



# **MPHA 2018 MOVING TO WORK Annual Report**

**Fiscal Year January 1 – December 31, 2018**



**Submitted to HUD: March 28, 2019**

**Resubmitted: January 30, 2020**

**EQUAL HOUSING OPPORTUNITY – EQUAL EMPLOYMENT OPPORTUNITY**

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### MISSION STATEMENT

*To promote and deliver quality, well-managed homes to a diverse low-income population and, with partners, contribute to the well-being of the individuals, families and community we serve.*

MPHA Executive Director: Gregory P. Russ

## ABOUT THE MOVING-TO-WORK PROGRAM

In 1996, Congress created the Moving to Work (MTW) Demonstration Program. The program allows designated housing authorities to design and test innovative, locally-designed strategies for providing low-income families with affordable housing. MTW allows the agency to waive HUD regulations in achieving one of three statutory objectives: (1) increasing housing choices, (2) creating opportunities for families with children to become self-sufficient, and (3) increasing cost effectiveness of the agency. An MTW agency may also move funds as needed among its programs to best meet local needs.

In 2008, the U.S. Department of Housing and Urban Development (HUD) granted MPHA its MTW status. We are one of 39 MTW agencies nationwide. MTW status does not increase MPHA's funding from HUD (and, despite its name, it does not impose work requirements on residents). However, it gives MPHA additional flexibility to weather federal funding volatility and to design programs that allow us to better serve our Minneapolis community.

Each year, MTW agencies such as MPHA must prepare two documents for HUD. In the fall, MPHA submits an MTW Annual Plan in which MPHA describes the ways we intend to exercise our MTW flexibilities in the coming year. This annual plan includes a detailed look at the programs, operations, and major capital investments of the housing authority, as well as any new MTW initiatives MPHA proposes to pursue. Each spring, MPHA submits an MTW Annual Report, which assesses our progress with respect to our goals over the prior year, summarizes our operating information, and provides updates on previously authorized MTW activities. The components of both documents are prescribed by HUD.

For more information, contact:  
Jeff Horwich, Director of Policy and External Affairs ([MTW@mplspha.org](mailto:MTW@mplspha.org))



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## A MESSAGE FROM THE EXECUTIVE DIRECTOR

To thrive as a modern public housing agency, we must be comfortable in a world of conflicting ideas. We have the immediate demands of the present, to serve families whose safety and dignity depend upon a stable home to carry them through another day. Yet we also hear the ever-louder voice of low-income families from the future, urging us to remember them and deploy our resources with a long view. We engage daily with the human beings whose dreams, safety, and well-being are the sole reason we exist—while at the same time, we reckon for endless hours with regulations, processes, data systems, and bureaucratic forces that feel anything but human.

We confront the deep and daunting challenges that inform MPHA's every move: aging buildings, underfunded subsidies, the hurdles faced by families with vouchers to find housing, keep it, and prosper. And yet...we are surrounded and sustained by endless stories of hope and success: personal achievements, dreams realized, strong communities.

At MPHA, we face our complex reality with open eyes and a belief that together with our Minneapolis community, we will continue to thrive and serve.



Greg Russ  
Executive Director/CEO  
Minneapolis Public Housing Authority

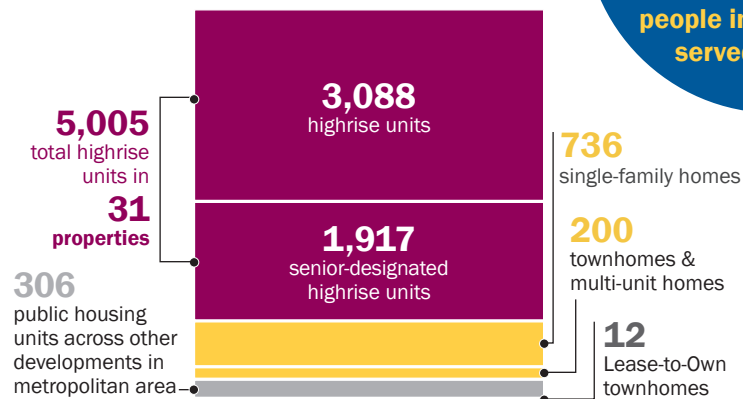


# Housing Assistance Programs

**Our Mission:** To promote and deliver quality, well-managed homes to a diverse low-income population and, with partners, contribute to the well-being of the individuals, families, and community we serve.

## Public Housing

MPHA owns and manages apartments and homes. Most families receiving assistance from MPHA earn less than 30 percent of the Area Median Income (AMI), approximately \$28,300 for a family of four. Families contribute no more than 30 percent of their income toward their rent. While most of our homes are in high-rise buildings, MPHA also owns and operates single-family/duplex/fourplex homes throughout the city, two townhome developments, and places from its waitlist at certain third-party developments. An MPHA partner provides assisted-living and memory care at two facilities.



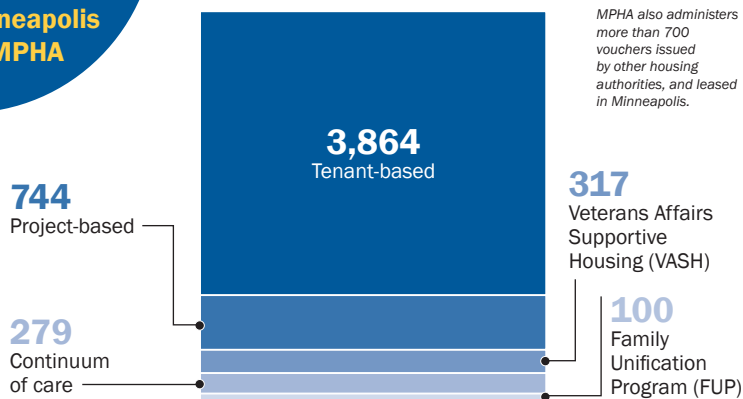
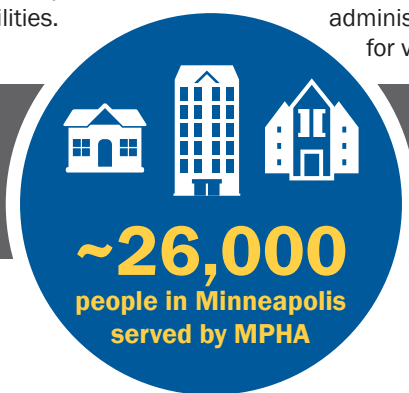
**\$14,959**

average gross annual household income

Working households: \$28,909  
Non-working households: \$10,228

## Housing Choice Voucher (HCV)

Under MPHA's tenant-based voucher program, eligible families receive a voucher that pays a portion of their rent in a privately-owned apartment or home. Families contribute approximately 30 percent of their income toward rent and utilities; MPHA pays the rest. Families can use the voucher within Minneapolis or outside the city. Other vouchers are project-based, in which MPHA contracts with property owners to attach a voucher to specific units and assure those units provide deeply affordable housing. MPHA administers over 5,000 vouchers, including special vouchers for veterans and persons with disabilities.



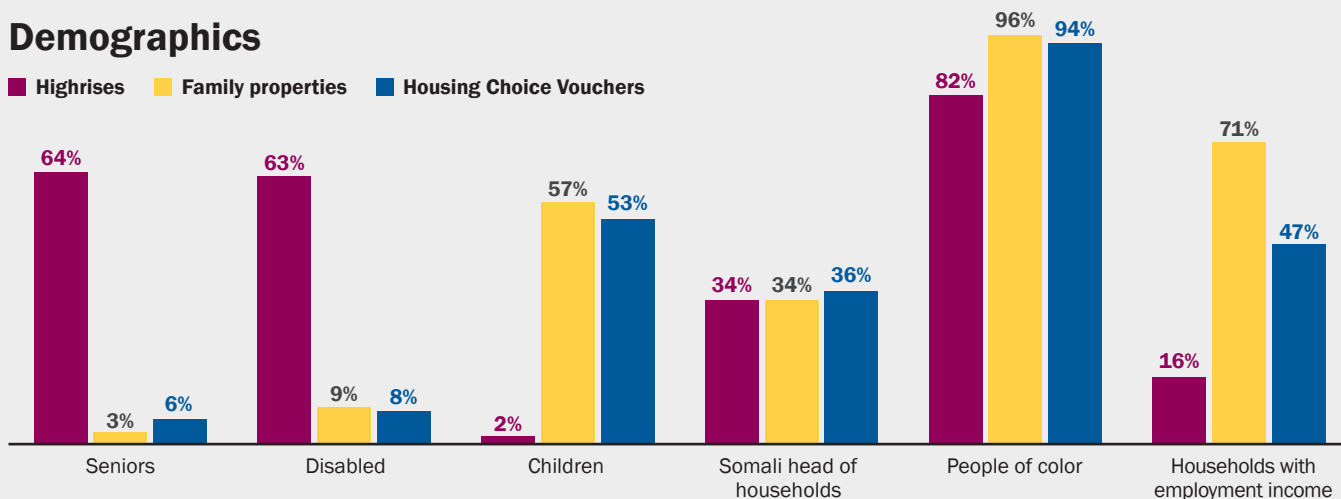
**\$16,028**

average gross annual household income

Working households: \$29,408  
Non-working households: \$11,218

## Demographics

■ Highrises ■ Family properties ■ Housing Choice Vouchers



# **MPHA 2018 MTW Annual Report**

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## I. INTRODUCTION: Advancing under a New Strategic Vision

In the Spring of 2018, the MPHA Board of Commissioners passed a **Strategic Vision and Capital Plan** that will guide our work for the next 15 years. The Strategic Vision places funding, partnerships, and operational innovations at the root of a long-term plan to preserve our mission in the current environment. The Strategic Vision followed more than a year of engaging the community on the challenges we face and the protections that public housing residents deserve.

The Strategic Vision is framed around three core initiatives:

- **Housing Preservation and Creation**
- **Education, Employment, and Health**
- **Operational Excellence**



### HOUSING PRESERVATION AND CREATION

The diversity, age, and depth of capital needs across MPHA's housing portfolio mean that no single tool or approach paves the way to the future. In 2018, MPHA began in earnest to explore a diverse menu of funding and structural options to preserve our public housing, add to it when we can, and use project-based vouchers to incentivize new affordable housing by others. All of our work proceeds under

board-approved *Guiding Principles* that assure the rights of residents even as we make major capital investments in the properties

### Launching MPHA's First Major Modernization Using RAD



MPHA applied for the Rental Assistance Demonstration (RAD) for the Elliot Twins, a pair of mid-rise buildings near downtown Minneapolis. We received a Commitment to Enter into Housing Assistance Payments (CHAP) from HUD at the end of 2018. Using RAD, we intend to convert the subsidy for The Elliot Twins to project-based vouchers while undertaking a major modernization of the buildings. As guaranteed under RAD, all current residents have a right to return following the renovations.

These buildings contain 174 units and are among MPHA's oldest highrises. They face a substantial capital need. They also present outstanding potential to create enhanced livability for residents and new community amenities and energy efficient features, while preserving these units for the long-term. We will be working with the community to fill the funding gap and realize the project. This package may include Low-Income Housing Tax Credit (LIHTC) investment, loans, bonds, grants, city and/or county funding, and potential energy savings arising from the renovation.

## New Townhomes Rise for Families Experiencing Homelessness

During 2018 MPHA commenced and nearly completed construction of the Minnehaha Townhomes, 16 two- and three-bedroom townhomes for families experiencing homelessness. This first new public housing built in Minneapolis since 2010 is the culmination of years of work and collaboration with our funding, design, and neighborhood partners, including the city, county, state, and others. The development is in an area of economic opportunity. It includes a playground, green space, community patio, and convenient access to the city trail and transit systems. The families who will live at the Minnehaha Townhomes will receive services from the county and a rapid rehousing provider. For this project, MPHA was the developer and will own and manage the property—a model for our future efforts to preserve and add housing.



## Ongoing Capital Investment in Modernization, Safety, and Security



Even as we set in motion a long-term plan to reinvest on a large scale across our portfolio, we continued with highrise remodels as our funding permits. Six highrises (1627 South 6<sup>th</sup>, 1515 Park, 2728 East Franklin, 3205 East 37<sup>th</sup>, 3755 Snelling, and 2121 Minnehaha) received major upgrades during the year including kitchen and bathroom upgrades, new lighting, and new flooring. Building modernizations also include aging and vital out-of-sight systems like plumbing, electrical, and heating. We conducted roof repairs, unit renovations, and other improvements at multiple scattered site homes during the year. One highrise at 3755 Snelling Avenue received a roof replacement.

At The Cedars and The Atrium MPHA installed upgraded substantial security measures at properties where residents expressed that the grounds were too easy to access and greater measures were needed to keep unauthorized people from entering the buildings. Residents helped guide MPHA and city leaders to develop plans for new fencing, secure gates, more security cameras, and secondary “storefronts” on existing vestibules. We anticipate these major investments will bring greater safety and peace-of-mind for residents.

MPHA also prioritized resident safety in our capital work, including preventative investment in upgrading elevators at three highrises and replacing fire alarm systems at 20 buildings.

## Partnerships to Invest in Energy Savings

In 2018 we utilized partnerships and grants to complete several projects in order to increase energy savings while improving reliability and comfort for residents. We replaced hundreds of aging, inefficient air conditioners and refrigerators through a partnership with the local utility companies, Xcel Energy and Franklin Energy. Each year we will continue auditing our buildings so these partners can fund and install new appliances. At the Glendale Townhomes, we completed weatherization of all 184 units with cellulose insulation, new or repaired furnaces, and upgraded ventilation. Grants from the U.S. Department of Energy and CenterPoint Energy allowed our partner, the Sustainable Resource Center, to complete \$8- \$10,000 of work on each townhome.



## Strategically Expanding Housing through Project-Based Voucher Awards



MPHA enters into agreements to provide its project-based vouchers (PBVs) when we believe they will create economic opportunity for the families who use them, meet the needs of hard-to-house populations, and when that funding can be used as leverage in the creation of additional affordable housing. In 2018 we began accepting proposals under MPHA's new open-ended request for proposals (RFP) for PBVs. Using this RFP, we will strategically place up to 400 vouchers—including veterans

(VASH), and non-elderly disabled (Mainstream Vouchers)—in ways that align with the values and needs of the community. Partners broke ground in 2018 on two major developments made possible through MPHA PBVs, including one that will serve seniors experiencing homelessness and another with PBV units for single mothers.

