MPHA 2019

MOVING TO WORK

Annual Report

Fiscal Year January 1 – December 31, 2019

MINNEAPOLIS PUBLIC HOUSING AUTHORITY

Submitted to HUD: April 30, 2020

EQUAL HOUSING OPPORTUNITY – EQUAL EMPLOYMENT OPPORTUNTY

MINNEAPOLIS PUBLIC HOUSING AUTHORITY BOARD OF COMMISSIONERS

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/CEO: Abdi Warsame

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.

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MPHA 2019 MTW Annual Report

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I. INTRODUCTION/OVERVIEW

2019 was the first full year of implementation for the **MPHA Strategic Vision and Capital Plan.** 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. Early in this process, the MPHA Board adopted our "Guiding Principles for Redevelopment and Capital Investments," which ensure right-to-return, stable rent, relocation assistance, and resident input on design and livability. The initiatives under MPHA's Strategic Vision fall under three headings:

Housing Preservation & Creation

Education, Employment, & Health

Operational Excellence

Resident and Community Engagement

With the Strategic Vision as our long-term trajectory, this structure guided MPHA's near-term actions and investments in 2019.

PRESERVING AND CREATING DEEPLY AFFORDABLE HOUSING

MPHA moved boldly in 2019 to pursue a wide and creative menu of funding and structural options to preserve and expand the homes we provide. In 2019, we took major actions to reposition our public housing portfolio to stabilize ongoing federal funding and allow for renovations on a scale that impossible under the status quo. We opened new public housing for homeless families; piloted a new, data-driven maintenance approach for this new era; leveraged partnerships to expand deeply affordable housing using project-based vouchers (PBVs); and re-opened our Housing Choice Voucher (HCV) waiting list for the first time in 11 years.

MPHA joins with all those who have a passion for social justice and believe in the human right to a quality home. We were grateful for their partnership in 2019 as we moved decisively to make Minneapolis a national leader in preserving and improving our precious deeply affordable housing.

New Housing Targetting Local Needs

In March 2019, MPHA leased up **the Minnehaha Townhomes**, 16 townhomes dedicated to families experiencing persistent homelessness. The townhomes are now home to more than 50 children. This first new public housing built in Minneapolis since 2010 was the culmination of years of work and collaboration with our funding, design, and neighborhood partners, including the city, county, state, and many others. The development is in an area of economic opportunity, and includes a playground, green space, community patio, and convenient access to the city trail and transit systems. We are proud of our open-concept design, high quality of workmanship, and integration into the neighborhood. The Minnehaha Townhomes stand as a powerful demonstration of the level of housing we can create for families given the right partnerships and resources.

MPHA continued to partner with other affordable housing developers by providing project-based vouchers; 2019 was our first full year under MPHA's new **open PBV Request for Proposals**. MPHA enters into agreements to project-based housing vouchers when we believe doing so aligns with the values and needs of our community, assures deep affordability where it might not otherwise exist, and when that funding can leverage the creation of further affordable housing. As of the end of 2019, MPHA had commitments to create or preserve 91 units using the open PBV RFP, including the first 35 of these already leased-up before the end of the year.

While it does not create new housing units, MPHA created opportunities for new low-income families in June 2019 when we **opened our Housing Choice Voucher waiting list** for the first time since 2008. MPHA coordinated the timing, marketing, and technology for our opening with our two neighboring large housing authorities, the St. Paul PHA and the Metropolitan Council HRA. This created simplicity for applicants and maximum awareness across the Twin Cities metropolitan area. The opening was also a sobering reminder of the need for affordable housing in our city; over six days, nearly 15,000 people applied for MPHA's waiting list (of whom 2,000 were randomly selected to remain on the list itself).

MPHA's **Lease to Own** program began 2019 with updated guidelines and an MOU with Habitat for Humanity to provide homeowner-readiness counseling and mortgage financing options. 2019 was an important year of transition for the program; MPHA did not close on any townhomes amid turnover of original occupants who had reached the five-year limit without purchasing, and the process of conducting new lease-ups in conformance with the updated guidelines. MPHA had 12 townhomes remaining at the end of 2019, but expectations for closings in the near future and a better pace in the years ahead.

Preserving and Stabilizing MPHA's Scattered Site Family Homes

MPHA owns more than 700 "scattered site" homes across most parts of Minneapolis. These single-family homes (and a small number of duplexes and four-unit properties) provide essential housing to 80 percent of the low-income families with children served by MPHA. They offer a unique opportunity for families in public housing to integrate seamlessly into their surrounding neighborhoods, and can serve as a training ground for future homeownership.

The distance between the sites, varied building types and systems, and more than $30 million of deferred capital needs make it difficult to manage and sustain these units under the current public housing subsidy. Simply addressing the capital needs of our scattered site portfolio would consume 100 percent of MPHA's expected capital fund allocation for the next five years.

With this backdrop, MPHA applied and was approved in 2019 for disposition of the scattered sites, under HUD's Section 18 provisions, to a nonprofit wholly controlled by MPHA (Community Housing Resources, or CHR). Repositioning this portfolio to PBVs in the spring of 2020 will place the scattered sites on a stable financial footing, without displacement or any day-to-day change for residents who live there now. This application followed consultation with residents and MPHA board approval. MPHA estimates that Section 8 tenant-protection voucher (TPV) subsidies under this transition will bring at least $3 million in addition funding annually to repair and preserve the scattered sites. MPHA also anticipates opportunities to expand this MPHA-owned-and-managed housing for families by adding density to scattered site properties that can support it.

Preserving The Elliot Twins Using RAD

At the end of 2018, HUD approved MPHA's application to covert the subsidy for one of our oldest high-rise properties, The Elliot Twins, under the Rental Assistance Demonstration (RAD) program. MPHA's board subsequently approved the necessary RAD Amendment to MPHA's 2019 MTW Annual Plan and the project proceeded at full-speed toward submittal of the financing plan to HUD in early 2020 and a mid-2020 groundbreaking.

RAD allows housing authorities, with HUD approval, to preserve public housing properties by converting the underlying federal subsidy from one platform (public housing) to another (PBV). In an era of declining federal investment in public housing capital repairs, moving to this project-based subsidy 1) creates a more stable, long-term funding stream for operating the property, and 2) opens up opportunities for new investment to fix the buildings. Since its creation in 2012, hundreds of public housing authorities (PHAs), locally and nationally, have used RAD to preserve more than 110,000 homes. Crucially, all residents retain their housing benefits and rights, including a right to return if a RAD conversion is accompanied (as in this case) by major construction.

This is MPHA's first RAD conversion. During 2019, MPHA successfully assembled the many complex steps to prepare for a RAD conversion and proceed with the major modernization of the Elliot Twins. This included necessary reviews and documentation required by HUD, county and city approval for state housing bonds and Low-Income Housing Tax Credit authority, and successful solicitation and selection of design, construction, and financing partners. In 2019 the Minneapolis mayor proposed—and the City Council unanimously approved—a $2.3 million city grant to fund investments in energy efficiency at the Elliot Twins. The necessary activities in 2019 also included steady resident communication and engagement far exceeding the HUD-required baseline, and extensive relocation planning that will ultimately assure every resident can remain at the Elliot Twins throughout construction if they wish.

