continue to own the land where the buildings sit and that the property will remain affordable to families whose incomes are below 30% of the area median. About 80% of Elliot Twins residents are Black, with the majority being elderly and immigrants, according to the housing authority. Their average annual household income is $12,435.

Faiza Mahamud covers Minneapolis for the Star Tribune. She has previously covered education, immigrant communities, city government and neighborhoods.

faiza.mahamud@startribune.comFaiza_Mahamud