## An Important City Action to Protect Residents and Invest in Public Housing

In late 2018, the Minneapolis City Council unanimously passed a resolution supporting “Investments in Public Housing and the People Who Live There.” The resolution affirms the critical role public housing plays in the city’s housing landscape and notes the challenges created by decades of federal underfunding. It expresses the need for the city and MPHA to work in partnership to preserve MPHA’s 6,000 units of public



housing using new funding sources and programs. And it reiterates the protections all public housing residents have during this process, including the right to return to any remodeled or redeveloped property, the right to receive written relocation plans, and the right not to experience rent increases because of redevelopment or improvements. MPHA and the city will sign a related Memorandum of Understanding that embodies these guiding principles.

## A Start Down the Path to Preserve and Reinvest in Our Single Family Homes

MPHA owns approximately 730 “scattered site” homes across Minneapolis. These single-family homes (and a small number of duplexes and four-unit properties) provide essential housing for larger families and multigenerational households. During 2018, MPHA began the research and outreach necessary for an anticipated application for HUD’s Section 18 program. We believe a conversion of the scattered sites under the HUD Section 18 disposition process would place these essential homes on a better financial footing, without relocation or any day-to-day change for residents who live there now.



### EDUCATION, EMPLOYMENT, AND HEALTH

Housing is a primary foundation for stable families, better educational outcomes, employment, and wellness. Opening the right opportunities today—especially for families with children—leads to long-term self-sufficiency, allowing families to realize their goals of financial independence and MPHA to serve more families off our waiting lists. In 2018 MPHA made important progress on partnerships and programs that invest in housing as a determinant of health and economic advancement.

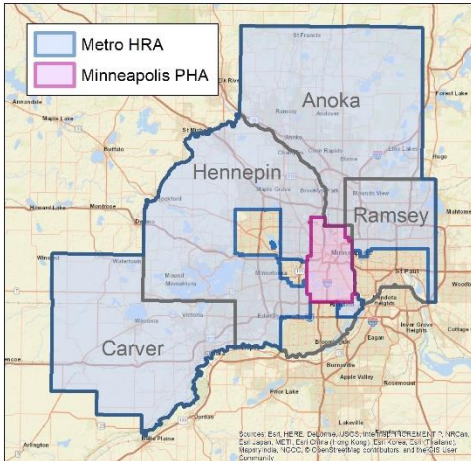
## Dedicated Rental Assistance for Students Experiencing Homelessness

At the end of 2018, the Minneapolis City Council approved funding for a unique partnership with MPHA to jointly fund rental assistance for families of elementary students experiencing homelessness. During the year, MPHA was actively involved with the mayor’s office and Minneapolis Public Schools in laying the groundwork for this program and its ultimate inclusion in the city budget. MPHA will administer the program when it begins serving families in early 2019. The city will contribute 60 percent of the rental assistance, and MPHA the remainder. Hennepin County and social service non-profits will provide housing search



assistance and a web of on-going supports. Third-party researchers will monitor outcomes and program success.

## Moving Toward a Regional Moving-to-Work Agency



With our partner the Metropolitan Council Housing and Redevelopment Authority (Metro HRA), MPHA submitted a request in 2018 to the Secretary of HUD to form a Regional MTW Agency as authorized under the 2016 Consolidated Appropriations Act. This would extend aspects of MPHA's flexibility to Metro HRA and possibly others who join in the future. Initially, MPHA and Metro HRA have proposed to create a first-of-its-kind regional mobility initiative to understand which program interventions are most effective in enabling families to successfully move to areas of opportunity using tenant- or project-based vouchers. MPHA has partnered with nationally recognized researchers and foundations to support and fund the project, including Raj Chetty of Harvard University, social policy researchers MDRC, and the Creating Moves to Opportunity (CMTO) research collaborative.

## Investing in Mobility, Studying our Impact

MPHA continued to invest in our Mobility Voucher Program, under which a dedicated mobility specialist helps families find and afford rentals in areas of greater opportunity—inside and outside of Minneapolis. We also completed a rent study to better understand rental trends in the Minneapolis marketplace and inform data-driven decisions on where to adjust our payment standards, expanding choices for families to maximize chances for economic success.

In 2018, MPHA and Metro HRA received a grant from the Joint Poverty Action Lab (J-PAL) at the Massachusetts Institute of Technology. Under the grant, we are designing potential interventions aimed at helping low-income families move to opportunity neighborhoods. Should we move forward with researchers and develop a randomized evaluation, we would intend to generate rigorous evidence that can be used by policymakers across the country to understand how best to assist families in making those types of moves successfully. The ultimate goal is to increase upward economic mobility, especially among children.



## Supportive Housing for Youth and Ex-Offenders

MPHA celebrated the opening in 2018 of Downtown View, a 46-bed transitional housing facility for youth experiencing homelessness. The project was made possible through our contribution of 25 PBVs. By combining dignified, semi-private housing with job-training, educational services, and counseling, Downtown View seeks to take young people beyond shelter and place them on a path to self-sufficiency. Another major partnership began to take shape in 2018 with the groundbreaking and construction of Great River Landing. Upon expected completion in 2019, the project will feature 72 apartments for ex-offenders who make a commitment to being good parents, workers, and community members. Using our MTW flexibility, MPHA has committed 40 PBVs to Great River Landing, providing the essential subsidy to make the project a reality. The tenants will have a home, a job, and access to services that promote health and recovery. Prior to the construction of the development, MPHA is using our MTW authority to support program participants with a sponsor-based voucher.



## From Public Housing to Property Owner



Under MTW MPHA continues each year to mint new homeowners through our public housing Lease-to-Own program. Participants enter their townhomes as public housing residents, making a commitment to build savings, maintain steady employment, and practice good tenancy that leads to a purchase of their home within five years. The program began with 20 townhomes, and by the end of 2018 we had 12 remaining. In 2018, MPHA redesigned elements of the program to maximize family success, including entering into a new partnership with Habitat for Humanity for homeownership readiness counseling and mortgage financing options. In a separate effort, MPHA began

work with a new non-profit partner, PRG, offering homeownership counseling and financial assistance to potential first-time homebuyers in other MPHA family public housing.

## Attracting More Housing Choice Voucher Property Owners

In 2018, MPHA launched our Property Owner Incentive Program, a partnership with the City of Minneapolis to encourage new property owners to participate in the Housing Choice Voucher program. The program offers a one-time financial incentive to new property owners. Combined with an increased investment in property owner outreach and strong emphasis on customer service, MPHA seeks to expand the number of landlords accepting vouchers in Minneapolis and thereby broaden the housing

choices available to families—especially in neighborhoods of greater economic opportunity. During 2018, 36 new property owners joined the HCV program and received approximately \$8,000 in incentives.

### **Supporting Section 3, Women-Owned and Minority-Owned Businesses**

MPHA marked the first full year of the Twin Cities Section 3 Collaborative in which a broad group of regional PHA and municipal partners have endorsed a uniform standard for certifying Section 3 firms. The group began developing a central website where Section 3 firms and residents can register and access Section 3 opportunities across the metro area.

In 2018, MPHA continued our commitment to contract with women-owned, minority-owned, and Section 3-owned businesses. Of our overall contracting spending during the year, MPHA spent 16 percent with women-owned, 13 percent with minority-owned businesses and 10 percent with Section 3 businesses.

### **A Health and Wellness Hub for the North Side**

The Cora McCorvey Health and Wellness Center continues to serve as a hub of activity for public housing residents and other low-income seniors in the North Minneapolis community. The 70,000-square-foot center is a fully accessible senior center, bringing together an array of partner tenants in one convenient space including a gym, health clinic, adult day facility while providing activities, events, and programming for area seniors.



### **OPERATIONAL EXCELLENCE**

Optimizing our operations leads to savings we can apply to our other priorities—and better service to our families and community. In 2018, MPHA moved to align our systems and our staffing with the goals of our Strategic Vision. This included developing internal expertise and accountability around real estate development, new approaches to asset and property management, green construction, and managing relationships with old and new partners in our journey.

### **Streamlining Processes and Improving Customer Service**



In 2018 MPHA engaged in a year-long process to evaluate and select a single software platform for our asset management and multiple housing programs. This change, long in coming, will bring efficiency and stability to the systems that underlie so much of what we do, along with improved customer service for our partners and the families we serve.

The successful application of a continuous improvement approach in our voucher department in 2018 inspired us to roll it out more widely across the organization. Continuous Improvement Teams bring together front-line employees who

are in the best position to know our operational challenges and strengths. These teams offer frank insights to department leaders—helping us problem-solve for challenges that, in some cases, we didn't even know we had.

## Laying the Groundwork for the Quality Maintenance Program

MPHA has a strong tradition of responding promptly to work orders and stretching our limited federal dollars for operations and maintenance. In 2018, MPHA began to design an enhanced preventive maintenance schedule, known as the Quality Maintenance Program (QMP), to reduce the frequency of non-emergency work orders and system failures. The QMP approach will feature detailed weekly, monthly, and quarterly production schedules; improved integration of grounds, janitorial, pest control, and major systems maintenance tasks; and checklists to keep each unit a step ahead of potential livability issues. We will pilot the program first at Horn Towers and Glendale Townhomes before expanding to other sites.



## MOVING FORWARD WITH SUPPORTIVE PARTNERSHIPS

Our three Strategic Initiatives are built upon strong relationships—with the households we serve, with our employees, and with our community.

MPHA continues to enjoy a strong, constructive relationship with the Minneapolis Highrise Representative Council (MHRC), the umbrella non-profit group for our highrise buildings' resident councils. MHRC efforts touch on



- Security - MPHA continues its contributions to MHRC's "Project Lookout" program;
- Safety - Including MHRC's work to address dangerous pedestrian intersections near our buildings;
- Wellness - Including an Active Living Committee and activities designed to foster active and healthy lifestyles.

MHRC is also a crucial partner in helping MPHA engage residents to plan and advocate with us for the preservation of our public housing and providing valuable feedback on our unfolding efforts.

MPHA's excellent Resident Advisory Board (RAB) began operating in 2018 under a revised charter that further cements its essential role in providing insights to MPHA's Board of Commissioners. In 2018 the RAB reviewed and commented on the many developments chronicled in this report, and maintained its valuable role as a productive, deliberative forum for resident input.

Although MPHA has been an independent agency since 1991, our partnership with the City of Minneapolis runs deep. MPHA officials regularly brief the City Council, the Housing Policy & Development committee, and the mayor on the agency's programs and strategy. MPHA is represented on the city's Housing Advisory Committee, and MPHA and city staff meet regularly to discuss partnerships around energy efficiency and sustainability. Our relationship with the Minneapolis Police Department helps keep residents safe, and we built upon our inherent ties with the Minneapolis Public Schools to develop the Stable Homes, Stable Schools program. In the homelessness arena, MPHA has representatives on Heading Home Hennepin (the county's Continuum of Care governing body) and is often at the table as community leaders confront urgent challenges, such as the recent encampment that grew to include hundreds of individuals. Each of these relationships is critical as we collectively address the lack of affordable housing options in our community.

**(II) GENERAL OPERATING INFORMATION****ANNUAL MTW REPORT****A. HOUSING STOCK INFORMATION****i. Actual New Project Based Vouchers**

Tenant-based vouchers that the MTW PHA project-based for the first time during the Plan Year. These include only those in which at least an Agreement to enter into a Housing Assistance Payment (AHAP) was in place by the end of the Plan Year. Indicate whether the unit is included in the Rental Assistance Demonstration (RAD).

PROPERTY NAME	NUMBER OF VOUCHERS NEWLY PROJECT-BASED		STATUS AT END OF PLAN YEAR**	RAD?	DESCRIPTION OF PROJECT
	Planned*	Actual			
PBV Conversion of Metropolitan Housing Opportunity Program (MHOP)	106	0		No	MPHA LIPH currently holds the ACC for 106 Hollman Consent Decree units outside the City of Minneapolis that will be converted to PBV.
Shelter to Housing Program (Lutheran Social Services)	38	8	8 Leased/Issued out of 12 committed	No	MPHA proposed project basing up to 50 vouchers with non-profit housing providers in the City of Minneapolis. The first 12 have been approved.
Downtown View	25	25	Leased/Issued	No	25 vouchers for homeless youth.
Local Project-Based Program	15	0			MPHA will adopt its own local MTW Section 8 Project Based Voucher Program.
Minnehaha Commons	10	0	Committed	No	Will serve Seniors, 55 and over, experiencing homelessness.
		184	33	<b>Planned/Actual Total Vouchers Newly Project-Based</b>	

\* Figures in the "Planned" column should match the corresponding Annual MTW Plan.

\*\* Select "Status at the End of Plan Year" from: Committed, Leased/Issued

**Please describe differences between the Planned and Actual Number of Vouchers Newly Project-Based:**

The PBV conversion of MHOP was not initiated in 2018. For the Shelter to Housing program, PBV issuance depends on number of participating providers and attrition. 12 vouchers have been committed to one provider and 8 were leased in 2018. The Local PBV program issued an RFP which has received an enthusiastic response.

**ii. Actual Existing Project Based Vouchers**

Tenant-based vouchers that the MTW PHA is currently project-basing in the Plan Year. These include only those in which at least an AHAP was in place by the beginning of the Plan Year. Indicate whether the unit is included in RAD.