The final design for the renewed Elliot Twins includes complete apartment renovations; a new community-link addition linking the two towers with much-improved commons, laundry, and exercise rooms; central air conditioning; and energy-efficient technologies that we estimate will decrease energy costs by as much as 40%. We will also be adding 10 new units (for a total of 184), each of which will be fully accessible to households with disabilities. The 11-story towers will have an updated look that will transform the impression they make in the neighborhood and to tens-of-thousands of commuters who pass this highly visible public housing every day.

Other Capital Notes

MPHA completed an array of capital improvements during 2019, as our limited federal Capital Fund budget permitted—and extended our capacity in specific cases where MPHA was a successful applicant for more than $800,000 in state grants under the Public Owned Housing Program (POHP). MPHA continues to prioritize our limited capital funds around urgent life-safety needs, necessary quality-of-life needs such as elevators, and the most pressing needs in our portfolio for comprehensive modernization. A more detailed list of capital projects is in Section II of this MTW Annual Report. Any summary of capital-related impacts in 2019 must also mention one major, unforeseen event late in the year: a tragic fire that destroyed one floor of an MPHA highrise. The event focused state and local attention on the consequences of federal disinvestment in public housing, and inspired an unfolding conversation about the prioritization of fire-protection systems. MPHA has installed in-unit fire sprinkler systems in 16 highrise buildings, and has stated in its MTW Annual Plans that sprinklers are a part of any comprehensive modernization we have the funds to perform.

Energy Improvements, Maintenance Innovations, and Master-Planning

As one of the largest largest property-owners in our community, MPHA intends to invest in energy savings where we can. This lowers our operating expenses over time, creating savings MPHA can put toward preserving and creating more housing. We have also taken advantage of partnerships that offer energy improvements at little or no cost to MPHA. In 2019, MPHA's Glendale Townhomes experienced the first year following a major weatherization program undertaken across all 184 units. MPHA also continued a partnership with Franklin Energy to replace aging window air conditioners in our highrises. In 2019, MHPA and residents across five buildings received, free-of-charge, nearly 700 air conditioners valued at more than $550,000.

In 2019, MPHA piloted the Quality Maintenance Program (QMP) in our largest high-rise complex, The Charles Horn Towers. MPHA worked with industrial and commercial facility maintenance experts—and MPHA's on-the-ground experts, our residents and building staff—to design a data-driven approach that would reduce the frequency of non-emergency work orders and system failures. The QMP pilot 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.

MHPA completed QMP tasks in 491 units. This included cleaning ductwork, replacing leaky bathroom and kitchen valves, installing curtain rods, installing stainless steel kick-plates on entry doors, vacuuming radiators, and refurbishing fluorescent light fixtures with LED lamps in apartments, hallways, and stairwells. As a result, the buildings are now more comfortable, healthy and energy efficient—creating improved living environments tenants can see and enjoy. MPHA also piloted the QMP on a small number of units at the Glendale Townhomes to understand their effectiveness in a different housing format. We will take the insights from the 2019 pilot to determine the scale and pace of a wider roll-out.

MPHA's 2019 MTW Annual Plan stated our hope during the year to undertake the comprehensive rehabilitation of a single-family scattered site unit to energy-efficient standards. Although this project has been postponed, the planning has continued for energy efficient duplex and triplex units. These pilot projects will help MPHA and our partners learn about the process and potential of integrating a high standard of energy improvements into our ongoing renovation work.

We were engaged in 2019 in ongoing efforts with partners to determine long-term framework for the affordable housing community at Heritage Park, a mixed-income community that includes public housing units. Master planning for the area is a process with many stakeholders, all of whom wish to see the community develop into the thriving area envisioned following the Hollman Consent Decree that reshaped the neighborhood 25 years ago.

In 2019, MPHA did not have the capacity to move forward substantially certain activities forecast in the year's MTW Annual Plan, including master-planning for our headquarters office site (where we envision eventual redevelopment with the addition of affordable housing), participation in "tiny home" pilots. We remain committed to exploring these concepts. MPHA also continues to pursue the conversion of subsidy assistance at our Metropolitan Housing Opportunities Program (MHOP) units to PBVs.

MAXIMIZING OPPORTUNITY THROUGH EDUCATION, EMPLOYMENT, AND HEALTH

Housing is the primary foundation for stable families, better educational outcomes, employment, and wellness. Opening the right opportunities for working families leads to long-term self-sufficiency, allowing families to realize their goals of financial independence and for MPHA to serve more families off our waiting lists. MPHA intends to push forward on partnerships and programs that invest in housing as the vital core of family economic opportunity, pairing it with services when possible.

MPHA's new Human Services team got underway in 2019 and has focused its initial work on understanding and strengthening the partnerships that improve health outcomes for seniors and people with disabilities who comprise the majority of residents in our high-rise buildings.

MPHA's commitment to low-income families extends to using its spending power for good. Under HUD's Section 3 program, MPHA provided training, employment, contracting and other economic opportunities to our residents and other lower-income individuals. In 2019, 60 percent of our internal new hires were Section 3-qualified; 10.4 percent of the total contracting activity was awarded to Section 3 firms (a total of 52 contracts). MPHA continues as an active participant in our regional Section 3 Collaborative, working to streamline access to opportunities for individuals and firms across the Twin Cities.

Launch of the *Stable Homes Stable Schools* Parnership for Homeless Students

Nearly one in ten elementary students in the Minneapolis Public Schools (MPS) experiences homelessness, with long-term effects on the well-being of children and concentrations of poverty.

With the Mayor of Minneapolis, Minneapolis Public Schools, YMCA, and the Pohlad Family Foundation, MPHA launched the Stable Homes Stable Schools program in early 2019. MPHA and the city jointly fund (and MPHA administers) rental assistance to families of homeless students at 15 schools where the challenge is greatest. The Pohlad-funded "Housing Stability Fund" provides assistance to families not yet homeless, but at risk of become so. The YMCA and school social workers provide a web of ongoing supports. As the program enters the final portion of its three-year pilot, the parties will work with third-party researchers to monitor outcomes and program success.

As of the end of 2019, the program had received 112 family referrals for rental assistance, of whom 79 were eligible (with 271 children). Forty-three families had been housed, with the remainder either awaiting move-in, in active search, or early in the enrollment process. The YMCA assists families with the search for permanent housing, connection to public financial support, job training and education opportunities, and health and wellbeing resources. School social workers engage with the family to support attendance and academic growth.

Increasing Opportunity through Mobility and Regional Collaboration

For children, moving to a neighborhood with lower poverty can make a lifetime of difference for education, health, and employment outcomes. In 2019, MPHA continued work with HUD and our neighboring large PHA, the Metropolitan Council Housing and Redevelopment Authority (Metro HRA), to pursue our request to form a Regional MTW Agency as authorized under the 2016 Consolidated Appropriations Act. 2019 was a year of great progress on this front, resulting an agreement on terms with HUD to move forward and make the regional agency a reality.

