



*Architect's Rendering: Elliot Twins Renovation*



# 2021 MOVING TO WORK ANNUAL PLAN

**Fiscal Year January 1 – December 31, 2020**

**Approved by the MPHA Board of Commissioners: Sept. 23, 2020**

**Submitted to HUD: Sept. 29, 2020   Resubmitted: Feb. 2, 2021**

**EQUAL HOUSING OPPORTUNITY – EQUAL EMPLOYMENT OPPORTUNITY**

## MINNEAPOLIS PUBLIC HOUSING AUTHORITY BOARD OF COMMISSIONERS

Sharmarke Issa, Chair  
Andrea Brennan, Vice-Chair  
Mikkel Beckmen, Commissioner  
Abdullahi Isse, Resident Commissioner  
Cara Letofsky, Commissioner  
Tamir Mohamud, Resident Commissioner  
Hon. James Rosenbaum, Commissioner  
Tessa Wetjen, Commissioner  
Faith Xiong, Commissioner

### 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.*

Abdi Warsame, Executive Director/CEO

## 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 most HUD regulations if it is pursuing 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, within certain guidelines, to best meet local needs.

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

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

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

 [MplsPublicHousing](https://www.facebook.com/MplsPublicHousing)  [MplsPubHousing](https://twitter.com/MplsPubHousing)  
[www.MPHAOnline.org](http://www.MPHAOnline.org)

# **MPHA 2021 MTW Annual Plan**

## **Table of Contents**

I. Introduction/Overview	4
Proposed Moving to Work Activities in this Plan	5
Housing Preservation and Creation	6
Education, Employment, and Health	8
Operational Excellence	9
Properties for which MPHA May Apply for Preservation Programs	10
Update on Formation of a Regional MTW Agency	11
Information on the MPHA Budget	14
II. General Operating Information	18
Housing Stock Information	18
Leasing Information	23
Waiting List Information	24
III. Proposed MTW Activities	25
IV. Approved MTW Activities (Index)	26
Implemented Activities	27
Not-Yet-Implemented Activities	53
Activities on Hold	53
Closed-Out Activities	55
V. Sources and Uses of Funds	59
VI. Administrative	62
Appendices:	
A. Board Resolution/Certifications of Compliance	63
B. Resident Advisory Board (RAB) Priorities	69
C. Public Process and Summary of Public Comment	70
D. HUD Form 50071 (Lobbying Disclosure)	79
E. Local Asset Management Plan (LAMP)	80
F. Planned Capital Expenditures	84
G. Glossary of Acronyms and Housing Terms	91
H. HUD Form 50075.1	95
I. Board Resolutions Endorsing Formation of Regional MTW Agency	119

## I. INTRODUCTION/OVERVIEW

### *Short-term and Long-Term Goals and Objectives*

MPHA's long-term trajectory follows two board-approved documents. The *Strategic Vision and Capital Plan* commits MPHA to a 20-year vision to preserve our public housing, and elevate the families we serve today and tomorrow. Our *Guiding Principles for Redevelopment and Capital Investments* affirm that in our efforts to preserve our essential housing infrastructure, people will always come first. Both of these documents will never be more alive for MPHA and our Minneapolis community than in 2021.

As we draft next year's Moving to Work Annual Plan, the world around us is undergoing more than the usual amount of change. These immediate priorities will frame our work in 2021, as we continue to advance our long-term goals:

- **Safety and Health:** From the start of the COVID-19 pandemic, MPHA has acted decisively to protect and inform our households and employees, while we continued our core functions. We do not believe we will have put the coronavirus fully behind us in 2021, and we must remain vigilant against the general threat of pandemic diseases. Accordingly, our commitment to protecting health will remain near the top of our thoughts.
- **Adapting to New Ways of Doing Business:** We know that many traditional ways of interfacing with each other and with the public are over. MPHA will continue to adapt our processes and facilities to remain productive, accessible, compassionate, and effective in our mission.
- **Housing Stability:** Through a time of unprecedented economic turmoil, public housing, voucher, and MTW programs have shown their irreplaceable ability to protect the housing of low-income people despite what other changes life brings. We will continue to play this stabilizing force in our city—not only through our income-based programs, but through ongoing efforts to provide targeted, MTW-powered intervention where we can assist in other crises.
- **Confronting the Legacy of Structural Racism:** Public housing authorities address a burden created by centuries of policies that have blocked families of color from attaining safe, quality homes, building wealth through housing, or living in the neighborhoods of their choice. Our work every day continues to slowly unwind these years of damage. We will recognize new opportunities to speed this reckoning through our programs, and to advance the value of equity among our employees and the people we serve.
- **Living our Future:** For MPHA and MPHA residents, 2021 will bring the first tangible fruits of the long-term journey we began three years ago with the passage of our *Strategic Vision*. We will open a public housing high-rise renovation larger and more comprehensive than any ever attempted in the State of Minnesota. We will begin a years-long process renovating more than 700 single-family homes, while continuing our public ownership and management—a feat few if any housing authorities have attempted. And we hope to launch a first-of-its-kind regional partnership to empower more families with vouchers to live where they wish, across the Twin Cities. We look forward to modeling for our community the brighter future that we see ahead, and learning from these initial steps down that road.



## PROPOSED MOVING TO WORK ACTIVITIES IN THIS PLAN

As an MTW housing authority, MPHA may waive certain federal regulations to meet local needs and better serve our Minneapolis community. In this MTW Annual Plan, MPHA had initially proposed to establish and implement one MTW activity in 2021. However, this activity has been postponed based upon unanticipated developments shared with MPHA by HUD after the plan's submittal. (See page 11, below: "Update on Formation of a Regional MTW Agency.")

### Other Notable MTW-specific Updates

Under our *Rent Reform* activity, MPHA will move all households with housing choice vouchers to a triennial income recertification cycle. By moving all families to this cycle, MPHA advances the statutory objective of increasing incentives for self-sufficiency by allowing families to keep more of their growth in earned income. It will have the secondary effect of advancing the cost-effectiveness of the agency's operations, freeing up staff capacity for focus on other priorities that advance the wellbeing of families. In most cases, households will not be required to report to MPHA any interim changes in income or undergo an interim reexamination.

MPHA is adding an authorization to our *Local Project-Based Voucher Program* activity to enable MPHA to create a unified lease contract when units are converted to project-based vouchers in agency-owned properties. This will allow a straightforward carryover of resident-right and other provisions from the prior public housing lease, providing transparency and comfort to residents during these transitions.

MPHA is updating the applications of our *Supportive Housing for Youth* activity to include new sponsor-based partnerships for youth (including pregnant/parenting youth) and our *Goal-Oriented Housing* activity to include a pilot savings-match/employment-coaching program for current MPHA program participants.

\* \* \*

The agency's overall activities during the year fall under the three pillars of our *Strategic Vision and Capital Plan*: Housing Preservation and Creation; Education, Employment, and Health; and Operational Excellence. We explore them in more detail below.



## HOUSING PRESERVATION AND CREATION

Federal capital funds meet about 10 percent of the capital needs of MPHA's public housing portfolio, and the current presidential administration has repeatedly proposed to eliminate even this limited funding. Throughout our history, MPHA has maintained our public housing to high standards despite persistent funding challenges. We intend to continue this strong tradition by leveraging every program and funding source available to us, in combination with federal funds, and consistent with our inviolable mission to provide housing for the city's lowest-income households.

Any MPHA development activity must satisfy our board-approved *Guiding Principles for Redevelopment and Capital Investments*. MPHA residents and community stakeholders shall have a clear understanding of our path, and comfort that resident rights are protected along the way. As a further layer of protection, a Memorandum of Understanding (MOU) between the city and MPHA expresses our shared commitment to investing in public housing, long-term public control, and protecting the rights of every resident.