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS	STATUS AT END	RAD?	DESCRIPTION OF PROJECT
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	Planned*	Actual	OF PLAN YEAR**		
Archdale	13	13	Leased/Issued	No	Serves homeless youth
Armadillo Flats - 2727	4	4	Leased/Issued	No	Serves low-income people
Armadillo Flats - 2743	4	4	Leased/Issued	No	Serves low-income people
Barrington	3	3	Leased/Issued	No	Serves low to moderate income people
Bottineau Lofts	9	9	Leased/Issued	No	Serves low-income people
Boulevard	6	6	Leased/Issued	No	Serves low-income people
Catholic Eldercare	25	25	Leased/Issued	No	Assisted living facility for elderly people
Central Ave Apts	61	61	Leased/Issued	No	Serves low-income people
Central Ave Lofts	8	8	Leased/Issued	No	Serves low-income people
Clare Apts	28	28	Leased/Issued	No	Serves single adults who have HIV/AIDS
Collaborative Village	16	16	Leased/Issued	No	Serves homeless individuals and families
Creekside Commons	6	6	Leased/Issued	No	Serves low-income people
Emanuel Housing	6	6	Leased/Issued	No	Serves Veterans
Families Moving Forward	12	12	Leased/Issued	No	Serves homeless individuals and families
Franklin Portland	7	7	Leased/Issued	No	Serves low-income people
Hiawatha Commons	20	20	Leased/Issued	No	Serves low-income people
Jeremiah	18	18	Leased/Issued	No	Serves low-income single women with children
Journey Homes	12	12	Leased/Issued	No	Supportive services for disabled, homeless families
Lamoreaux	13	13	Leased/Issued	No	Serves homeless individuals
Lindquist	24	24	Leased/Issued	No	Serves low-income people
Lonoke	4	4	Leased/Issued	No	Serves low-income people
Loring Towers	43	43	Leased/Issued	No	Serves low-income people
Lydia	40	40	Leased/Issued	No	Serves disabled homeless individuals
Many Rivers East	7	7	Leased/Issued	No	Serves low-income people
Many Rivers West	3	3	Leased/Issued	No	Serves low-income people
MN Indian Women's Resource Center	13	13	Leased/Issued	No	Serves homeless, Native American families
Park Plaza (phase I)	16	16	Leased/Issued	No	Serves low-income people
Park Plaza (phase II)	12	12	Leased/Issued	No	Serves low-income people
Park Plaza (phase III)	48	48	Leased/Issued	No	Serves low-income people
Passage	10	10	Leased/Issued	No	Serves low-income single women with or without children
Phillips Family	28	28	Leased/Issued	No	Serves low-income people
Phillips Redesign	4	4	Leased/Issued	No	Serves low-income people
Pinecliff	7	7	Leased/Issued	No	Serves low-income people
Portland Village	24	24	Leased/Issued	No	Serves homeless families with a disabled adult member
PPL Foreclosure	21	21	Leased/Issued	No	Serves low-income people
PPL Fourth Ave	6	6	Leased/Issued	No	Serves low-income people
River Runs	16	16	Leased/Issued	No	Serves low-income people
The Rose	15	15	Leased/Issued	No	Serves low-income people

Spirit on Lake	5	5	Leased/Issued	No	Serves low-income people
St. Anthony Mills	17	17	Leased/Issued	No	Serves low-income people
St. Barnabas	39	39	Leased/Issued	No	Serves homeless and at-risk youth
Trinity Gateway	16	16	Leased/Issued	No	Serves low-income people
Tubman	10	10	Leased/Issued	No	Serves single women with or without children
West River Gateway	12	12	Leased/Issued	No	Serves low-income people
MHOP Locations	53	0	Leased/Issued	No	Serves low-income people
Shelter to Housing Pgms	31	0	Leased/Issued	No	Serves homeless households
Youthlink	12	0	Leased/Issued	No	Serves homeless at-risk youth
Unnamed New Initiative	7	0	Leased/Issued	No	Serves low-income people

814

711

**Planned/Actual Total Existing Project-Based Vouchers**

\* Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

\*\* Select "Status at the End of Plan Year" from: Committed, Leased/Issued

**Please describe differences between the Planned and Actual Existing Number of Vouchers Project-Based:**

In its 2018 plan, MPHA included certain anticipated project-based vouchers that we projected would be leased/issued by the beginning of 2018, but which were delayed for multiple reasons.

**iii. Actual Other Changes to MTW Housing Stock in the Plan Year**

Examples of the types of other changes can include (but are not limited to): units held off-line due to relocation or substantial rehabilitation, local, non-traditional units to be acquired/developed, etc.

**ACTUAL OTHER CHANGES TO MTW HOUSING STOCK IN THE PLAN YEAR**

In 2018, MPHA sold two townhomes to residents as part of our Lease-To-Own initiative.

**iv. General Description of All Actual Capital Expenditures During the Plan Year**

Narrative general description of all actual capital expenditures of MTW funds during the Plan Year.

**GENERAL DESCRIPTION OF ALL ACTUAL CAPITAL EXPENDITURES DURING THE PLAN YEAR**

Actual 2018 Capital expenditures totaled approximately \$14.2 Million. Major work, completed or initiated, included:

- Roof replacement at Glendale Head Start Facility
- Roof replacement, unit renovation, and site improvements at various scattered sites
- Fire alarm system replacement at 20 high-rise sites
- Elevator modernization at 314 Hennepin, 1206 2<sup>nd</sup> Street NE, and 1710 Plymouth
- Plumbing replacement, HVAC improvements, apartment modernization, fire alarm system replacement, and handicapped accessibility upgrades in six units at 1627 South 6<sup>th</sup> Street
- Plumbing replacement, shower replacement, and apartment upgrades at 1515 Park Avenue South
- Site security improvements at the Cedars Community
- Plumbing replacement, apartment modernization, fire alarm system replacement, and heating system upgrades at 2728 East Franklin Avenue
- Plumbing replacement, apartment modernization, fire alarm system replacement, and HVAC improvements at 3205 East 37<sup>th</sup> Street and 3755 Snelling Avenue
- Roof replacement at 3755 Snelling Avenue
- Plumbing replacement, apartment improvements, and fire alarm system replacement at 2121 Minnehaha Avenue
- Security/building improvements at 1001 Washington Avenue North

The variance between forecasted and actual spending was primarily due to the Capital Fund Program appropriations being higher than anticipated.

## B. LEASING INFORMATION

### i. Actual Number of Households Served

Snapshot and unit month information on the number of households the MTW PHA actually served at the end of the Plan Year.

NUMBER OF HOUSEHOLDS SERVED THROUGH:	NUMBER OF UNIT MONTHS OCCUPIED/LEASED*		NUMBER OF HOUSEHOLDS SERVED**	
	Planned^^	Actual	Planned^^	Actual
MTW Public Housing Units Leased	72,048	72,048	6,004	6,004
MTW Housing Choice Vouchers (HCV) Utilized	54,660	53,100	4,555	4,425
Local, Non-Traditional: Tenant-Based	0	0	0	0
Local, Non-Traditional: Property-Based	720	708	60	59
Local, Non-Traditional: Homeownership	168	168	14	14
<b>Planned/Actual Totals</b>	<b>127,596</b>	<b>126,024</b>	<b>10,633</b>	<b>10,502</b>

\* "Planned Number of Unit Months Occupied/Leased" is the total number of months the MTW PHA planned to have leased/occupied in each category throughout the full Plan Year (as shown in the Annual MTW Plan).

\*\* "Planned Number of Households to be Served" is calculated by dividing the "Planned Number of Unit Months Occupied/Leased" by the number of months in the Plan Year (as shown in the Annual MTW Plan).

^^ Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

Please describe any differences between the planned and actual households served:

HCV utilization is lower than planned because the MHOP public housing subsidy units were not converted to project-based vouchers.

### Planned/Actual Totals

LOCAL, NON-TRADITIONAL CATEGORY	MTW ACTIVITY NAME/NUMBER	NUMBER OF UNIT MONTHS OCCUPIED/LEASED*		NUMBER OF HOUSEHOLDS TO BE SERVED*	
		Planned^^	Actual	Planned^^	Actual
Tenant-Based					
Property-Based	2011-2 Soft Subsidy Initiative	240	228	20	19
	2016-2 Reintegration of Offenders	480	480	40	40
Homeownership	2010-4 Lease-To-Own Initiative	168	168	14	14
		<b>888</b>	<b>876</b>	<b>74</b>	<b>73</b>

\* The sum of the figures provided should match the totals table. Figures should be given by individual activity. Multiple entries may be made for each category if applicable.

^^ Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

HOUSEHOLDS RECEIVING LOCAL, NON-TRADITIONAL SERVICES ONLY	AVERAGE NUMBER OF HOUSEHOLDS PER MONTH	TOTAL NUMBER OF HOUSEHOLDS IN THE PLAN YEAR
Program Name/Services Provided		

**ii. Discussion of Any Actual Issues/Solutions Related to Leasing**

Discussion of any actual issues and solutions utilized in the MTW housing programs listed.

HOUSING PROGRAM	DESCRIPTION OF ACTUAL LEASING ISSUES AND SOLUTIONS
MTW Public Housing	None
MTW Housing Choice Voucher	The Minneapolis rental market continues to be tight, with vacancy rates under 2% for the more affordable Class C rental units. MPHA continues to invest in owner outreach efforts to cultivate landlords who are willing to accept vouchers.
Local, Non-Traditional	None

**C. WAITING LIST INFORMATION**

**i. Actual Waiting List Information**

Snapshot information on the actual status of MTW waiting lists at the end of the Plan Year. The “Description” column should detail the structure of the waiting list and the population(s) served.

WAITING LIST NAME	DESCRIPTION	NUMBER OF HOUSEHOLDS ON WAITING LIST	WAITING LIST OPEN, PARTIALLY OPEN OR CLOSED	WAS THE WAITING LIST OPENED DURING THE PLAN YEAR
Public Housing Elderly/Disabled	Disabled persons between the ages of 18 and 49, Near-Elderly and Elderly persons age 50 or over	7,627	Open	Yes
Public Housing Family	Families with at least one dependent	9,195	Partially Open (open for 2, 4, & 5-bedroom units)	Yes
Housing Choice Voucher Program	All households who applied	524	Closed	No

**Please describe any duplication of applicants across waiting lists:**

Households who are eligible for more than one MPHA program may apply to each program when its waiting list is open and thus may be active on multiple MPHA waiting lists.

**ii. Actual Changes to Waiting List in the Plan Year**

Please describe any actual changes to the organizational structure or policies of the waiting list(s), including any opening or closing of a waiting list, during the Plan Year.

WAITING LIST NAME	DESCRIPTION OF ACTUAL CHANGES TO WAITING LIST
N/A	N/A

**D. INFORMATION ON STATUTORY OBJECTIVES AND REQUIREMENTS**

**i. 75% of Families Assisted Are Very Low Income**

HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW PHA are very low income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA should provide data for the actual families housed upon admission during the PHA's Plan Year reported in the "Local, Non-Traditional: Tenant-Based"; "Local, Non-Traditional: Property-Based"; and "Local, Non-Traditional: Homeownership" categories. Do not include households reported in the "Local, Non-Traditional Services Only" category.

INCOME LEVEL	NUMBER OF LOCAL, NON-TRADITIONAL HOUSEHOLDS ADMITTED IN THE PLAN YEAR*
80%-50% Area Median Income	0
49%-30% Area Median Income	0
Below 30% Area Median Income	63
Total Local, Non-Traditional Households Admitted	
	63*

\* In the prior version of the 50900, MPHA has understood the reporting associated with the "families assisted" statutory requirement to correspond to all families *served* at a point in time—not just those admitted during the plan year. We are reporting here in accordance with this guidance, but wish to note that it appears to be a change from our prior understanding of HUD's view of the "families assisted" requirement.

**ii. Maintain Comparable Mix**

HUD will verify compliance with the statutory requirement that MTW PHAs continue to serve a comparable mix of families by family size by first assessing a baseline mix of family sizes served by the MTW PHA prior to entry into the MTW demonstration (or the closest date with available data) and compare that to the current mix of family sizes served during the Plan Year.

BASELINE MIX OF FAMILY SIZES SERVED (upon entry to MTW)					
FAMILY SIZE	OCCUPIED PUBLIC HOUSING UNITS	UTILIZED HCVs	NON-MTW ADJUSTMENTS*	BASELINE MIX NUMBER	BASELINE MIX PERCENTAGE
1 Person	4,485	1,575	X	6,060	60%
2 Person	497	783	X	1,280	13%
3 Person	216	696	X	912	9%
4 Person	170	586	X	756	7%
5 Person	112	350	X	462	5%
6+ Person	204	410	X	614	6%
TOTAL	5,684	4,400	X	10,084	100%

\* "Non-MTW Adjustments" are defined as factors that are outside the control of the MTW PHA. An example of an acceptable "Non-MTW Adjustment" would include demographic changes in the community's overall population. If the MTW PHA includes "Non-MTW Adjustments," a thorough justification, including information substantiating the numbers given, should be included below.

Please describe the justification for any "Non-MTW Adjustments" given above:

MIX OF FAMILY SIZES SERVED (in Plan Year)
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FAMILY SIZE	BASLINE MIX PERCENTAGE**	NUMBER OF HOUSEHOLDS SERVED IN PLAN YEAR^	PERCENTAGE OF HOUSEHOLDS SERVED IN PLAN YEAR^^	PERCENTAGE CHANGE FROM BASELINE YEAR TO CURRENT PLAN YEAR
1 Person	60%	6,296	60%	-0.03%
2 Person	13%	1,335	13%	0.04%
3 Person	9%	839	8%	-1.04%
4 Person	7%	722	7%	-0.61%
5 Person	5%	456	4%	-0.23%
6+ Person	6%	834	8%	1.87%
<b>TOTAL</b>	<b>100%</b>	<b>10,483</b>	<b>100%</b>	<b>0%</b>

\*\* The "Baseline Mix Percentage" figures given in the "Mix of Family Sizes Served (in Plan Year)" table should match those in the column of the same name in the "Baseline Mix of Family Sizes Served (upon entry to MTW)" table.

^ The "Total" in the "Number of Households Served in Plan Year" column should match the "Actual Total" box in the "Actual Number of Households Served in the Plan Year" table in Section II.B.i of this Annual MTW Report.

^^ The percentages in this column should be calculated by dividing the number in the prior column for each family size by the "Total" number of households served in the Plan Year. These percentages will reflect adjustment to the mix of families served that are due to the decisions of the MTW PHA. Justification of percentages in the current Plan Year that vary by more than 5% from the Baseline Year must be provided below.

**Please describe the justification for any variances of more than 5% between the Plan Year and Baseline Year:**

N/A

**iii. Number of Households Transitioned to Self-Sufficiency in the Plan Year**

Number of households, across MTW activities, that were transitioned to the MTW PHA's local definition of self-sufficiency during the Plan Year.

MTW ACTIVITY NAME/NUMB	NUMBER OF HOUSEHOLDS TRANSITIONED TO SELF SUFFICIENCY*	MTW PHA LOCAL DEFINITION OF SELF SUFFICIENCY
Public Housing Working Family Incentive	364	Resident rent portion is flat rent amount
Lease-To-Own Initiative	2	Income sufficient to purchase home
Soft Subsidy Initiative	0	Participant is off of government financial assistance
HCV Rent Reform Initiative	45	Households going off program for having \$0 HAP (family is paying their full contract rent)
Shelter to Home – Public Housing	0	
Shelter to Home – PBV	0	
Reintegration of Offenders	10	Maintained lease in own name for 90 days, engaged in addressing wellness needs at home, employed at least 90 days for 20 hours per week, no new offenses or return to custody for 90 days, increased parenting skills
Permanent Supportive Housing for Youth	0	Youth on an education or employment trajectory and able to afford safe and decent housing upon exit from program
	0	(Households Duplicated Across MTW Activities)
	<b>421</b>	<b>Total Households Transitions to Self Sufficiency</b>

\* Figures should match the outcome reported where metric SS#8 is used in Section IV of this Annual MTW Report.

### **III. Proposed MTW Activities**

All proposed MTW activities that were granted approval by HUD are reported in Section IV as “Approved Activities.”