Initially, we will create a first-of-its-kind regional mobility initiative with Metro HRA to knock down obstacles and widen neighborhood choices for families with housing vouchers. Starting with a modest-sized group of pooled vouchers, understand which program interventions are most effective in enabling families to successfully move to areas of opportunity using tenant- or project-based vouchers. We will continue our push on various fronts to knock down obstacles and widen neighborhood choices for families with housing vouchers. MPHA has partnered with nation-leading 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.

Using Housing Subsidies as a Path to Self-Sufficiency

In late 2019, Great River Landing opened in the North Loop neighborhood of Minneapolis. The project features 72 apartments for ex-offenders who make a commitment to being good parents, workers, and community members. Using MTW flexibility, MPHA provides a sponsor-based subsidy to Great River Landing sufficient to support housing for 40 individuals at any given time. These stable homes are paired with job-training services and services that promote health and recovery. Along with the Downtown View apartments for homeless youth that opened in 2018, there are no better examples of how MPHA, as an MTW agency, can apply our federal subsidies to make local dreams a reality.

2019 was a strengthening and rebuilding year for 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 (with a goal to do so in two years). The program began with 20 townhomes, and we are nearing the halfway mark. After analyzing prior challenges and successes during 2018, MPHA entered 2019 with revamped program guidelines and new partner, Habitat for Humanity, providing a tested framework to evaluate families for homeownership-readiness and prepare them for success.

An Increased Focus on High-rise Health and Wellness

In MPHA highrises, nearly 70 percent of residents are seniors and more than 60 percent are disabled. In 2019, MPHA's newly formed Human Services team worked to strengthen our partnerships around health-related resident services in our highrises. This included the launch of aggregated data-sharing partnerships with two regional health plans, laying the groundwork to expand to others. MPHA convened a Housing and Health Summit to introduce MPHA's health initiatives to key health plan and provider partners, government, and philanthropic stakeholders. MPHA also created the Highrise Health Alliance, which will launch in 2020. Using a collective impact model, the HHA will establish cross-sector leadership that will interpret data, identify health priorities and align services.

In additional, MPHA expanded our partnership with Minneapolis Health Department. These discussions covered the potential to access state-level health data, in the aggregate, for MPHA Medicaid beneficiaries, and partnership whereby MHD will gather, store, and analyze data for MPHA, creating health dashboards to understand resident health status and progress. These discussions include various resident groups to offer insights and leadership.

STRIVING FOR OPERATIONAL EXCELLENCE

Operational excellence leads to savings we can apply to our other priorities—and better service to our families and community.

In 2019 MPHA began our journey toward a single software platform for our asset management and multiple housing programs, choosing industry-leading software from Yardi to replace three outdated platforms that are the current backbone for our programs and financial work. This change, long in coming, will bring efficiency and stability to the systems that underlie so much of what we do. With the selection of a vendor, design and data conversion conversations began almost immediately, setting up testing, training, and implementation during the first three quarters of 2020.

In 2019 we began new video briefings that simplify the intake and recertification process for staff and families with housing vouchers. We began a process of reviewing and updating our operational policies and procedures, giving MPHA staff the tools they need to operate at their best. In 2019, this included updates to our HCV and public housing procedures, as well as beginning a comprehensive review of personnel policies.

MPHA continued to align our workforce recruitment, training, and internal career-pathing with the goals of our Strategic Vision, 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.

(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)	306	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.
PBV Conversion of Scattered Sites properties	736	0	Application approved/ Conversion to take place in 2020	No	MPHA applied for Section 18 Demolition/Disposition for the entire scattered site portfolio. All scattered sites will be transferred to Project-Based Vouchers.
AMP 6 Cedars (Elliot Twins)	174	0	RAD to take place in 2020	Yes	MPHA submitted a RAD application for the Elliot Twins
Park Avenue Apartments LSS	0	10	Issued/Leased	No	Addition to existing HAP contract.
The Louis	0	10	Issued/Leased	No	New construction.
Minnehaha Commons	0	15	Issued/Leased	No	New construction. Individuals over 55 with history of homelessness and/or disability. Includes 5 project-based VASH.
Penn Avenue Station	0	4	Committed	No	New construction. Lease-up expected 2020.
The Redwell	0	22	Committed	No	New construction. Lease-up expected 2020.
Maya Commons	0	4	Committed	No	New construction. Lease-up expected 2020.
Gateway NE	0	26	Committed	No	Preservation. Includes 10 units for families formerly experiencing long-term homelessness. Expected lease-up 2021.
	1,216	91	**Planned/Actual Total Vouchers Newly Project-Based**		

* 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 2019, nor were anticipated RAD or Section 18 conversions completed. The table also reflects AHAPs and HAPs not known at the time of the previous Plan submittal.

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 OF PLAN YEAR**	RAD?	DESCRIPTION OF PROJECT
	Planned*	Actual			
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	24	24	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
Downtown View	25	25	Leased/Issued	No	Serves low-income people
Lutheran Social Services	12	12	Leased/Issued	No	Serves homeless households
Great River Landing	40	0	N/A	No	Serves ex-offenders
	787	747	**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:

The Great River Landing project, initially projected to transition from sponsor-based to project-based, did not transition to PBV and will remain sponsor-based for now based upon a determination by the partners. This project is tracked under MPHA's *Goal-Oriented Housing* MTW Activity.

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
No.

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 2019 Capital expenditures totaled approximately $21.6 Million. Major work, completed or initiated, included: o Roof replacement, unit renovation, and site improvements at various scattered sites o Scattered sites pre-development work including a comprehensive physical needs assessment o Exterior envelope upgrades at 315 Lowry Avenue North o Main electrical switch gear and generator replacement at 311 University Avenue NE, 2728 East Franklin Avenue, and 2121 Minnehaha Avenue o Generator replacement at 1206 2nd Street NE & 901 North 4th Avenue o Heating system upgrades at 828 Spring Street NE o Fire alarm system replacement at 16 high-rises o Elevator modernization at 1627 South 6th Street and Horn Towers o Plumbing replacement, HVAC improvements, apartment modernization, fire alarm system replacement, fire suppression system installation, and handicapped accessibility upgrades at 1611 South 6th Street o Plumbing replacement, shower replacement, and apartment upgrades at 1515 Park Avenue South o Roof replacement at the Cedars o Plumbing replacement, apartment modernization, fire alarm system replacement, roof replacement and HVAC improvements at 3755 Snelling Avenue o Plumbing replacement, apartment improvements, and fire alarm system replacement at 2121 Minnehaha Avenue o Pre-development work at the Elliot Twins o Property improvements associated with MPHA's Quality Maintenance Program The variance between forecasted and actual spending was primarily due to the Capital Fund Program appropriations being higher than anticipated and MPHA's decision to dedicate additional MTW resources to capital expenditures.

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	75,132	75,132	6,261	6,261
MTW Housing Choice Vouchers (HCV) Utilized	54,108	54,108	4,509	4,509
Local, Non-Traditional: Tenant-Based	0	516	0	43
Local, Non-Traditional: Property-Based	480	480	40	40
Local, Non-Traditional: Homeownership	156	156	13	13
Planned/Actual Totals	129,876	130,392	10,823	10,866

* "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	2018-2 Goal-Oriented Housing (Stable Homes Stable Schools)	0	516	0	43
Property-Based	2016-2 Reintegration of Offenders (Great River Landing)	480	480	40	40
Homeownership	2010-4 Lease-To-Own Initiative	156	156	13	13
		636	1152	53	96

* The sum of the figures provided should match the totals provided for each Local, Non-Traditional category in the previous 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	18,986	Open	Yes
Public Housing Family	Families with at least one dependent	23,576	Closed	Yes
Housing Choice Voucher Program	All households who applied	2,199	Closed	Yes

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
Housing Choice Voucher Program	MPHA opened its HCV waiting list for six days in June 2019. 2,000 households were selected by lottery and placed on the list from the 14,701 who applied.
Family Public Housing	MPHA closed its family public housing waiting lists in December 2019, until further notice.

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	3
49%-30% Area Median Income	0
Below 30% Area Median Income	65
Total Local, Non-Traditional Households Admitted	68

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)				
FAMILY SIZE	BASELINE 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%	6,542	59%	-1.48%
2 Person	13%	1,432	13%	0.14%
3 Person	9%	890	8%	-1.07%
4 Person	7%	803	7%	-0.30%
5 Person	5%	551	5%	-0.36%
6+ Person	6%	943	8%	2.36%
TOTAL	100%	11,161	100%	0%

** 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	MTW PHA LOCAL DEFINITION OF SELF SUFFICIENCY
Public Housing Working Family Incentive	118	Public housing residents whose rent increased to the flat rent amount for their unit.
Biennial Income Recertification	118	Public housing residents whose rent increased to the flat rent amount for their unit.
Lease-To-Own Initiative	0	Income sufficient to purchase home
Soft Subsidy Initiative	0	Participant is off of government financial assistance
GO Housing	0	Grad. from program; no longer require rental assistance
HCV Rent Reform Initiative	315	Households going off program due to $0 HAP
Shelter to Home – PH	0	Graduating from program.
Shelter to Home – PBV	0	Graduating from program.
Reintegration of Offenders	0	Maintained lease in own name for 90 days, employed at least 90 days for 20 hrs/ week, no new offenses or return to custody for 90 days.
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
	- 118	**(Households Duplicated Across MTW Activities)**
	433	**Total Households Transitions to Self Sufficiency**

* 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

	Approved	Implemented
Asset Verification	2018	2018
Biennial Income Recertification (Public Housing)	2018	2018
Conversion of 312 Mixed-Financed PH Units to PBV	2010	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

Replace form of DOT with LURA to Preserve PH	2019

Activities On-Hold

	Approved	Implemented	On-Hold/Closed
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

The MPHA MTW Annual Plan 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.

Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report)

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

CE#1: Agency Cost Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Total cost of task in dollars (decrease).	$1,321	2019: $272	$252	Yes

CE#2: Staff Time Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Total time to complete the task in staff hours (decrease).	55.75 Hours	2019: 11	10.5	Yes

CE#3: Decrease in Error Rate of Task Execution*				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
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.

Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report)

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

CE#1: Agency Cost Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Total cost of task in dollars (decrease).	$31,266	2019: $16,599	$17,826	No

CE#2: Staff Time Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Total time to complete the task in staff hours (decrease).	1,319 Hours	639 Hours	724 hours	No

CE#5: Increase in Agency Rental Revenue*				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Total Household contributions towards housing assistance.	$20,050,000	2019: $20,050,000	$21,030,571	Yes

* Not an objective of this activity.

SS#1: Increase in Household Income				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Average earned income of households affected by this policy in dollars (increase).	$26,600	2019: $26,600	$26,830	Yes

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

SS#3: Increase in Positive Outcomes in Employment Status*				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
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	Yes*

* Not an objective of this activity.

SS#4: Households Removed from Temporary Assistance for Needy Families*				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Number of households receiving TANF assistance (increase).	265	2019: 265	258	Yes

SS#8: Households Transitioned to Self-Sufficiency*				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric.*	360	2019: 365	118	No

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

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

Approved in 2010, Implemented in 2019

Description/Update

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 and the other MHOP units via RAD or another yet-to-be-determined method.

MPHA continues to research and explore the options available to us to move forward on this activity. In 2017 we began negotiations with the current owner and manager of Heritage Park to determine the future ownership and management of those units. The outcome of that process could have some impact upon this activity. We are closely watching policy developments at HUD and in Congress around RAD and other yet-to-be-determined paths for conversion. In the meantime, these 306 units continue to provide much-needed housing for families from our public housing waitlist. As we work with HUD to operationalize the process approved under a separate activity, 2018 – 6, this may address a subset of the units covered under this activity, leaving only the 200 units at Heritage Park.

This activity was projected as “implemented” for 2019, given the anticipated uptick in activity. Work toward the conversion of these units is ongoing, but gradual.

Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report)

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

CE#2: Staff Time Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Total time to complete the task in staff hours (decrease).	96 hours/week	66 hours/week (End result: 30 hrs)	0	No

Conversion of Public Housing Operating Subsidy and Capital Funds for MHOP Units (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), as well as 200 mixed-finance units at Heritage Park in Minneapolis. MPHA neither owns nor manages these units. These units were created under the *Hollman v. Cisneros* Settlement Agreement. This MTW activity seeks to use MTW authority to pursue long-term solutions for these properties with an unusual pedigree and management/subsidy structure.

The process of managing and operating public housing has proven onerous and costly for property owners of the dispersed MHOP units. 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. At Heritage Park, the original compliance period has expired and we must explore a transition of the property that preserves the deeply affordable housing there and protects families. We neither intend nor anticipate any disruption to residents, including temporary or permanent displacement as a result of the process.

For the 106 MHOP units, MPHA will work with HUD to operationalize a conversion of the Public Housing Operating Subsidy and Capital Funds for this AMP to project-based vouchers (PBVs). By converting these units to PBVs, tenants, owners, and MPHA will received 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.

In 2017 we began negotiations with the current owner and manager of Heritage Park to determine the future ownership and management of those units. This discussion is complex and extended. We are closely watching policy developments at HUD and in Congress around RAD and other yet-to-be-determined paths for conversion.

Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)

MPHA made 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).	$72,000	$35,000	0	No*

*Activity in planning stage

CE#2: Staff Time Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	1,040 Hours	520 Hours	0	No*

*Activity in planning stage

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

*Activity in planning stage

Goal-Oriented Housing Initiative (2018 – 2)

Approved and Implemented, 2018

Description/Update

Goal-Oriented 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 Goal-Oriented Housing programs is 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.

Stable Homes Stable Schools: This first initiative under this activity began serving families in 2019. The “Stable Homes, Stable Schools” (SHSS) 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 jointly fund rental assistance for families identified by caseworkers at schools where the challenge is greatest.

Hennepin County and a social services partner, the Twin Cities YMCA, provide 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.

The number of families served will gradually increase over three years as the partners build up our experience with the program. The maximum number of families envisioned by the program over its initial three-year commitment is 320.

Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report)

MPHA made no changes to this activity during the plan year.