## IV. Approved MTW Activities

### Implemented Activities

	<i>Approved</i>	<i>Implemented</i>
Asset Verification	2018	2018
Biennial Income Recertification (Public Housing)	2018	2018
Conversion of Subsidy and Capital for MHOP Units	2018	2018
Goal-Oriented Housing Initiative	2018	2018
HCV Mobility Voucher Program	2009	2010
HCV Rent Reform	2014	2014
Lease-to-Own Initiative	2010	2012
Local Project-Based Voucher Program	2018	2018
Low-Rent Annual to Three-Year Certifications	2009	2010
Minimum Rent Initiative for Public Housing Residents	2010	2011
Permanent Supportive Housing for Youth	2016	2016
Property Owners Incentive Program	2018	2018
Public Housing Working Family Incentive	2010	2011
Reintegration of Offenders	2016	2017
Shelter to Home – Project-Based Vouchers	2016	2016
Shelter to Home – Public Housing	2015	2017
Soft-Subsidy Initiative	2011	2013
Targeted Project-Based Initiative	2011	2012

### Activities Not Yet Implemented

Conversion of 312 Mixed-Financed PH Units to PBV	2010
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### Activities On-Hold

	<i>Approved</i>	<i>Implemented</i>	<i>On-Hold/Closed</i>
Alternate Income Verifications	2013		2017
Public Housing Earned Income Disregard	2009	2010	2017

### Closed-Out Activities

Absence from Unit Initiative	2011	2011	2017
Biennial HQS Inspections	2012	2012	2014
Block Grant & Fungible Use of MPHA Resources	2009	2009	2017
Combine Homeownership Programs	2009	2009	2012
Earned Income Disallowance Simplification – HCV	2012	2012	2016
Foreclosure Stabilization PBV Demonstration Program	2010	2011	2017
MPHA/Hennepin County Transitional Housing	2013	2014	2016
Public Housing Self-Sufficiency Program	2009	2009	2012

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The MPHA MTW Annual Report and activities therein are approved, authorized, and implemented in accordance with the MTW Demonstration Program's enabling laws and related regulations, and the terms and conditions of its Amended and Restated MTW Agreement with the Department of Housing and Urban Development. MPHA's MTW Agreement governs and supersedes, as appropriate, applicable Federal laws, rules, regulations, contracts, and agreements that have been or will be waived and/or modified by the MTW Agreement.

## A. IMPLEMENTED ACTIVITIES

### Asset Verification (Activity 2018 – 4)

Approved and implemented, 2018

#### Description/Update:

MPHA modified the definition of annual income to exclude income from assets valued at \$50,000 or less. In cases where household assets are valued at more than \$50,000, MPHA calculates and counts only the imputed income from assets by using the market value of the asset and multiplying it by the MPHA-established Passbook Savings Rate. MPHA will only seek third party verification for assets valued at more than \$50,000. By eliminating a time-consuming process that has shown only a marginal positive impact on MPHA revenues, MPHA anticipates this change will save the agency time and overall allow more cost-effective utilization of its resources.

In 2018, MPHA began phasing this change in at each scheduled or interim rent redetermination. At this pace, it will be fully implemented in three years.

#### Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)

MPHA does not plan any changes to this activity in the plan year.

<b>CE#1: Agency Cost Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>2018 Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	\$1,321	\$264	\$219	Yes
<b>CE#2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>2018 Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	55.75 Hours	11 Hours	9.25	Yes
<b>CE#3: Decrease in Error Rate of Task Execution*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>2018 Outcome</b>	<b>Benchmark Achieved?</b>
Average error rate in completing a task as a percentage (decrease).	1	0	0	Yes

\* Not an objective of this activity.

## Biennial Income Recertification for Public Housing (2018 – 3)

Approved and implemented, 2018

### Description/Update:

This initiative changed income certification of non-elderly, non-disabled families to every other year, rather than annually. (MPHA already certified families who are elderly or disabled, and who are on a fixed income, every three years.) Residents may still request interim recertifications or utilize a hardship policy if they believe they are adversely affected by the biannual schedule. The change is intended to save the agency time and allow more cost-effective utilization of its resources. This activity will reduce the number of annuals done per Eligibility Technician (ET), allowing the ETs to follow up on long-term minimum-rent-payers and interim recertification requests. By allowing residents to retain more earnings in the near term, we also anticipate that the change may encourage modest increases in earned income by public housing residents, contributing to greater self-sufficiency.

In 2018, MPHA began phasing in the implementation of this initiative at each new, interim, or recertification. Upon full implementation at the end of 2019, we estimate 850 residents will benefit from this MPHA activity annually.

We logged substantial cost and time savings in the first year. Due to the biennial nature of this activity, we expect results will be fully reflected in 2019.

### Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)

MPHA does not plan any changes to this activity in the plan year.

<b>CE#1: Agency Cost Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>2018 Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	\$31,266	\$14,748	\$16,353	No
<b>CE#2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>2018 Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	1,319 Hours	639 Hours	690 Hours	No

<b>CE#5: Increase in Agency Rental Revenue*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>2018 Outcome</b>	<b>Benchmark Achieved?</b>
Total Household contributions towards housing assistance.	0	0	0	No*

\* Not an objective of this activity.

<b>SS#1: Increase in Household Income</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>2018 Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	TBD*	TBD*	TBD*	No*

\* This is a new, biennial activity; measurement of this metric will first be possible in 2019.

<b>SS#3: Increase in Positive Outcomes in Employment Status*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>2018 Outcome</b>	<b>Benchmark Achieved?</b>
Report the following information separately for each category:  (1) Employed Full-Time (2) Employed Part-Time (3) Enrolled in an Educational Program (4) Enrolled in Job Training Program (5) Unemployed (6) Other	0	0	0	No*

\* Not an objective of this activity.

<b>SS#4: Households Removed from Temporary Assistance for Needy Families*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>2018 Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance (increase).	0	0	0	No*

\* Not an objective of this activity.

<b>SS#8: Households Transitioned to Self-Sufficiency*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>2018 Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for “self-sufficiency” to use for this metric. Each time the PHA uses this metric, the “outcome” number should also be provided in Section (II) Operating Information in the space provided.	0	0	0	No*

\* Not an objective of this activity.

## Conversion of Public Housing Operating Subsidy and Capital Funds for MHOP Units to Housing Choice Voucher Funding (2018 - 5)

Approved and implemented, 2018

### Description/Update

MPHA holds the ACC for 106 units of public housing in 16 cities in the Metropolitan Housing Opportunity Program (MHOP). MPHA neither owns nor manages these units. These units were created under the *Hollman v. Cisneros* Settlement Agreement and are located outside MPHA's jurisdiction. The process of managing and operating public housing has proven onerous and costly for property owners. These entities have significant staff turnover and MPHA must provide considerable time, resources, and support to continually train providers related to HUD public housing requirements.

By converting these units to PBVs, tenants, owners, and MPHA will receive the rewards of increased cost-effectiveness. HUD currently has a process for this transfer of funds under the RAD program. However, the small number of units (4 -13 units per property) across 16 different entities is not conducive to a RAD and/or Voluntary Conversions where there are extensive costs related to such conversions. Under this approved MTW activity, MPHA will work with HUD to operationalize the transfer of the Public Housing Operating Subsidy and Capital Funds for this AMP to MPHA's Section 8 funding. MPHA will then allocate those funds to the properties through a PBV process. We neither intend nor anticipate any disruption to residents, including temporary or permanent displacement as a result of the process.

MPHA anticipates beginning discussions with HUD in 2019 to determine how to operationalize the transfers under this mechanism. Note that this activity overlaps in-part with activity 2010 – 3, which includes an additional 200 MHOP units at Heritage Park.

### Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)

MPHA does not plan any changes to this activity in the plan year.

<b>CE#1: Agency Cost Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	\$72,000	\$35,000	0	No*

\*Activity in planning stage

<b>CE#2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	1,040 Hours	520 Hours	0	No*

\*Activity in planning stage

<b>MPHA Metric</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of Units Converted	106	12	0	No*

\*Activity in planning stage

## Goal-Oriented (GO!) Housing Initiative (2018 – 2)

Approved and implemented, 2018

### Description/Update:

GO! Housing encompasses an agency-wide effort to use specific participation goals and incentives that encourage families to take part in education, training, and/or employment opportunities. MPHA will use flexible voucher subsidies and rent incentives to public housing families and HCV participants, including workforce housing opportunities tied to services and supports provided by partner organizations. Partners will commit to provide services and supports to MPHA public housing residents and HCV participants and coordinate with MPHA on establishing success measures.

Participation in GO! Housing programs will be voluntary. MPHA anticipates targeting these initiatives to households in the best position to benefit from it. Examples could include:

- Strategically identify existing public housing units located in areas close to services, supports and employment opportunities of partners. The units can be reserved for public housing families who commit to the program. MPHA may work with various partners to set aside public housing units near education and training centers that will be reserved for participants in programs offered by the partner organization.
- Establish specific program participation requirements tied to partner programs and supports as well as other requirements necessary to demonstrate progress in meeting program goals.
- Explore creation of a workforce housing development at MPHA properties and/or create a new workforce development in concert with MPHA partners.
- Offer priority for participation in this program to the 500+ HCV families with children whose Head of Households are neither elderly nor disabled and who have no earned income.
- Create expanded - flexible voucher subsidy allocations that can respond to specific participant and possible partner needs that incentivize participation by HCV holders (these subsidies may be tailored to the individual needs of the participant).
- Explore home ownership vouchers as incentives.
- Consider setting aside or creating sponsor-based subsidy programs to better coordinate with partner programs and services.
- Make available local project-based vouchers targeted at developments near partner services and supports.

Program elements could include:

- A. Partnerships with:
  - Schools – pre, elementary and middle, secondary and post- secondary
  - Supportive services providers
  - Vocational skills providers
  - Employment providers

## B. Tenant/participant savings initiatives

## C. Special incentives, including:

- Priority for flexible vouchers for successful graduates who secure a job in an area that requires a move
- Rent reductions/income disregards for employment, childcare and/or education and training support
- Parent rewards for participating in school (family conferences, PTO activities or other school-family initiatives)

Specific program guidelines, training opportunities, and participant incentives will arise from conversations with service-provider partners and market research to understand the needs of potential participants.

In 2018, we developed the first initiative under this activity, which will begin serving families in 2019. The “Stable Homes, Stable Schools” program is a partnership with the City of Minneapolis and the Minneapolis Public Schools to provide rental assistance and supportive services to families of elementary students experiencing homelessness. MPHA and the city will jointly fund rental assistance for families identified by caseworkers at 15 schools where the challenge is greatest. The number of families served will be modest to start, and gradually increase as the partners build up our experience with the program.

Hennepin County and social service nonprofits will provide housing search assistance and a web of ongoing supports. Parents commit to engagement in their child’s education. A local foundation has also entered the partnership to fund services for families identified as at-risk of homelessness. The partners will work with researchers at the University of Minnesota to monitor outcomes and program success.

### Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)

MPHA does not plan any changes to this activity in the plan year.

<i><b>SS#1: Increase in Household Income</b></i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	0	0	0	No*

\*Initial program was in planning stage in 2018.

<b>SS#2: Increase in Household Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of savings/escrow of households affected by this policy in dollars (increase).	0	0	0	No*

\*Initial program was in planning stage in 2018.

<b>SS#3: Increase in Positive Outcomes in Employment Status</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Report the following information separately for each category:	0	0	0	0
(1) Employed Full-Time				
(2) Employed Part-Time				
(3) Enrolled in an Educational Program				
(4) Enrolled in Job Training Program				
(5) Unemployed				
(6) Other				

\*Initial program was in planning stage in 2018.

<b>SS#4: Households Removed from Temporary Assistance for Needy Families</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance (increase).	0	0	0	No*

\*Initial program was in planning stage in 2018.

<b><i>SS#5: Households Assisted by Services that Increase Self-Sufficiency</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase self-sufficiency (increase).	0	25	0	No*

\*Initial program was in planning stage in 2018.

<b><i>SS#6: Reducing Per Unit Subsidy Costs for Participating Households</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	0	0	0	No*

\*Initial program was in planning stage in 2018.

<b><i>SS#7: Increase in Agency Rental Revenue</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
PHA rental revenue in dollars (increase).	0	0	0	No*

\*Initial program was in planning stage in 2018.

<b><i>SS#8: Households Transitioned to Self-Sufficiency</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "outcome" number should also be provided in Section (II) Operating Information in the space provided.	0	0	0	No*

\*Initial program was in planning stage in 2018.

## HCV Mobility Voucher Program (2009 – 6)

Approved in 2009, Implemented in 2010

### Description/Update

MPHA created a Mobility Voucher program to encourage low-income families to move to communities of greater opportunity that are not impacted by concentrated poverty or race and to find safe, decent and affordable housing in an environment conducive to breaking the cycle of poverty. This initiative responds to HUD's goal of deconcentrating families who live in poverty and Affirmatively Furthering Fair Housing. The program is structured to increase housing choices for families on the MPHA Section 8 Waiting List and current program participants who live in Areas of Concentrated Poverty and who are willing to move into non-concentrated areas (also referred to as "areas of opportunity").

We serve families under the Mobility Program by a) offering incentives and enhanced support to help families find and keep homes in areas of opportunity within the City of Minneapolis, and b) allowing participant families to lease a unit outside the City of Minneapolis, provided the unit is located in an area of opportunity. Families who lease in another metro area housing authority's jurisdiction must continue with MPHA case management services to remain eligible for the Mobility Program. Mobility families who port-out cannot be absorbed during the three years they are under the Contract of Participation with the receiving housing authority.

In 2015, the Mobility Voucher Program was redesigned to offer material incentives to the program such as security deposit assistance, application fee assistance, higher payment standards, three 31-day bus cards, and moving assistance. In 2016 and 2017, MPHA hired a Mobility Community Services Coordinator and began implementing strategies recommended by a report from the Family Housing Fund, *Enhancements and Best Practices Designed to Expand Resident Choice and Mobility in Minneapolis*. In 2018, MPHA completed a rent study to better understand rental trends in the marketplace and inform data-driven decisions on where to adjust our payment standards. MPHA will implement these area rents in ways that allow families to stretch their voucher further, living where they can maximize their chances for success and the success of their children.

### Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)

MPHA does not plan any changes to this activity in the plan year.

<b><i>HC #5: Increase in Resident Mobility</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity	0	25	36	Yes
<b><i>HC #7: Households Assisted by Services that Increase Housing Choice</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase housing choice	0	25	36	Yes

## HCV RENT REFORM INITIATIVE (2014 – 1)

Approved and Implemented in 2014

### Description/Update

The goal of rent reform was to streamline and simplify the rental subsidy determination and recertification processes, promoting self-sufficiency for HCV participants while saving costs and allowing us to more serve more families from our waitlist. With the advent of federal sequestration in 2013, the focus shifted to maintaining assistance for all current families within a severely decreased budget.