SS#1: Increase in Household Income				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Average earned income of households affected by this policy in dollars (increase).	$24,976	2019: $24,976	$24,976	Yes*

*First year of enrollment in this program; no increase over baseline anticipated.

SS#2: Increase in Household Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Average amount of savings/escrow of households affected by this policy in dollars (increase).	0	2019: 0	0	Yes*

*Asset information is not collected and there is no escrow program for the one program that is a part of this activity.

SS#3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Report the following information separately for each category:				
(1) Employed Full-Time	7	2019: 20	7	No
(2) Employed Part-Time	15	2019: 30	15	No
(3) Enrolled in an Educational Program	0	2019: 0	0	Yes
(4) Enrolled in Job Training Program	0	2019: 0	0	Yes
(5) Unemployed	22	2019: 5	21	No
(6) Other	0	2019: 0 2020: 0	0	Yes

SS#4: Households Removed from Temporary Assistance for Needy Families				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**

Number of households receiving TANF assistance (decrease).	25	2019: 25	23	Yes

SS#5: Households Assisted by Services that Increase Self-Sufficiency				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households receiving services aimed to increase self-sufficiency (increase).	0	2019: 23	43	No*

SS#6: Reducing Per Unit Subsidy Costs for Participating Households				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	0	0*	$0	Yes

* Families served by SHSS are not currently served by MPHA.

SS#7: Increase in Agency Rental Revenue				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
PHA rental revenue in dollars (increase).	0	2019: 0	0	Yes*

*Not a feature of the SHSS program.

SS#8: Households Transitioned to Self-Sufficiency

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for “self-sufficiency” to use for this metric.	0	2019: 0	0	Yes*

*Defined as graduation; no longer requiring/qualifying for subsidy.

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, 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 intends to 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.

MPHA fell just short of our benchmarks for this activity in 2019. Program expansion has been limited as we explore related mobility efforts, including work we might undertake on mobility as part of a Regional MTW Housing Agency partnership with the Metropolitan Council Housing and Redevelopment Authority (Metro HRA). In 2019, HUD approved MPHA and Metro HRA to move forward with establishing this entity.

Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report)

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

HC #5: Increase in Resident Mobility				
Unit of Measurement	**Baseline**	**Benchmark**	**2018 Outcome**	**Benchmark Achieved?**
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity	36	2019 - 40	35	No

HC #7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	**Baseline**	**Benchmark**	**2018 Outcome**	**Benchmark Achieved?**
Number of households receiving services aimed to increase housing choice	36	2019 - 40	35	No

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 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 rent reform initiative includes the following elements, further details of which are included in MPHA's Operational Policies:

a) **Flat Subsidy:** MPHA replaced the standard rent calculation method with a simplified, flat subsidy model that incorporates consideration for tenant-paid utilities. 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. If a participant's calculated rent amount is less than the minimum rent amount, the participant pays the minimum rent to the owner.
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:** 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. HCV households may self-certify when the market value of the household's total assets is below the established threshold.
e) **Interim Re-examinations:** 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. Unemployed household members 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:** MPHA has eliminated childcare, medical expenses, and dependent deductions from the calculation of adjusted income. To lessen the impact of these changes, MPHA continues to administer the Working Family Incentive and increased the standard elderly/disabled deduction. MPHA excludes all income for adult, full-time students (other than the head of household, co-head, or spouse).

g) **Changes in Fair Market Rents (FMRs):** 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 any other times deemed appropriate by MPHA. MPHA conducts research and market analysis on local rents. In 2020, we intend to explore updating our payment standards to reflect this local market analysis as way of increasing choice for families.

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 policies. 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.

NOTE: 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.

Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report)

MPHA made no changes to the activity during the plan year.

CE #1: Agency Cost Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**2018 Outcome**	**Benchmark Achieved?**
Total cost of task in dollars (budget for Section 8 HCV program – expenses)	2013 budgeted expenses: $44,451,999	2019: $41,156,419	$ 40,598,293	Yes

CE #2: Staff Time Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
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.

CE #3: Decrease in Error Rate of Task Execution				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
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	9%	No

SS #1: Increase in Household Income				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Average income from employment	$17,495	Earned income will increase 2019: 2.8% to $25,208	$26,529.00	Yes

*Among employed households.

SS #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
6. Other – with earned income	1,504 heads of households had earned income	Heads of households with earned income 2019: 1750	1785 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 2019: 5%, to 65%	74% of Work-able households had earned income.	Yes

"Able-bodied" is defined as a HOH that is not elderly or verified as disabled, there are 2415 HOH that met this defintion of able-boded HOH.

SS #4: Households Removed from Temporary Assistance to Needy Families (TANF)				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**

Number of households receiving TANF assistance	2,418 receiving TANF	2019: 2000	508 Families are receiving TANF.*	Yes

*Food support is no long entered into tenant file, may have impacted count in comparision to last year.

SS #6: Reducing Per Unit Subsidy Costs for Participating Households				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Average per unit cost	$730	2019 - $739.00 (2.8% COLA 2019)	$851	No

SS #8: Households Transitioned to Self-Sufficiency				
Unit of Measurement	**Baseline**	**Benchmark**	**2018 Outcome**	**Benchmark Achieved?**
Number of households transitioned to self-sufficiency*	14	2019: 50	315	Yes*

*MPHA tracks EOP for multiple self-sufficiency transition reasons such as homeownership, zero HAP, and voluntary withdrawals due to achieving financial stability. Only zero HAP was counted in prior years.

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.

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. MPHA had sold eight units of the original 20. In 2019, MPHA did not close on any townhomes amid turnover of original occupants who had reached the five-year limit without purchasing, and the process of conducting new lease-ups in conformance with the updated guidelines. This turnover also influenced average income and savings of those in the program. We expect 2019 was an atypical transition year for the program.

Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)

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

SS #1: Increase in Household Income				
Unit of Measurement	**Baseline**	**Benchmark***	**Outcome**	**Benchmark Achieved?**
Average earned income of households affected by this policy in dollars (increase).	$39,000*	2019: $52,134	$41,041	No

* Baseline: set at the initial qualifying income for the program. Benchmark: Enrolled residents will have a 2% increase in average earned income (over the prior year's outcome).

SS #2: Increase in Household Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Average amount of savings/escrow of households affected by this policy in dollars (increase).*	0	$750 per-household average	0	No
* Total includes many new families with only a partial year in the program.				

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households transitioned to self-sufficiency (increase). MPHA has defined self-sufficiency as income sufficient to purchase a home.	0	2019: 0	0	Yes

HC #5: Increase in Resident Mobility				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
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.

HC #6: Increase in Homeownership Opportunities				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households that purchased a home as a result of the activity (increase).	0	2019: 0	0	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 has adopted 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.
- Substituting 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.
- The option of owner-managed, site-based waiting lists (SBWL) and site-based administration 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, re-exams and transfers.

The current initiative under this activity was the launch of MPHA's open-ended PBV Request for Proposals (RFP) in 2018. Through the RFP, MPHA can 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. MPHA continues to evaluate and make ongoing awards under the open PBV RFP.

In 2019, MPHA leased-up 35 units under the PBV RFP. Twenty-five were new construction, including 15 in a property that serves people over 55 with history of homelessness and/or disability, including project-based VASH. Ten PBV awards preserved existing affordable units that needed a new form of subsidy to continue. MPHA made AHAP commitments for an additional 56 units that will come on-line in 2020 and 2021.

Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report)

There were no changes to the activity during the plan year.

HC#1: Additional Units of Housing Made Available				
Unit of Measurement	**Baseline**	**Benchmark**	**2018 Outcome**	**Benchmark Achieved?**
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	2019 - 20	25	Yes

HC#2: Units of Housing Preserved				
Unit of Measurement	**Baseline**	**Benchmark**	**2018 Outcome**	**Benchmark Achieved?**
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	2019 - 10	10	Yes

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.

Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)

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

CE #1: Agency Cost Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Total cost of task in dollars (decrease).	$151,159	2019: $107,215;	$108,120	Yes

CE #2: Staff Time Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Total time to complete the task in staff hours (decrease).	6,240 hours	4,120 hours	4,390 hours	No

CE #5: Increase in Agency Rental Revenue				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**

Rental revenue in dollars (increase).	$14,437,400	2019: 20,500,000	$ 21,030,571	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. Rental income from minimum renter did not increase in 2019 in line with our benchmark, and we will continue to watch this trend in 2020.

Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)

MPHA did not make changes to the activity in the plan year.

CE #5: Increase in Agency Rental Revenue - Public Housing				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Rental revenue in dollars (increase).	$221,400.00	2019 $470,000;	$432,000	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.

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.

This program ran slightly under capacity for the year, and employment outcomes were not as hoped. We intend to understand the nature of this going forward and work with the partners to address.

Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)

MPHA made no changes to the activity during the plan year.

CE#4: Increase in Resources Leveraged				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Amount of funds leveraged in dollars (increase).	0	$11,900,649	$11,900,649	Yes

HC #1: Additional Units of Housing Made Available				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 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	25	22	No

HC #5 Households Assisted by Services that Increase Resident Mobility

Unit of Measurement	Baseline	Benchmark	2019 Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	25	22	No

HC #7: Households Assisted by Services that Increase Housing Choice

Unit of Measurement	Baseline	Benchmark	2019 Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	0	25	22	No

SS #1: Increase in Household Income

Unit of Measurement	Baseline	Benchmark	2019 Outcome	Benchmark Achieved?

Average earned income of households affected by this policy (increase).	0	2019: $8487	$12,818.00	Yes

SS #2: Increase in Household Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Average amount of savings/escrow of households affected by this policy (increase).	0	2019 - $250	$0.00	No

SS #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Number of families with stable employment histories (increase)				
(1) Employed Full-Time -		0	0	Yes
(2) Employed Part-Time -		8	4	Yes
(3) Enrolled in an Educational Program -	0	8	0	No
(4) Enrolled in Job Training Program -		8	0	No
(5) Unemployed -		0	18	No
(6) Other: *(Notes: Disabled, receiving SSI)*		0	2	Yes

SS #5: Households Assisted by Services that Increase Self Sufficiency

Unit of Measurement	Baseline	Benchmark	2019 Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self sufficiency (increase).	0	25	22	No

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Number of households transitioned to self-sufficiency (increase).*	0	2019: 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 effect 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.

MPHA experienced data challenges when computing this metric for this 2019 Report, as a result of staff turnover. We expect the units under HC#1 may be higher, but are reporting only the 22 known and confirmed. The same challenge made it infeasible to calculate HC#5 for this year. We do not expect this will be recurring problem.

Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)

MPHA made one unplanned, nonsignificant change to the activity. We eliminated a custom metric that had been originally proposed, but which proved redundant as it essentially duplicates standard metric HC#5. The custom metric was, "Increase in the number of new owners in opportunity areas of the City of Minneapolis."

HC #1: Additional Units of Housing Made Available				
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). If units reach a specific type of household, give that type in this box.	0	2019: 25	22	No

HC#5: Increase in Resident Mobility				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase)	0	2019: 15	N/A*	No

MPHA staff are unable to calculate this metric for 2019 using available data. We expect to rectify this issue in 2020.

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 had 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 no requests for hardship exceptions.

Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)

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

SS #1: Increase in Household Income				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Average earned income of households affected by this policy in dollars (increase).	$15,970.00	2019 $26,600;	$26,830	Yes

SS #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
(6) Other - Households with earned income.	1,241	1,253	1,529	Yes
(Expressed as percents)	21%.	22%.	25.00%	Yes

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**

Number of households receiving TANF assistance (decrease).	546	2019: 285	258	Yes

SS #6: Reducing Per Unit Subsidy Costs for Participating Households				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	$306.00	2019 $300	$304.78	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.

SS #7: Increase in Agency Rental Revenue				
Unit of Measurement	**Baseline (2009)**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
PHA rental revenue in dollars (increase).	$14,437,400	2019 $20,500,000	$21,030,571	Yes

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Number of households transitioned to self-sufficiency (increase).*	270	2019: 365	118	No

* 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 coming out of prison. In the first phase, MPHA provides housing subsidy as sponsor-based voucher 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 the subsidy to house these individuals. 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 has entered an agreement with Better Futures that details the funding and operational requirements of the program along with the reporting requirements that respond to the HUD metrics. 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," opened in August 2019. The developer partner for this phase is Beacon Interfaith Housing Collaborative. MPHA's ongoing sponsor-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 provides sponsor-based 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.

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

This activity initially envisioned a transition from sponsor-based to project-based once the housing facility opened. In the event, the partners decided to postpone this transition and continue the successful sponsor-based format of the subsidy for the time being. Accordingly, MPHA continues to track these households as Local, Non-Traditional. MPHA made no other changes to this activity in the plan year.

HC #1: Additional Units of Housing Made Available				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 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	40	40	Yes

HC#5: Increase in Resident Mobility				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Number of Households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	40	32	No

Partial year result; move-in was August 2019.

HC#7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	**Baseline**	**Benchmark**	**2018 Outcome**	**Benchmark Achieved?**
Number of households receiving services aimed to increase housing choice (increase).	0	40	32	No

SS#1: Increase in Household Income				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Average annual income for families (over a five-year period) (increase)	0	$8,880.00	$19,969.00	Yes

*Project is not fully leased up yet and began occupancy in August of 2019.

SS #3: Increase in Positive Outcomes in Employment Status
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.

Unit of Measurement	Baseline	Benchmark	2019 Outcome	Benchmark Achieved?
Number of families with stable employment histories (increase)				
(1) Employed Full-Time -	0	2019: 14	4	No
(2) Employed Part-Time -	0	2019: 40	14	No
(3) Enrolled in an Educational Program -	0	0	0	Yes
(4) Enrolled in Job Training Program -	0	0	0	Yes
(5) Unemployed -	0	0	9	No
(6) Other: (Disabled; receives SSI)	0	0	1	No

SS #5: Households Assisted by Services that Increase Self Sufficiency

Unit of Measurement	Baseline	Benchmark	2019 Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self sufficiency (increase).	0	40	32	No

SS #8: Households Transitioned to Self Sufficiency

Unit of Measurement	Baseline	Benchmark	2019 Outcome	Benchmark Achieved?
Number of households transitioned to self sufficiency (increase).*	0	2019: 10	0	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, which has happened slowly. The first move-ins began in 2018. 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.