MPHA's HCV rent reform initiative consists of the following:

- a) **Flat Subsidy:** MPHA replaced the standard rent calculation method with a simplified, flat subsidy model which incorporates consideration for tenant paid utilities. MPHA determines the subsidy paid to the owner on behalf of the family by using a flat subsidy amount based on household income and bedroom size. In instances where the applicable subsidy is greater than the contract rent, MPHA will cap the subsidy at the contract rent amount, minus the minimum rent. We aspire to present the HAP amounts in a way that gives families a clear understanding of how much they will receive, allowing them to make a more informed decision of where they could move.
- b) **Minimum Rent:** As part of the flat subsidy model, MPHA revised the application of minimum rent policies. When establishing the flat subsidy tables, MPHA structured the minimum rent into the tables. If a participant's calculated rent amount is less than the minimum rent amount, the participant pays the minimum rent to the owner. Families in project-based units which receive funding from HUD's Community Planning and Development department through the Supportive Housing Program (SHP) or the Housing Opportunities for Persons with AIDS (HOPWA) program are exempt from MTW minimum rent and all other aspects of HCV rent reform.
- c) **40 Percent Affordability Cap:** MPHA eliminated the 40 percent affordability cap because under rent reform affordability becomes the responsibility of the family. We will not approve a Request for Tenancy Approval (RFTA) if a participant's rent portion exceeds 50 percent of their monthly adjusted income without supervisory review and approval.
- d) **Revised Asset Income Calculation and Verification Policies:** MPHA revised existing procedures on asset verification and calculation. When the market value of a family's assets is below an established asset threshold, MPHA will exclude income from these assets. When the total asset market value is greater than the established threshold, MPHA will calculate asset income by multiplying the asset's market value by the applicable passbook savings rate. MPHA will allow HCV households to self-certify assets in all instances when the market value of the household's total assets is below the established threshold.
- e) **Interim Re-examinations:** MPHA made changes to the interim re-examination procedures. MPHA limits HCV families to one discretionary interim re-examination between regular annual recertifications. Between annual recertifications, household

members who are employed are not required to report increases in earned income. And for household members who are not employed, they must report any subsequent employment. Increases in unearned income for any household member and changes in household composition must still be reported.

- f) Working Family Incentive and Streamlined Deductions and Exclusions:** As part of MPHA's revisions to the standard rent calculation method, MPHA streamlined deductions and exclusions. MPHA has eliminated childcare, medical expenses, and dependent deductions from the calculation of adjusted income. To lessen the impact of removing the childcare and dependent deductions, MPHA continued to administer the Working Family Incentive (a 15% exclusion of earned income for families with minor children). To offset the impact of removing medical expense deductions, MPHA increased the standard elderly/disabled deduction. MPHA is excluding 100 percent of income for adult, full-time students (other than the head of household, co-head or spouse). MPHA has phased out its MTW HCV Earned-Income Disregard activity in light of rent reform (families in the program were grandfathered into the change).
- g) Changes in Fair Market Rents (FMRs):** MPHA reviews HUD's Fair Market Rents periodically and conducts a research and market analysis on local rents in updating the subsidy tables. MPHA waived the requirement that the agency conduct reasonable rent determinations on all HCV units when there is a five percent year-over-year decrease in the FMR in effect 60 days before the contract anniversary. MPHA conducts reasonable rent determinations at the time of initial lease-up, at the time of owner rent increases, and at all other times deemed appropriate by MPHA.
- h) Flat Subsidy Reasonable Accommodation:** As a reasonable accommodation for individuals with qualifying disabilities, MPHA may provide a higher subsidy for accessible units.
- i) Portability:** MPHA revised the portability procedures. Participants are approved to port-out of Minneapolis only for reasons related to employment, education, safety, medical/disability, VAWA, housing affordability, or to move into an Area of Opportunity within the seven-county Twin Cities Metropolitan Area. Families who are denied portability have the right to request an informal hearing.
- j) Mixed Families:** For families with mixed immigration status, MPHA will deduct 10% from the flat subsidy amount. This 10% deduction is a flat deduction from the subsidy amount, regardless of the number of ineligible family members in the household.

#### **Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)**

MPHA does not plan any changes to this activity in the plan year.

<b>CE #1: Agency Cost Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (budget for Section 8 HCV program – expenses)	2013 budgeted expenses of \$44,451,999	Expenses will decrease 9.65% to \$40,162,621	2018 expenses decreased 11.4% to \$39,374,511	Yes
<b>CE #2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	0*	0*	0*	0*

\* In assembling this report, MPHA has looked closely at our prior reporting on this metric and investigated the capacity of our existing internal data sources to measure baselines and outcomes. Our review has determined that we are currently unable to measure this metric in a verifiable, usable way. MPHA will continue exploring whether to reinstate this metric in the future.

<b>CE #3: Decrease in Error Rate of Task Execution</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average error rate in calculating adjusted income as a percentage	12.6% error rate in adjusted income calculation	4% error rate in adjusted income calculation	10.2% error rate in adjusted income calculation.	No
<b>SS #1: Increase in Household Income</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average income from employment	\$17,495	Earned income will increase 3.6% \$18,125	Earned income increased 40% to \$24,522*	Yes

\*Among employed households.

<b>SS #3: Increase in Positive Outcomes in Employment Status</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
6. Other – with earned income	1,504 heads of households had earned income	1,552 heads of households will have earned income	1796 heads of households have earned income.	Yes
	58% of work-able households had a head of household with earned income	Work-able households with a head of household with earned income will increase 2%, to 60%	71% of Work-able households had a head of household with earned income.	Yes
<b>SS #4: Households Removed from Temporary Assistance to Needy Families (TANF)</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance	2,418 receiving TANF	2,300 will be receiving TANF	995 Families are receiving TANF.*	Yes
*Food support is no long entered into tenant file, may have impacted count in comparision to last year .				
<b>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average per unit cost	\$730	Per unit cost will decrease 2%, to \$719	\$788	No (Rising rental market)

<b>SS #8: Households Transitioned to Self-Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency as measured by number of households going off program for having \$0 HAP subsidy amount - they are self-sufficient because they are paying the full contract rent	14	25	45	Yes

## **Lease-To-Own Initiative (2010 – 4)**

Approved in 2010, Implemented in 2012

### **Description/Update**

MPHA utilized funds from its American Recovery and Reinvestment Act grant to purchase 20 townhome units (the Sumnerfield Townhomes) for the creation of a Lease-to-Own initiative. MPHA's initial target audience for this initiative was qualified public housing residents, Housing Choice Voucher participants, families on MPHA's waiting lists, and MPHA and City of Minneapolis employees who qualify for public housing. MPHA later broadened the eligibility to include other low-income, first-time homebuyers.

Participants rent these units as public housing residents, with a requirement to purchase within five years. MPHA offers advantageous terms for families that close within two years. MPHA works with participants on achieving the homeownership goal, although participants are ultimately responsible for achieving mortgage-readiness and securing financing. MPHA escrows a portion of each month's rent (as a contribution toward a down-payment) and matches up to \$1,500 in documented personal savings.

MPHA has sold eight units of the original 20. In 2018, MPHA completed a thorough review of the program including the selection criteria, case management, and homeownership counseling. We updated the program's supporting procedures and entered an MOU with Habitat for Humanity, to provide homeowner-readiness counseling and mortgage financing options. All new entrants to the program must qualify for and enroll in the Habitat program.

In 2018, the Lease-to-Own townhomes experienced turnover as several families reached their five-year closing deadline and were not ready to purchase. As a result, most of the households at the end of 2018 were new participants within the past year. The metrics convey, for example, that many households had not yet begun making and/or reporting savings for the savings-match program. Households in the program for the full fiscal year experienced a high level of job loss and income instability, yielding a small decline in average income. We believe the design changes to the program and new partnership—neither of which were yet in place for most of 2018—will lead to improved outcomes.

### **Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)**

MPHA does not plan any changes to this activity in the plan year.

<b>SS #1: Increase in Household Income</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	\$25,500*	Enrolled residents will have a 2% increase in average earned income. Prior year (2017): \$51,530 Benchmark: \$52,561	\$51,112	No
* The baseline is set at the initial qualifying income for the program.				
<b>SS #2: Increase in Household Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of savings/escrow of households affected by this policy in dollars (increase).*	0	\$750 per-household average	\$214*	No
* Total includes many new families with only a partial in the program.				
<b>SS #8: Households Transitioned to Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase). MPHA has defined self-sufficiency as income sufficient to purchase a home.	0	2	2	Yes

<b>HC #5: Increase in Resident Mobility</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	0	0	N/A*

\* This metric is not applicable to this activity, as the townhomes are not in an area of opportunity.

<b>HC #6: Increase in Homeownership Opportunities</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households that purchased a home as a result of the activity (increase).	0	3	2	No

<b>HC #6: Increase in Homeownership Opportunities</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households that purchased a home as a result of the activity (increase).	0	3	2	No

## Local Project-Based Voucher Program (2018 – 6)

Approved and implemented, 2018

### Description/Update:

Pursuant to Attachment C Section 7 of the Amended and Restated Moving to Work Agreement, MPHA will adopt its own local MTW Section 8 Project-Based Program. This includes the following:

- Project-basing Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD's requirements regarding subsidy layering.
- Adopting a reasonable competitive process or utilize an existing local competitive process for project-basing leased housing assistance at units that meet existing Housing Quality Standards, or any standards developed by the Agency.
- Substitute a Letter of Commitment, MOU or other pre-issuance of a HAP action that is sufficient to move the development forward.
- Modifying HUD's HAP Agreement to include MTW approved related actions.

Over time, MPHA's initiative will work towards adopting the option of owner-managed, site-based waiting lists (SBWL) for its project-based developments. Owners will be required to develop and obtain MPHA approval on tenant selection plans, including establishing guidelines for selection from the waiting list, screening and transfers. MPHA will provide current HCV waiting list applicants an opportunity to apply to PB SBWLs before opening the SBWL to others.

The first initiative pursued under this activity is the launch of MPHA's open-ended PBV Request for Proposals (RFP). The RFP was developed and launched in 2018. Through the RFP, MPHA intends to strategically place up to 400 vouchers—including veterans (VASH), and non-elderly disabled ("mainstream")—in ways that align with the values and needs of the community, while achieving maximum return in creating additional affordable housing. During 2018 MPHA made commitments to 10 development projects (a total of 118 units). None of these have been constructed, and as expected there are no metrics to report in Year One. MPHA had a benchmark of 15 listed for HC#2 with the activity as first proposed. However, that was not realistic at this early stage.

### Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)

MPHA does not plan any changes to this activity in the plan year.

<b><i>HC#1: Additional Units of Housing Made Available</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household give that type in this box)	0	0*	0*	No*
* Partial year; PBV RFP only at commitment stage.				
<b><i>HC#2: Units of Housing Preserved</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box.	0	15*	0*	No*
* Partial year; PBV RFP only at commitment stage.				

## Low-Rent Annual to Three-Year Certifications (2009 – 2)

Approved in 2009, Implemented in 2012

### Description/Update

MPHA recertifies every three years (instead of annually) elderly, disabled or other public housing residents who are on a fixed income and whose sources of income are not likely to change for extended periods of time. MPHA anticipates this change would save the agency time and allow better utilization of its resources and believes this change also provides a significant benefit to its residents. MPHA has maintained its policy of reporting changes in income.

This activity has the highest impact on our highrise residents. Changing the annuals to every three years for Elderly and Disabled and residents with a stable income has allowed staff to concentrate their efforts on residents with substantial rent changes. MPHA runs HUD Enterprise Income Verification (EIV) reports every three months for our minimum renters and continues to run the EIV reports for tenants who are not required to do their annual certification in the current year.

MPHA continues interim recertifications for any household that is required to be recertified or who requests recertification due to a change in circumstances. MPHA continues its experience of saving hours related to recertification, as well as significant other time related to setting up appointments, following through on verifications, and other tasks that are related impacts of this process. However, the total time (and cost) savings fall slightly short of our established benchmarks. MPHA will continue to examine our processes to increase cost-saving and efficiency.

### Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)

MPHA plans no changes to this activity in the plan year.

CE #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$151,159	\$99,765	\$104,090	No
CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	6,240 hours	4,120 hours	4,392 hours	No

CE #5: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Rental revenue in dollars (increase).	\$14,437,400	\$20,148,564 (Annual increase of 1.5%)	\$21,039,226	Yes

## Minimum Rent Initiative for Public Housing Residents (2010 – 2)

Approved in 2010 and Implemented in 2011

### Description/Update

Tenants moving into public housing whose calculated rent is less than the minimum rent, pay the minimum rent that is in effect at the time of lease-up. This initiative increased the minimum rent of existing tenants at the first annual or interim re-exam after implementation. The initiative was implemented to promote self-sufficiency and increase rental income. MPHA will continue to explore ways of achieving an appropriate benchmark in this area.

### Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)

MPHA does not plan any changes to the activity in the plan year.

CE #5: Increase in Agency Rental Revenue - Public Housing				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Rental revenue in dollars (increase).	\$221,400	\$500,000	\$468,900	No

## Permanent Supportive Housing for Youth (2016 – 3)

Approved in 2016, Implemented in 2016

### Description/Update

The City of Minneapolis has a significant need for permanent supportive housing for homeless youth. Two local partners, Project for Pride in Living (PPL) and YouthLink, worked together to build a new facility to provide supportive housing for 46 homeless youth (ages 18-23). MPHA committed 25 project-based vouchers for a period of 20 years. The facility, called Downtown View, opened in February 2018 and we are reporting metrics this year for the first time.

YouthLink and PPL provide educational support, job training, and other supportive services. These services are led by a program supervisor, responsible for overall service delivery and outcomes. Other key personnel include a resident advisor who lives on-site and troubleshoots crises that may occur outside of typical office hours, and case managers who help young people connect to community and Youth Opportunity Center resources based on individual aspirations and life goals. Case managers also help them navigate the often-difficult system of community-based adult services such as education, employment, and independent housing.

Youth pay 30% of their incomes toward their housing. The youth served come to the program via the Hennepin County Coordinated Entry system for sheltering the homeless, with intake administered by Youthlink. MPHA operates under an agreement with PPL and YouthLink that details funding and operational requirements of the program along with the reporting requirements.

The program operated for most of 2018 and was successful in meeting most benchmarks in its first year. The low rate of savings—despite a considerable increase in income—merits discussion with the program partners. While we had expected two youth to exit the program to self-sufficiency, this did not happen in the first (partial) year of the program. The program is new and novel, and we will be watching for improvement in all areas in its second year.

### Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)

MPHA plans no changes to this activity in the plan year.

<i><b>CE#4: Increase in Resources Leveraged</b></i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Amount of funds leveraged in dollars (increase).	0	\$11,900,649	\$11,900,649	Yes

<b><i>HC #1: Additional Units of Housing Made Available</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase)	0	12	25	Yes
<b><i>HC #5 Households Assisted by Services that Increase Resident Mobility</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	12	25	Yes
<b><i>HC #7: Households Assisted by Services that Increase Housing Choice</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase housing choice (increase).	0	12	25	Yes

<b>SS #1: Increase in Household Income</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy (increase).	0	Increase of household income \$8,320.00	\$12,818.00	Yes
<b>SS #2: Increase in Household Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of savings/escrow of households affected by this policy (increase).	0	\$250	\$172.22	No
<b>SS #3: Increase in Positive Outcomes in Employment Status</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of families with stable employment histories (increase)				
(1) Employed Full-Time -		2	2	Yes
(2) Employed Part-Time -	0	9	15	Yes
(3) Enrolled in an Educational Program -		8	2	No
(4) Enrolled in Job Training Program -		2	1	No
(5) Unemployed -		3	10	Yes
(6) Other:		2	0	No

<b><i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase self sufficiency (increase).	0	13	25	Yes
<b><i>SS #8: Households Transitioned to Self Sufficiency</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase).*	0	2	0	No
Self Sufficiency Definition: Youth on an education or employment trajectory and able to afford safe and decent housing upon exit from program.				

## Property Owners Incentive Program (2018 – 1)

Approved and implemented, 2018

### Description/Update:

MPHA and the City of Minneapolis are partnering to fund and administer incentives that encourage property owners to accept Section 8 Housing Choice Vouchers (HCVs). With these incentives, MPHA and the city intend to reassure property owners that have not partnered in the HCV program, especially due to past challenging experiences, that their concerns can be addressed or mitigated. MPHA anticipates these incentives will increase the number of property owners that participate in the HCV program, leading to increased housing choice for families with vouchers—particularly in areas of greater opportunity.

The incentives, covered under a Memorandum of Understanding with the city, include:

Property damage protections: The city will protect property owners by covering tenant damage claims that exceed the security deposit, up to \$2,500. MPHA will manage the funds and work with the city to evaluate claims.

Property Owner Holding Fee: MPHA will make a payment of a Holding Fee of up to \$500 to the property owner to hold an approved unit for an eligible participant while awaiting the release of a pro-rated rental subsidy.

First Time HCV Property Owner Incentive: Property Owners receive a one-time, \$250 incentive fee when they rent to a voucher holder for the first time.

MPHA processes and pays claims and receives reimbursement from the city for the city's portion (50 percent). MPHA began processing incentive payments in mid-2018, paying out \$8,000 in new-owner incentives by year-end. There were no payments for damage protection or the holding fee. Anecdotally, owners have mentioned that the existence of the program—whether they received payments or not—has had a positive affect on their working relationship with MPHA.

The program is considered a pilot, with a length to be determined by the draw-down of the initial \$50,000 funding pool. We will monitor claim patterns and the draw-down of the pool. At or before the pilot's conclusion, the city and MPHA will jointly reassess the success of the incentives and potential adjustments. The partners may use a community review process and on-going surveys of current and potential owners to adapt or to design new incentives under this initiative.

### Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)

MPHA does not plan any changes to this activity in the plan year.

<b><i>HC#5: Increase in Resident Mobility</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase)	0	15	36	Yes
<b><i>MPHA Metric</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Increase in the number of new owners in opportunity areas of the City of Minneapolis	0	15	21	Yes

## Public Housing Working Family Incentive (2010 – 1)

Approved and Implemented in 2011

### Description/Update

The rent calculation includes an automatic 15 percent deduction from the gross annual earned income of a working family, defined as any family where earned income of any amount is part of the rent calculation. This deduction provides the working family with available money to support work-related costs such as transportation, uniforms, and health insurance premiums.

MPHA has seen good results under this initiative, with annual increases in the number of households employed and increases in the income of these households. These outcomes improve the likelihood that the family would achieve a livable wage and move toward self-sufficiency.

This is a rent reform initiative. MPHA has received zero requests for hardship exceptions.

### Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)

MPHA plans no changes to this activity in the plan year.

<i><b>SS #1: Increase in Household Income</b></i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	\$15,970.00	\$16,609.00	\$25,838	Yes
<i><b>SS #3: Increase in Positive Outcomes in Employment Status</b></i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
(6) Other - Households with earned income.	1,241	1,253	1,562	Yes
(Expressed as percents)	21%.	22%.	27.20%	Yes

<b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance (decrease).	546	500	265	Yes
<b>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	\$306.00	\$321.00	\$289.46	Yes

\*This metric was required by HUD, but it does not provide valid information as subsidy proration has significantly changed. Subsidy is provided by AMP, not individual tenant.

<b>SS #7: Increase in Agency Rental Revenue</b>				
<b>Unit of Measurement</b>	<b>Baseline (2009)</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
PHA rental revenue in dollars (increase).	\$14,437,400	\$15,937,400.00	\$21,039,226	Yes
<b>SS #8: Households Transitioned to Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase).*	270	290	364	Yes

\*Self-Sufficiency Definition: Public housing residents whose rent increased to the flat rent amount for their unit.

## Reintegration of Offenders (2016 – 2)

Approved in 2016, Implemented in 2017

### Description/Update

This program supports a three-way partnership that provides training, employment, family unification, and housing assistance to men following incarceration. In the first phase, MPHA provides a sponsor-based housing subsidy to a partner who will provide services. In the second phase, a different partner will develop and operate housing and MPHA will support the project with project-based vouchers. These organizations will also provide various social and supportive services that will help the men reunify with their families and establish civic pride and ties to their communities once they enter the program.

In late 2017, MPHA began providing the 40 sponsor-based vouchers under the first phrase. The partner, Better Futures, operates intensive training, supportive services and employment programs. MPHA pays a flat subsidy to Better Futures to cover costs of housing and services for each sponsor-based participant in the program. Participants are selected via referrals from the Minnesota Department of Corrections, the county's Coordinated Entry process, or as walk-in applicants.

The housing development for the project-based phase, called Great River Landing, broke ground in the spring of 2018. The developer partner for this phase is Beacon Interfaith Housing Collaborative. Once the permanent housing development is completed (expected during 2019) MPHA's project-based vouchers will provide long-term support for the supportive housing program at the site. MPHA has provided a commitment for 40 PBVs, providing an essential subsidy to support the 72-unit development. MPHA will provide the PBV payments as a flat subsidy, allowing for a rent structure implemented by the partners to best incentivize work for this population and encourage a smooth transition to working life.

This was the first full year of this activity. Program enrollment met benchmarks. Outcomes are difficult to judge as we remain only in the preliminary, sponsor-based phase of the activity. With a year of experience, we can better understand our partner's approach to education and vocational training and calibrate our benchmarks accordingly; the initial estimates were not an ideal fit. Transitions to self-sufficiency also fell short, but this result is difficult to interpret until participants receive the full anticipated array of supportive housing plus services.

### Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)

MPHA plans no changes to this activity in the plan year.

<b><i>HC #1: Additional Units of Housing Made Available</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0	40	40	Yes
<b><i>HC#5: Increase in Resident Mobility</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of Households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	40	0	No*

\* During the sponsor-based phase, participants are housed in impacted areas. In the project-based phase, the participants will reside in an opportunity area.

<b><i>HC#7: Households Assisted by Services that Increase Housing Choice</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase housing choice (increase).	0	40	40	Yes
<b><i>SS#1: Increase in Household Income</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average annual income for families (over a five-year period) (increase)	0	\$8,880.00	\$4,000.00	No*

\* Partial-period result. This benchmark is an income increase over a five-year period, which we have not yet reached with this activity.

<b>SS #3: Increase in Positive Outcomes in Employment Status</b>				
<i>Report the Baseline, Benchmark and Outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of families with stable employment histories (increase)				
(1) Employed Full-Time -		25	10	No
(2) Employed Part-Time -		59	53	No
(3) Enrolled in an Educational Program -	0	90	2	No
(4) Enrolled in Job Training Program -		10	63	Yes
(5) Unemployed -		0	0	Yes
(6) Other:				
<b>SS #5: Households Assisted by Services that Increase Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase self sufficiency (increase).	0	40	40	Yes
<b>SS #8: Households Transitioned to Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase).*	0	25	10	No

\* Self Sufficiency Definition: Maintained lease in own name for 90 days, engaged in addressing health and wellness needs at home, employed at least 90 days for 20 hours per week, no new offenses and no return to custody for at least 90 days Increased parenting skills, if applicable), all met within 12 months of enrollment.

## **Shelter to Home – Project-Based Vouchers (2016 – 1)**

Approved in 2016, Implemented in 2016

### **Description/Update**

The Minneapolis/Hennepin County initiative to end homelessness has made significant progress in housing single adults. However, it is behind its targets to establish transitional and permanent affordable housing for families. Shelters for families with children are currently overcrowded; with no next step for these families, they remain in shelter longer and limit spaces for other families who find themselves in housing crisis.

MPHA will place up to 50 project-based vouchers (PBVs) with non-profit housing providers in the City of Minneapolis, focused on providing housing to formerly homeless families. Eligible families will be identified through Hennepin County's case management system, and the county will provide the referrals. Families will receive ongoing services from Hennepin County, property owners and/or their services provider partners. Property owners will be required to reserve the project-based units exclusively for families coming out of shelter, develop a family-services plan that will support the family in finding alternative housing within five years, and hold the units as an ongoing resource for homeless families.

MPHA issued an initial request-for-proposals (RFP) in August 2016 and subsequently awarded a housing assistance payments (HAP) contract to one housing provider, Lutheran Social Services, for 12 PBVs. These units were to be converted to PBV in the course of natural attrition of units, which has happened slowly. The first move-ins began in 2018, with eight of the 12 units active under the program by year's end. The metric results in Year-One are partial, and therefore indeterminate. Employment outcomes and TANF-decreases reflect the newness of the program. However, six of eight households are engaged in some type of employment or job training.

Subsequent to the low initial response, MPHA engaged with the City of Minneapolis to coordinate our RFP process with RFPs for other Minneapolis affordable housing funding programs, in the hopes that this will present the opportunity to a wider audience of developers. However, MPHA has received only a small number of additional applications, with none suitable for approval to-date. We will continue to explore the potential for PBVs to serve this hard-to-house population.

### **Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)**

MPHA plans no changes to this activity in the plan year.

<b><i>HC #1: Additional Units of Housing Made Available</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved</b>
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). Families coming out of homeless shelters.	0	12	12	Yes
<b><i>HC #5: Increase in Resident Mobility</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity.	0	12	8	No*
* Lease up is through attrition, necessarily happening gradually.				
<b><i>HC #7: Households Assisted by Services that Increase Housing Choice</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved</b>
Number of households receiving services aimed to increase housing choice (increase).	0	12	8	No*
* Lease up is through attrition, necessarily happening gradually.				

<b>SS #1: Increase in Household Income</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved</b>
Average annual income for households affected by this policy (increase).	0	\$15,000	\$15,448	Yes
<b>SS #3: Increase in Positive Outcomes in Employment Status</b>				
<i>Report the Baseline, Benchmark and Outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Report the following information separately for each category:				
(1) Employed Full- Time		3	2	No
(2) Employed Part- Time		3	2	No
(3) Enrolled in an Educational Program	0	3	0	No
(4) Enrolled in Job Training Program		3	2	No
(5) Unemployed		0	2	No
(6) Other				
<b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance (decrease).	12	6	7	No*

\* Partial result, with only eight households. Lease up is through attrition, happening gradually.

<b>SS #5: Households Assisted by Services that Increase Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase self-sufficiency (increase).	0	12	8	No*
* Lease up is through attrition, necessarily happening gradually.				
<b>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	0	0	\$678.00	Yes
<b>SS #7: Increase in Agency Rental Revenue</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
PHA rental revenue in dollars (increase)	0	0	0	No*
* Metric does not apply to this PBV activity.				
<b>SS #8: Households Transitioned to Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase).	0	0	0	No*
* Not an objective of this activity in its first year. Self-Sufficiency defined as family successfully moves from PBV Shelter unit to independent living (no longer requiring Shelter to Home PBV subsidy).				

## Shelter to Home - Public Housing (2015 – 1)

Approved in 2015, Implemented in 2017

### Description/Update

Under HUD's Faircloth limit, Minneapolis Public Housing Authority (MPHA) has the authority to operate additional public housing units over its current stock and receive additional subsidy for the units. MPHA is using its MTW authority to create a supportive housing program for families coming out of homeless shelters, and to limit the time families can utilize this housing for no more than five years to ensure that these developments serve as an on-going resource for homeless families. MPHA initially hoped that this program will create 30 to 50 units in the first five years of the program, bringing relief to families who are stuck in shelter and freeing up shelter space for other families facing urgent need. Families targeted for the program will receive ongoing supportive services.

In May 2018, MPHA and our many partners began construction on the Minnehaha Townhomes. MPHA owns and manages these 16 townhomes for families experiencing homelessness. Families will come as referrals from the Hennepin County Coordinated Entry homeless shelter system, with the units reserved for families below 30 percent of area median income.. The development includes four two-bedroom and 12 three-bedroom units, along with a playground, ample green space, community patio, and storm-water management. Four units will be permanent supportive housing, reserved for families experiencing long-term homelessness. The families who will live at the Minnehaha Townhomes will receive services from the county and a rapid rehousing provider. Lease-up took place in early 2019, and we will report metrics on this program next year.

Over the longer term, MPHA may also work with local affordable housing developers to include Faircloth units in affordable housing projects in the City of Minneapolis using the Operating Subsidy-Only Mixed Finance Development process. These developments would be dependent upon the developer receiving other non-public housing financing.

### Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)

MPHA plans no updates to this activity in the plan year.