Note that turnover in the program resulted in a higher number of families served than units.

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

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

HC #1: Additional Units of Housing Made Available				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved**
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

HC #5: Increase in Resident Mobility				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved**
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity.	8	12	15	Yes
* Project is fully occupied by Shelter to Home Vouchers. 15 families were served by the project during 2019, 11 families currently reside in the project.				

HC #7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved**
Number of households receiving services aimed to increase housing choice (increase).	8	12	15	No*
* Project is fully occupied by Shelter to Home Vouchers. 15 families were served by the project during 2019, 11 families currently reside in the project.				

SS #1: Increase in Household Income				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved**
Average annual income for households affected by this policy (increase).	$15,448 (2018)	2019: $15,420 (2.8% COLA increase)	$9,709 (Average gross income)	No

SS #3: Increase in Positive Outcomes in Employment Status				
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.				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**

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 (Disabled, SSI)	0	3 3 3 3 0 0	1 1 0 0 13 2	No No No No No No

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Number of households receiving TANF assistance (decrease).	12	2019: 6	13	No*

* Project is fully occupied by Shelter to Home Vouchers. 13 of 15 families that received assistance in the project received a TANF benefit.

SS #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Number of households receiving services aimed to increase self-sufficiency (increase).	8	12	15	Yes

SS #6: Reducing Per Unit Subsidy Costs for Participating Households

Unit of Measurement	Baseline	Benchmark	2018 Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	$678.00 (2018)	2019: $697.00 (2.8% COLA 2019)	$646.00	Yes

SS #7: Increase in Agency Rental Revenue				
Unit of Measurement	**Baseline**	**Benchmark**	**2018 Outcome**	**Benchmark Achieved?**
PHA rental revenue in dollars (increase)	0	0	0	No*
* Metric does not apply to this PBV activity.				

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	**Baseline**	**Benchmark**	**2019 Outcome**	**Benchmark Achieved?**
Number of households transitioned to self-sufficiency (increase).	0	0	0	No
No families transitioned to self-sufficiency during 2019.				

Shelter to Home - Public Housing (2015 – 1)

Approved in 2015, Implemented in 2017

Description/Update

In March 2019, MPHA opened the Minnehaha Townhomes, constructed in partnership with multiple public entities (and one philanthropic contribution). MPHA owns and manages these 16 townhomes for families experiencing homelessness. Families are 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 are permanent supportive housing, reserved for families experiencing long-term homelessness. The families who live at the Minnehaha Townhomes receive ongoing services from the county.

The units leased up quickly, and families in highly unstable situations are now stably housed and receiving services. Self-sufficiency progress was not immediately forthcoming. This was not surprising, given the target families. We expect slow improvement over time.

Under HUD's Faircloth limit, the 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. Another premise proposed under this activity is that MPHA use its MTW authority to work with local affordable housing developers to include homeless-focused 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. We have not found developers receptive to this concept. However, MPHA remains open to development of further Faircloth units.

Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)

None.

HC #1: Additional units of Housing Made Available

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	16	16	No*

HC #5: Increase in Resident Mobility

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity.	0	16	16	No

HC #7: Households Assisted by Services that Increase Housing Choice

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	0	16	16	No

SS #3: Increase in Positive Outcomes in Employment Status

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	0	0	0	No

SS #5: Households Assisted by Services that Increase Self Sufficiency

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?

Number of households receiving services aimed to increase self-sufficiency (increase).	0	16	16	No

SS #8: Households Transitioned to Self-Sufficiency				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
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

In traditional housing assistance programs, whenever a participant increases their income, their rent portion increases. The goal of this initiative is to reverse that relationship so that when a participant starts working or attending job training, their rent portion decreases to incentivize work. Under this activity, MPHA entered into a subsidy agreement with a service-provider partner that rehabbed 20 units for participating families. The partner expected the family to commit to a path off government assistance and into the workforce; the family receives a rent subsidy in return. MPHA provides a fixed subsidy payment to the partner. The participating families came from multi-generational poverty, with poor rental histories and little to no work experience. Services provided to families housed under this initiative included intensive weekly coaching on setting and achieving goals. Once participants start working, partner staff worked with them on furthering their education or training to move beyond entry-level jobs.

The 20 families that moved into the units that opened in 2013 generally made progress on at least one goal. Despite the tough job market, almost all of the families were employed. The initial partner under this initiative experienced funding challenges in 2017 and announced that it needed to discontinue the program with the start of 2018.

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.

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

SS #3: Increase in Positive Outcomes in Employment Status				
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.				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
(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

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

SS #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households receiving services aimed to increase self-sufficiency (increase)	0	0	0	Yes

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

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households transitioned to self-sufficiency (increase).	0	0	0	No.*

** 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.*

Targeted Project-Based Initiative (2011 – 1)

Approved in 2011, Implemented in 2012

Description/Update

Under this activity, MPHA project-bases vouchers for the specific 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 limits the number of vouchers that were 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. Here are the totals:

Development Name	Total Affordable Housing Units	MPHA Project-Based Vouchers
Emanuel Housing	101	17 (includes 11 VASH PBVs)
The Rose	101	15
Spirit-on-Lake	46	5
Lonoke	19	4
TOTAL	**267**	**41**

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

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

CE #4: Increase in Resources Leveraged				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
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.

HC #1: Additional Units of Housing Made Available				
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). If units reach a specific type of household, give that type in this box.	0	120	226 units*	Yes
* Leveraging 41 MPHA vouchers				

HC #7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	**Baseline**	**Yearly Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households receiving services aimed to increase housing choice (increase).	0	144	267	Yes

B. ACTIVITIES NOT YET IMPLEMENTED

<This page intentionally blank. Any Not Yet Implemented activities begin on the following page.>

Replace Form of Declaration of Trust (DOT) with Land Use Restriction Agreement (LURA) to Preserve Public Housing (2019 – 1)

Approved in 2019

Description/Update:

The exponential growth in capital needs against current and anticipated funding threatens MPHA's ability to responsibly address needs and preserve its portfolio. For certain properties, MPHA will replace the form of Declaration of Trust (DOT) that inhibits the agency's ability to leverage needed capital investment, with a Land Use Restriction Agreement (LURA). This action should help MPHA leverage funds locally and move forward with revitalization of its properties. We will do this while maintaining the long-term affordability of this housing for very low-income families via the LURA.

MPHA has rolled out a Strategic Vision and Capital Plan featuring multiple strategies for preserving its portfolio, including RAD and Section 18. The strategy enabled by this activity may be appropriate in a limited number of cases where these programs are infeasible or undesirable. The replacement of the form of DOT with a LURA should enable MPHA to leverage funds that are not forthcoming from Congress and move forward with preservation activities. In contrast to the DOT, the LURA is a proven tool that is well understood by potential partners.