<i>HC #1: Additional units of Housing Made Available</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0	0	0	No*

\* Project still in development

<b>HC #5: Increase in Resident Mobility</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity.	0	0	0	No
<b>HC #7: Households Assisted by Services that Increase Housing Choice</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase housing choice (increase).	0	0	0	No
<b>SS #3: Increase in Positive Outcomes in Employment Status</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Report the following information separately for each category: (1) Employed Full-Time (2) Employed Part-Time (3) Enrolled in an Educational Program (4) Enrolled in job Training Program (5) Unemployed (6) Other	0	0	0	No
<b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance (decrease).	0	0	0	No

<b><i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase self-sufficiency (increase).	0	0	0	No
<b><i>SS #8: Households Transitioned to Self-Sufficiency</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase). The PHA will create one or more definitions for "self-sufficiency" to use for this metric.	0	0	0	No

## Soft Subsidy Initiative (2011 – 2)

Approved in 2011, Implemented in 2013

### Description/Update

Under this activity, MPHA initially entered into a subsidy agreement with a service-provider partner that rehabbed units for participating families. The family would commit to a path toward self-sufficiency and into the workforce, receiving a rent subsidy in return. In traditional housing assistance programs, whenever a participant increases their income, their rent portion increases. Under this partnership, this relationship was reversed so that the rent portion decreases to incentivize work. MPHA provides a fixed subsidy payment to the partner, who also provided services related to education or job-training. After a number of successful years, this initial partner experienced funding challenges and discontinued the program at the end of 2017. No families were covered under this partnership during 2018; however, we continue to seek another partner.

MPHA also provides fixed-term, fixed-amount subsidy payments under new partnerships, including situations of urgent community need. We did so in one partnership during 2018. Self-sufficiency is not a goal of this partnership, which was instead focused on homelessness prevention among non-subsidized households; we report only appropriate metrics below.

### Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)

MPHA does not plan any changes to this activity in the plan year.

<i><b>SS #1: Increase in Household Income</b></i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	0	\$0	\$0	No*

<b>SS #3: Increase in Positive Outcomes in Employment Status</b>				
<i>Report the Baseline, Benchmark and Outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
(1) Employed Full- Time	0	0	0	No
(2) Employed Part- Time	0	0	0	No
(3) Enrolled in an Educational Program	0	0	0	No
(4) Enrolled in Job Training Program	0	0	0	No
(5) Unemployed	0	0	0	No
(6) Other: Percentage of Households with Earned Income	0	0%	0%	No
<b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF cash assistance (decrease).	0	0	0	No

<b><i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase self-sufficiency (increase)	0	0	19	Yes
<b><i>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of Section 8 subsidy per household affected by this policy in dollars (decrease).	0	\$0	\$0	No
<b><i>SS #8: Households Transitioned to Self Sufficiency</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase).	0	0	0	No.*
<p><i>* Self Sufficiency is defined as: the participant leaves government financial assistance. The initial partnership under this activity was a program aiming for self-sufficiency after five years.</i></p>				

## Targeted Project-Based Initiative (2011 – 1)

Approved in 2011, Implemented in 2012

### Description/Update

Under this activity, MPHA project-bases vouchers for the purpose of creating additional affordable housing for low-income families in the City of Minneapolis. MPHA's objective is to expand the locations of PBV programs, and to strategically deploy voucher awards to leverage the creation of additional non-PBV affordable housing (affordable to families with 80 percent of Area Media Income or below). MPHA may limit the number of vouchers awarded to any development to 20 vouchers.

MPHA's initial goal was to facilitate 120 new affordable units. MPHA first awarded vouchers under this initiative in early 2012, ultimately awarding 41 vouchers that facilitated an additional 226 units (a total of 267 affordable housing units) across four developments.

### Changes to Activity, Metrics, or Data Collection – Planned (Annual Plan) or Actual (Annual Report)

No changes to this activity in the plan year.

<b><i>CE #4: Increase in Resources Leveraged</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Amount of funds leveraged in dollars (increase).	\$11.9 million*	\$35.6 million**	\$88.1 million***	Yes
* Based upon initial anticipated cost of \$330,000 per unit, and 36 vouchers awarded. ** Target was a 3 to 1 voucher/non-voucher unit ratio *** Actual result was a total of 267 units and ratio of approximately 8 to 1.				

<b>HC #1: Additional Units of Housing Made Available</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household, give that type in this box.	0	120	226 units*	Yes
* Leveraging 41 MPHA vouchers				
<b>HC #7: Households Assisted by Services that Increase Housing Choice</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Yearly Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase housing choice (increase).	0	144	267	Yes

## **B. ACTIVITIES NOT YET IMPLEMENTED**

### **Conversion of Mixed-Finance Public Housing Units to PBV (2010 – 3)**

Approved in 2010

#### **Description**

MPHA proposed to use MTW authority and the voluntary conversion or disposition process to convert 306 mixed-finance public housing units that MPHA neither owns nor manages (collectively known as the Metropolitan Housing Opportunity Program, or MHOP) to secure new Section 8 Housing Choice Vouchers and then project base these units in the same mixed-finance development. MPHA anticipated this initiative would significantly reduce the administrative burden for MPHA and property owners/managers. Families housed in the new project-based units would have access to a Housing Choice Voucher after one year of residency and would be able to increase their housing choices. MPHA applied to the RAD program and received a Commitment to Enter into a Housing Assistance Payments Contract (CHAP) in 2014 for conversion of the 200 mixed-finance units at Heritage Park. However, the CHAP expired and MPHA is exploring how to implement the conversion for Heritage Park, which may be similar to conversion of the other MHOP units contemplated under Activity 2018 – 6.

#### **Implementation Update**

MPHA continues to research and explore the options available to us to move forward on this activity. It is related to activity 2018 – 6, which was implemented in 2018. Accordingly, we will likely implement this activity in 2019.

#### **Changes or Modifications Since Approval**

None.

## **C. ACTIVITIES ON HOLD**

### **Alternate Income Verifications (2013 – 2)**

Approved in 2013, Not Implemented, Placed On-Hold in 2017

#### **Description**

The purpose of this activity was to enable low-income persons in need of assisted living to receive housing with services that would not be available to them with the current regulatory requirements for verification of income in public housing. MPHA proposed that if an applicant was eligible and has income information that clearly demonstrates eligibility for public housing, MPHA should be able to utilize this information to sign a lease and move the tenant into housing. However, MPHA found in practice that it did not need to implement this initiative to successfully house persons in the agency's new acute assisted living/memory care programs. The activity may, however, be relevant to future efforts.

**Reactivation Update (Plan) or Actions Taken (Report)**

MPHA's plans and timeline are indeterminate at this time. The activity was placed on-hold in 2017, and we continue to assess its future potential need.

**Changes or Modifications Since Approval**

None.

**Public Housing Earned-Income Disregard (2009 – 4)**

Approved in 2009, Implemented in 2010, Placed On-Hold in 2017

**Description**

HUD regulations allow families a full income disregard for one year and a 50% disregard for the second year in certain circumstances (including employment of a previously unemployed household member, participation in a self-sufficiency program, and if the household receives welfare payments). As families move in and out of employment, the disregard is postponed. Monitoring this standard arrangement is time consuming and creates administrative hardships that are prone to errors. MPHA created a full two-year income disregard for eligible families, which eliminated the administrative hardship and time-consuming monitoring.

Since implementing this initiative, 353 MPHA residents have completed MTW EIDs. This number reflects the percentage of elderly and disabled residents in our population. However, households who participated in this program had a meaningful incentive to work and continue working as the EID is targeted to reward families who maintain their employment for a full two years. MPHA also found the initiative reduced staff time and mitigated possible errors as the policy implements EID for two full years without having to deal with the intermittent, cumbersome tracking and communications issues related to the HUD standard 48-month program. Residents reported that they were able to follow and understand this program better.

The activity has been successful. MPHA placed this activity on hold when we judged that we could continue it without MTW authority. However, we believe there may be circumstances in which we would reactivate it in the future.

**Reactivation Update (Plan) or Actions Taken (Report)**

MPHA's plans and timeline are indeterminate at this time. The activity was placed on-hold in 2017, and we continue to assess its future potential need.

**Changes or Modifications Since Approval**

None.

## **D. CLOSED OUT ACTIVITIES**

### **Absence from Unit Initiative (2011 – 3)**

Approved in 2001, Implemented in 2011, Closed in 2017

#### **Why the activity was closed out**

The absence-from-unit initiative continues the rent obligation for tenants whose income is temporarily reduced during an absence from the unit for more than 30 days. Under this initiative, tenants who temporarily lose income were required to pay rent as if the income continued. Residents could request a hardship to pay minimum rent during their absence, along with an agreement to repay the difference over the next 12 months.

MPHA's resident organization has continually challenged MPHA to end this initiative as it has a disproportionate impact on immigrant families who receive SSI and lose this income if they travel outside the United States. After several years of experience and study of the financial impact of this initiative, MPHA has determined that the administrative burden related to this initiative and the hardship this creates for very low-income immigrant families is not cost-effective.

### **Biennial Housing Quality Standards Inspections (2012 – 1)**

Approved and Implemented in 2012, Closed out in 2014

#### **Why the activity was closed out**

This activity gave MPHA the authority to change the HCV Program's annual Housing Quality Standards (HQS) Inspection requirement to a biennial HQS Inspection requirement for units in multifamily complexes of six (6) units or more and where 80% of those units passed HQS Inspections in the prior two years. However, two years later Section 220 of the 2014 Congressional Appropriations Act allowed "public housing authorities to inspect assisted dwelling units during the term of a HAP Contract by inspecting such units not less than biennially instead of annually." MPHA's current MTW initiative under this category is fully compliant with all the allowances under Section 220 of the 2014 Congressional Appropriations Act and the agency closed it when we judged that MTW authority was no longer required.

### **Block Grant and Fungible Use of MPHA Resources (2009 – 1)**

Approved 2009, Implemented in 2009, Closed in 2017

#### **Why the activity was closed out**

HUD does not require this to be reported in the same format as other initiatives. The MTW Sources and Uses provides the detail of the Combined Fund. This Activity was moved to the "Closed Out" Section of the 2017 MTW Plan per HUD instruction.

### **Combine Homeownership Programs (2009 – 3)**

Approved and implemented in 2009, Closed out in 2012

#### **Why the activity was closed out**

MPHA discontinued this initiative in 2012 due to funding shortfalls, and closed out the program. With the phase-out of MPHA's Homeownership Made Easy (HOME) program in June 2012, two families received homeowner education and mortgage readiness counseling in 2012. Of these, one family closed on their home in Northeast Minneapolis in June 2012. No families were assisted through the Moving Home program. No families were referred by Twin Cities Habitat for Humanity or Neighborhood Housing Services of Minneapolis for the Section 8 Mortgage Foreclosure Prevention Program.

### **Earned Income Disallowance Simplification - HCV (2012 – 2)**

Approved and Implemented in 2012, Closed out in 2016

#### **Why the activity was closed out**

In the Housing Choice Voucher Program, HUD regulations allow families whose head of household is disabled a full income disregard for one year and a 50% disregard for the second year. As families move in and out of employment, the disregard is postponed; the monitoring is time-consuming and creates administrative hardships that are prone to errors. MPHA created a two-year full income disregard for eligible families and eliminated the administrative hardship and time-consuming monitoring. MPHA eliminated the Earned Income Disregard in implementing its Rent Reform program, but permitted current participants to complete their two-year eligibility under his initiative.

### **Foreclosure Stabilization Project-Based Voucher Demonstration Program (2010 – 5)**

Approved in 2010, Implemented in 2011, Closed in 2017

#### **Why the activity was closed out**

This initiative was a partnership with a local non-profit that purchased and rehabilitated four- and six-unit properties that had gone through foreclosure. MPHA project-based 21 vouchers at these units. Implementation began in May 2011 and was complete by August 2012 when all 21 units were occupied. The units have remained occupied and active in 2016 as preserved units of affordable housing. The activity's objectives have been fulfilled.

## **MPHA – Hennepin County Transitional Housing Demonstration (2013 – 1)**

Approved in 2013, Implemented in 2014, Closed out in 2016.

### **Why the activity was closed out**

MPHA partnered with Hennepin County to create a “Transitional Housing with Supportive Services” demonstration program to allow MPHA to utilize up to eight public housing units for low-income individuals who are in need of transitional housing for brief periods from a few days to a few months. These individuals are low-income vulnerable persons who will be exiting the hospital, have no support system and need supportive services to avoid re-hospitalization and who without such services would remain in the hospital costing thousands of dollars which could be significantly mitigated under this initiative. This activity did not live up to its promise. The county medical center ultimately could not secure adequate funding to support the concept. Even though it was more costly to address the repeated health needs of homeless people who visited the hospital, Minnesota Medical Assistance (Medicaid) paid for medical costs and could not reimburse for housing. Since implementation in 2014, only two units were occupied by seven individuals, which fell considerably short of our expectations. The key lesson learned is to continue to work on ways that Medicaid might reimburse for housing related costs.

## **Public Housing Self-Sufficiency Program (2009 – 5)**

Approved and implemented in 2009, Closed out in 2012

### **Why the activity was closed out**

MPHA discontinued this program in 2012 due to federal funding cutbacks in its housing programs. This program was developed to support MPHA’s homeownership initiatives which were also discontinued in 2012.

## V. Sources and Uses of MTW Funds

### ANNUAL MTW REPORT

#### A. ACTUAL SOURCES AND USES OF MTW FUNDS

##### i. Actual Sources of MTW Funds in the Plan Year

MPHA has submitted unaudited and audited information in the prescribed Financial Data Schedule (FDS) format through the Financial Assessment System – PHA (FASPHA), or its successor system.

##### ii. Actual Uses of MTW Funds in the Plan Year

MPHA has submitted unaudited and audited information in the prescribed FDS format through the FASPHA, or its successor system.

##### iii. Describe Actual Use of MTW Single Fund Flexibility

The MTW PHA shall provide a thorough narrative of actual activities that use only the MTW single fund flexibility. Where possible, the MTW PHA may provide metrics to track the outcomes of these programs and/or activities. Activities that use other MTW authorizations in Attachment C and/or D of the Standard MTW Agreement (or analogous section in a successor MTW Agreement) do not need to be described here, as they are already found in Section (IV) of the Annual MTW Report. The MTW PHA shall also provide a thorough description of how it used MTW single fund flexibility to direct funding towards specific housing and/or service programs in a way that responds to local needs (that is, at a higher or lower level than would be possible without MTW single fund flexibility).

#### ACTUAL USE OF MTW SINGLE FUND FLEXIBILITY

MPHA did not have any activities that utilized only MTW single fund flexibility.

MPHA used approximately \$5.2 million from its HCV HAP Subsidy to augment other programs in accordance with the needs of our local community. Of this amount: \$760,000 went to MPHA's Public Housing Capital Budget; \$3.0 million to the Public Housing Operating Budget; \$1.2 million to HCV Administration; \$78,000 to Capital Improvement Administration Fees; \$31,000 to the Family Unification Program (FUP); and \$169,000 to MTW Local Initiatives (primarily research, reporting, and administration related to MPHA's MTW status). Among other things, these transfers allowed significant building and site rehabilitation and repair of essential systems that would not have been possible under the federal capital fund alone; helped augment security services, provide additional security cameras, and fencing to provide public housing residents with a safer living environment; installed rail guards on highrise building roofs to keep employees safe; supported a higher level of responsiveness and customer service to Housing Choice Voucher participants and property owners than would not have been possible under deeply prorated administrative funding; and provided funds to cover a shortfall of HUD FUP funds for housing assistance payments for families.