This initiative will contribute to HUD's emphasis on preservation and capital investment by facilitating that investment while fully protecting current and future residents. Further, it will establish procedural steps and generate insights that will benefit HUD, MPHA, and other PHAs with a similar desire to preserve their portfolios in the future. The proposed form of LURA that MPHA has submitted to HUD for approval would continue to apply applicable public housing requirements to the properties, as modified by any applicable HUD-approved MTW-related changes.

MPHA will implement this activity in 2020 pending resolution with HUD on the form of the template LURA. In the initial year of implementation, MPHA projects applying the activity to no more than 50 units. Based upon a comprehensive assessment of its property needs and values, MPHA has determined that two properties (consisting respectively of six and five contiguous units) might be optimal for this approach in 2020. Pending activity implementation, MPHA would submit to HUD for approval of the replacement of the form of DOT with the LURA in connection with these properties. MPHA will continue to own and manage the properties. No family would need to move or see any change in rent as a result of this action.

Property Name	Property ID	AMP
Bloomington Gardens	89-0001	MN002000002, Scattered Sites
Bloomington Gardens	89-0002	MN002000002, Scattered Sites
Bloomington Gardens	89-0003	MN002000002, Scattered Sites
Bloomington Gardens	89-0004	MN002000002, Scattered Sites
Bloomington Gardens	89-0005	MN002000002, Scattered Sites
Bloomington Gardens	89-0006	MN002000002, Scattered Sites
Linden Hills	52-1316	MN002000002, Scattered Sites
Linden Hills	52-1318	MN002000002, Scattered Sites
Linden Hills	52-1320	MN002000002, Scattered Sites
Linden Hills	52-1322	MN002000002, Scattered Sites
Linden Hills	52-1324	MN002000002, Scattered Sites

NOTE: HUD staff is considering whether HUD can agree to the replacement of the form of DOT with a LURA along the lines described above under applicable regulations, notably 24 CFR 905.700, "Other security interests" and if necessary 24 CFR 905.108 (definition of "Declaration of Trust", which such a LURA would meet) and 24 CFR 905.318 (requirement to maintain Declaration of Trust). If HUD determines that HUD can do so, MPHA will be able to use such a HUD-approved LURA and this Activity 2019–1 will become unnecessary and will not be implemented. If HUD determines the activity is necessary, HUD and MPHA agree to execute a Community-Specific Authorization that will support the activity.

Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report)

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.

Previously 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 $3.8 million from its HCV HAP Subsidy to augment other programs in accordance with the needs of our local community. Of this amount: $1.3 million went to MPHA's Public Housing Capital Budget; $1.3 million to the Public Housing Operating Budget; $900,000 to HCV Administration; $130,000 to Capital Improvement Administration Fees; $85,000 to the Family Unification Program (FUP); and $91,000 to MTW Local Initiatives (primarily research, reporting, and administration related to MPHA's MTW status). Among other things, these transfers allowed significant building rehabilitation and repair of essential systems that would not have been possible under the federal capital fund alone; helped augment security services and fencing to provide public housing residents with a safer living environment; 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? **No**

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

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

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 the appendix of MPHA's MTW Plan.

VI. Adminstrative

A. Reviews, Audits, and Inspections

MPHA's 2018 Single Audit conducted in 2019 identified findings in the Section 8 Program. The Section 8 Program findings related to the inaccurate data entry in the MPHA's software system which lead to errors in the calculation of housing assistance payments and information on participant family citizenship. 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 the year.

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, 2019**, 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.

Abdi Warsame
Name of Authorized Official

Executive Director/CEO
Title

[signature]
Signature

4-29-2020
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 G: Glossary of Acronyms and 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.” Regulations related to HUD programs are primarily in the 24th section of the code, denoted 24 CFR.

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.

Deeply Affordable Housing – This term is generally used to refer to homes affordable to people who meet HUD’s definition of “Extremely Low-Income” (making below 30 percent of the Area Median Income).

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 Limit/Faircloth Authority – Named for former U.S. Senator, the Faircloth Limit refers to a cap, under federal law, on the number of Section 9 public housing units for which a PHA is allowed to receive subsidy. Where housing authorities are below this limit, Faircloth Authority refers to additional public housing subsidy PHAs could access, provided we can build or acquire the units.

Flat Rent – A maximum level of tenant rent payment, as defined by a PHA's rent policies for Section 9 public housing. Flat rent is established as a percentage of the estimated fair-market-rent for a unit. Flat rent is a relevant concept for the highest-income households, where a rent payment of 30 percent of adjusted income would exceed this amount. Also known as "ceiling rent."

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 – The Housing Choice Voucher (also known as "Section 8") program pays a portion of a tenant's rent in an apartment or home. Families contribute approximately 30 percent of their income toward their rent and utilities and MPHA provides the rest. Where a voucher-holder uses the voucher to live in a privately-owned home, this is referred to as a "tenant-based" voucher. (Families can use the voucher to choose where they want to live within Minneapolis or outside the city.) In some contexts, the HCV program may also refer to "project-based" vouchers (PBVs), defined separately in this glossary.

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

HUD – The United States Department of Housing and Urban Development. HUD is the federal regulator and distributor of funds to PHAs. HUD is headquartered in Washington D.C. and has a field office in Minneapolis

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.

Local, Non-Traditional – This HUD term describes activities that use MTW funds provided under the MTW block grant for activities outside of the Housing Choice Voucher and public housing programs established in Sections 8 and 9 of the U.S. Housing Act of 1937 (1937 Act). These activities must serve low-income families and meet the statutory objectives of the MTW program.

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.

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).

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. *MPHA does not participate in the PBRA program.*

PBVs – Project-Based Vouchers provide rental assistance to families living in privately owned apartments, or in buildings publicly controlled by the housing authority. Unlike “tenant-based” vouchers, PBVs are attached to the housing unit. (Both types of vouchers are considered different types of “Section 8” vouchers and funded by Congress under the Section 8 program.) 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).

PHA – Public Housing Authority.

PIC – PIH Information Center is the HUD’s inventory management system, used as the official record between HUD and the housing authority of public housing units and occupancy. It is sometimes referred to as IMS/PIC (where IMS stands for Inventory Management System).

RAD - Rental Assistance Demonstration was created by Congress to give PHAs a tool to preserve and improve public housing properties and address the nationwide backlog of deferred maintenance. The law authorizing RAD requires continued public ownership or control of public housing properties. Specifically, it requires that a public or not-for-profit entity maintain ownership or control of a public housing property that converts to PBRA or PBV assistance using RAD.

Section 3 – HUD's Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide training, employment, contracting and other economic opportunities to low- and very low-income persons, especially recipients of government assistance for housing, and to businesses that provide economic opportunities to low- and very low-income persons.

Section 8 – Refers to Section 8 of the U.S. Housing Act of 1937, as amended (42 U.S.C. 1437). Section 8 of the Act covers voucher programs (tenant-based and project-based) and Project-Based Rental Assistance.

Section 9 – Refers to Section 9 of the U.S. Housing Act of 1937, as amended (42 U.S.C. 1437). Section 9 of the Act covers traditional, PHA-owned-and-operated public housing.

Subsidy Standards (or Payment 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.