#### B. LOCAL ASSET MANAGEMENT PLAN

##### i. Did the MTW PHA allocate costs within statute in the Plan Year?

##### ii. Did the MTW PHA implement a local asset management plan (LAMP) in the Plan Year?

##### iii. Did the MTW PHA provide a LAMP in the appendix?

##### iv. If the MTW PHA has provided a LAMP in the appendix, please provide a brief update on implementation of the LAMP. Please provide any actual changes (which must be detailed in an approved Annual MTW Plan/Plan amendment) or state that the MTW PHA did not make any changes in the Plan Year.

HUD approved MPHA's revised LAMP in the 2018 MTW Annual Plan. MPHA has implemented the LAMP, as revised, and did not make any changes from the LAMP described in Appendix A of the 2018 MTW Plan.

## **VI. Administrative**

### **A. Reviews, Audits, and Inspections**

MPHA's 2017 Single Audit conducted in 2018 identified findings in the Section 8 Program and an internal control finding. The Section 8 Program findings related to the calculation of housing assistance payments. The internal control finding related to the timely removal of access to the MPHA's computer system for terminated employees. MPHA has implemented a corrective action plan to respond to these findings.

### **B. Evaluation Results**

MPHA has no results of MTW PHA-directed evaluations to report for 2018.

### **C. MTW Statutory Requirement Certification**

Please see certification on following page.

### **D. MTW Energy Performance Contract (EPC) Flexibility Data**

This section is not applicable to MPHA (MPHA's EPC is standard, with no additional MTW flexibility).

## APPENDIX A: MTW STATUTORY REQUIREMENT CERTIFICATION

Acting on behalf of the Public Housing Agency (PHA) listed below, as its authorized PHA official, I approve the submission of the Annual Moving to Work Report for the PHA fiscal year ending **December 31, 2018**, hereinafter referred to as "the Report", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Report and implementation thereof:

The Agency has met the three statutory requirements of: 1) assuring that at least 75 percent of the families assisted by the Agency are very low-income; 2) continuing to assist substantially the same total number of households as would have been assisted had the agency not participated in the MTW demonstration, and 3) maintaining a comparable mix of households (by family size) served as would have been served had the agency not participated in the MTW demonstration.

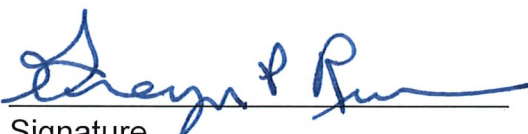
Minneapolis Public Housing Authority  
PHA Name

MN002  
PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Gregory P. Russ  
Name of Authorized Official

Executive Director  
Title

  
Signature

3-27-19  
Date

## **APPENDIX B: Local Asset Management Plan (LAMP)**

The Minneapolis Public Housing Authority (MPHA) follows HUD's asset management program including project-based management, budgeting, accounting, and financial management. HUD consultants completed an on-site review of MPHA's asset management conversion in 2008 and found that MPHA demonstrated a successful conversion to asset management.

In programs where it applies, 2 CFR Part 200, Subpart E allows PHAs to use a fee-for-service in lieu of allocation systems for the reimbursement of overhead costs. MPHA has elected to use a fee-for-service approach.

The Changes in Financial Management and Reporting for Public Housing Agencies Under the New Operating Fund Rule (24 CFR part 990) Supplement to HUD Handbook 7475.1 REV., CHG-1, Financial Management Handbook states that a PHA may charge up to a maximum 10 percent of the annual Capital Fund grant as a management fee. While current program rules (§ 968.112) allow PHAs to charge up to 10 percent of the Capital Fund grant for "Administration," these administrative costs must be specifically apportioned and/or documented. Under a fee-for-service system, the PHA may charge a management fee of 10 percent, regardless of actual costs.

The Capital Fund Program management fee covers costs associated with the Central Office Cost Center's oversight and management of the Capital Fund Program. These costs include duties related to general capital planning, preparation of the Annual Plan, processing of e-LOCCS, preparation of reports, drawing of funds, budgeting, accounting, and procurement of construction and other miscellaneous contracts.

The Moving to Work Agreement permits MPHA to combine funding awarded to it annually pursuant to Section 8 (o), Section 9 (d), and Section 9 (e) of the 1937 Housing Act into a single, authority-wide funding source ("MTW Funds"). MPHA has elected to combine all MTW Funds and use the MTW Funds with the full flexibility permitted by the Moving to Work Agreement.

### **LOCAL DETERMINATION ON FEES**

As permitted under the First Amendment to Moving to Work Agreement, MPHA may design and implement a local asset management program which allows fees that exceed the levels set forth by HUD's asset management requirements. Because MPHA may utilize MTW Housing Choice Voucher (HCV) program funds for public housing capital expenditures, MPHA's local asset management plan would permit a management fee chargeable to the HCV program to cover the Central Office Cost Center's oversight and management of HCV-funded capital improvements. The costs the Central Office will bear include, but are not limited to, duties related to general capital planning, processing and reporting of VMS capital expenditure reimbursements, preparation of reports, budgeting, accounting, and procurement of construction and other miscellaneous contracts. The management fee charged will be 10% of the HCV-funded capital improvement costs and consistent with the fee amount permitted if the capital improvements were funded by the Capital Fund grant.

### **LOCAL DETERMINATIONS ON THE ASSIGNMENT OF COSTS**

As permitted under the First Amendment to Moving to Work Agreement, MPHA may apply local determinations with respect to front line, prorated, and shared resources, fee costs, and other aspects of

such requirements, to meet the objectives of the MTW program. Major building systems; like elevators, heating, electrical, and mechanical systems require specialized expertise to maintain. The MPHA employs operating maintenance engineers and other specialized staff that are assigned to the projects and charged directly in accordance with HUD's asset management requirements. However, supervision and daily work inspection and direction as well as contract administration and contractor oversight for such systems are performed by a central manager. The expertise required to oversee this work is not a function that on-site staff can typically provide. MPHA will reasonably prorate the actual labor costs for the central manager when performing work related to those tasks previously described.

MPHA employs pest control specialists to treat properties in prevention and response to pests. In particular the coordination of treatment schedules, treatment of surrounding units, documentation of methods and chemicals applied, scheduling out treatment machines, ordering and controlling distribution of chemicals, determining and insuring proper training, etc. is best done by centralized administration. MPHA will reasonably prorate the actual labor costs for a central supervisor when performing work related to those tasks previously described.

The Changes in Financial Management and Reporting for Public Housing Agencies Under the New Operating Fund Rule (24 CFR part 990) Supplement to HUD Handbook 7475.1 REV., CHG-1, Financial Management Handbook states that "Where it is not economical to have full-time personnel dedicated to a specific AMP, the PHA may establish a reasonable method to spread these personnel costs to the AMPs receiving the service. Shared resource costs are distinguished from front-line prorated costs in that the services being shared are limited to a few AMPs as opposed to being prorated across all AMPs. MPHA will be implementing a new preventive maintenance program in 2019. The Quality Maintenance Program (QMP) will deliver an improved approach to grounds, janitorial, pest control, and major systems maintenance through the establishment of scheduled work tasks that includes modest repairs and replacements due to wear-and-tear. The QMP will prioritize care and servicing of equipment, unit interiors, common areas, and other building components for the purpose of maintaining satisfactory operating condition, by providing systematic inspection, detection, and correction of issues either before they occur or before they develop into major defects. MPHA intends to use maintenance crew(s) that will work across properties within and across asset management projects to perform QMP work. MPHA will consider these costs as shared costs and charge the fully burdened labor costs for these crews based on actual hours work at a project. Materials and other directly related costs for this work; i.e. auto insurance, cell phones, etc., will be prorated to the projects on a reasonable basis.

MPHA reserves the right to employ full MTW Single Fund flexibility across properties and programs.

The additional HCV-funded capital improvement fee, the central management of specialized maintenance staff, major building systems, pest control program administration, and the QMP crews would be the only deviations from HUD's asset management guidelines.

## APPENDIX C: Glossary of Relevant Housing Terms

**ARRA** – The **American Recovery & Reinvestment Act of 2009** (“**Recovery Act**”) was a stimulus package enacted by Congress in 2009. Though the primary objective was to save and grow jobs, the Recovery Act also provided temporary relief for programs most affected by the recession and allowed investments in infrastructure, education, health, and renewable energy.

**ACC - Annual Contributions Contract** is the written contract between HUD and a Public Housing Authority (PHA) under which HUD agrees to provide funding for a program (under the Housing Act of 1937), and the PHA agrees to comply with HUD requirements for the program.

**AMI - Area Median Income** - an estimate from the Department of Housing and Urban Development (**HUD**) of how much money families in a given area earn on average.

**AMP – Asset Management Projects** is a term used to identify the PHA’s property groupings.

**CFP - Capital Fund Program** is an annual grant in which HUD provides funds for the modernization and development of public housing beyond the scope of routine maintenance.

**CFR – Code of Federal Regulations** are published federal rules that define and implement laws; commonly referred to as “the regulations.”

**CDBG - Community Development Block Grant** is a flexible program that provides communities with resources to address a wide range of unique community development needs.

**CMTO - Creating Moves to Opportunity** is a nationwide collaboration between universities, foundations, and PHAs with the purpose of improving long-term outcomes of children by evaluating strategies that support Housing Choice Voucher (HCV) families in moving to higher opportunity neighborhoods.

**DOT - Declaration of Trust** is a legal instrument which grants **HUD** an interest in a public housing property. It also provides public notice that the property was developed, maintained, or operated with Federal assistance and is, therefore, held in **trust** by the public housing agency for the benefit of **HUD**.

**EPC - Energy Performance Contract** is a financing mechanism authorized by Congress designed to accelerate investment in cost-effective energy conservation measures in federally supported buildings such as public housing.

**Extremely Low-Income Family** – a family whose annual income does not exceed 30 percent of the area median income, as determined by HUD.

**Faircloth Authority** – named for a former U.S. Senator Faircloth and refers to additional public housing subsidy that MPHA is permitted to access, provided we can build or acquire the units.

**FSS – Family Self-Sufficiency Program** is a HUD program in which a PHA promotes self-sufficiency of assisted families, including the coordination of support services.

**FUP – Family Unification Vouchers** are special purpose vouchers provided to two different populations: families and former foster-care youth (ages 18-24) that are homeless or lack adequate housing. Eligible families are referred by the local child welfare agency to the PHA.

**HAP - Housing Assistance Payments contract** – a written contract between the PHA and a property owner established to provide rent subsidies on behalf of an eligible low-income family.

**HCV – Housing Choice Voucher (Also known as “Section 8”)** can be used to pay a portion of a tenant’s rent in a privately-owned apartment or home. Families contribute on average 30 percent of their income towards their rent and utilities and MPHA provides the rest. (Families can use the voucher to choose where they want to live within Minneapolis or outside the city.)

**HQS - Housing Quality Standards** are established by HUD and outline minimum life-safety requirements for any housing assisted under the voucher program.

**LURA – Land Use Restriction Agreement** is a legally binding contract requiring the parties to limit the use of a property for a specified term. LURAs are typically used in connection with low-income housing tax credits to ensure that a housing property is restricted to households who make a certain income (for example, 30% of Area Median Income) for an agreed-upon period. By agreement among the parties, this period need not match and may exceed the tax credit compliance period (for example, 30 years or more).

**LEP - Limited English Proficiency Plan** is developed by the PHA, per HUD requirements, to make reasonable efforts to provide free language assistance and meaningful access to a client who does not speak English as their primary language or has limited ability to read, write, speak, or understand English.

**Low-Income Family** – a family whose annual income does not exceed 80 percent of the area median income, as determined by HUD.

**LIHTC - Low-Income Housing Tax Credit** is a dollar-for-dollar tax credit in the United States for affordable housing investments that gives incentives for the utilization of private equity in the development of affordable housing aimed at low-income Americans.

**MTW – Moving to Work Demonstration Program** created by Congress in 1996 allows housing authorities to design and test innovative, locally-designed strategies for providing low-income families with affordable housing. MTW allows the agency to waive most HUD regulations if the agency meets at least one of three statutory objectives: (1) increasing housing choices, (2) creating opportunities for families with

**Portability** – A family utilizing a Housing Choice voucher can choose to rent a dwelling unit in a city outside their initial PHA.

**PBRA – Project-Based Rental Assistance** was authorized by Congress in 1974 to provide rental subsidies for eligible tenant families residing in newly constructed, substantially rehabilitated, and existing rental and cooperative apartment projects. Under it, developers (for-profit or non-profit) would build low-income housing and HUD would make up the difference between the HUD-approved rent (Contract Rent) for the assisted unit and the HUD-required rental contribution from eligible tenant families.

**PBVs – Project-Based Vouchers** provide rental assistance to families living in privately owned apartments, or in buildings controlled by the housing authority following a RAD-conversion. Using the voucher funding, MPHA enters into a contract to ensure that these units are preserved as affordable housing for up to 20 years (or beyond, in the case of RAD).

***RAD - Rental Assistance Demonstration*** was created in 2012 to give public housing authorities (PHAs) a tool to preserve and improve public housing properties and address the nationwide backlog of deferred maintenance.

**Section 18** – A section of the Housing Act of 1937, also known as Demolition and Disposition, under which housing authorities seek approval from HUD for either of these types of actions. Disposition, in this context, includes “transfer of a public housing project,” including to a PHA-controlled nonprofit entity, when the PHA has determined such an action is in the interest of public housing residents and the agency’s low-income housing mission.

***Subsidy Standards*** are established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families based on the number of people and the family composition.

***SNAP - Supplemental Nutrition Assistance Program***, formerly known as Food Stamps, helps low income families to purchase nutritious food.

**TPVs – Tenant Protection Vouchers** are issued to ensure there is no displacement of low-income residents as a result of underlying changes to subsidy assistance of a property. TPVs can also provide stability and facilitate an increased funding stream to the property.

***VASH - Veterans Affairs Supportive Housing*** This joint HUD-Veterans Affairs (VA) program combines Housing Choice Voucher (HCV) rental assistance for homeless Veterans with case management and clinical services provided by the Department of Veterans Affairs (VA).

***Very Low-Income Family*** – A low-income family whose annual income does not exceed 50% of the area median income for the area, as determined by HUD.