In 2021, notable developments related to *Housing Preservation and Creation* include:

- Completing the Elliot Twins Renovation:** In 2021, MPHA expects to conclude the comprehensive rehabilitation and expansion of the Elliot Twins. In June 2020, MPHA converted the 174 units to project-based voucher subsidy under the Rental Assistance Demonstration (RAD) program, and the renovations will add another 10 units. The RAD conversion permitted MPHA to access state housing bonds and Low-Income Housing Tax Credits to undertake this \$25 million renovation—the largest public housing investment in Minnesota history, three times as large as any ever undertaken by MPHA. In addition to showing the power of these tools to fund major highrise improvements, the Elliots project is demonstrating the commitment and capacity of MPHA to provide temporary housing for residents affected by major construction work, with no permanent displacement. Most residents have chosen to remain on-site during construction. MPHA will continue to manage the property, with long-term affordability protected by a 99-year ground lease.
- Renovation Program for Scattered Site Homes:** MPHA will begin a multi-year process to make major repairs to preserve our scattered site portfolio—more than 700 units of family housing (four-plex, duplex, and mostly single-family) across the city. With additional tenant-protection-voucher funding as a result of a Section 18 conversion in October 2020, MPHA will leverage additional financing to assure our scattered site portfolio continues its essential mission while fully owned and managed by the agency's nonprofit, Community Housing Resources. MPHA takes pride in our commitment to carry out one of the largest public housing scattered site preservation projects in U.S history. In addition to property improvements, the City of Minneapolis 2040 Comprehensive Plan allows MPHA to consider increasing density by adding units to sites. MPHA will consider replacing scattered site units that have high capital needs with new, more energy-efficient, denser housing units such as duplexes or rowhomes. These new units will be more efficient to operate and improve the livability of the units for tenants.
- Additional Highrise RAD Applications:** The final page of this introduction features a list of properties where MPHA is considering applications for RAD conversions in 2021, based upon

analysis of our portfolio and in line with the priorities under our Strategic Vision. Each application and approval will follow the prescribed disclosures and public and resident engagement process as required by HUD. MPHA's next RAD application(s) will likely follow a "RAD-with-reserves model," which does not anticipate the use of tax credits, major construction, or any need for residents to temporarily relocate.

- **Ongoing Public Housing Capital Improvements:** Using the limited federal funds we receive, along with any successful applications for Minnesota Publicly Owned Housing Program grants, we will continue invest in high-priority repair and modernization projects, including building systems (water, electricity, HVAC), elevators, window replacement, and fire suppression systems. *A more detailed discussion of 2021 capital activities and expenditures is found in Appendix F.* Through an ongoing partnership with Franklin Energy and Xcel Energy, MPHA will continue to replace aging appliances with new, energy-efficient, more cost-effective units. MPHA may also continue targeted expansion of the Quality Maintenance Program (QMP). MPHA's QMP uses data analysis, maintenance scheduling, and resident feedback to address likely work-order issues before they become critical, reducing resident inconvenience and saving money in the long-run. After learning from the pilot phase, MPHA's staffing approach for the QMP has shifted from an in-house crew to primarily contracting with third-party specialists.
- **Long-range Planning for Other Sites:** MPHA will continue or initiate conversations around various long-term initiatives to preserve and make optimal use of our assets. This includes stabilizing and converting the subsidies under MTW for units created under the Metropolitan Housing Opportunities Program, as well as our other scattered townhome units; continuing a master planning process to realize the long-term vision of the Heritage Park neighborhood; and long-term conversations about the Glendale Townhomes, where we are committed to redevelopment to provide modern units for current and additional families.
- **Project-Based Voucher (PBV) Awards:** PBVs empower MPHA to 1) incentivize the creation of new affordable housing to meet demonstrated community needs, and 2) assure that a portion of that housing is not just affordable, but "deeply affordable" to those making below 30 percent of area median income (AMI). MPHA will continue to make well-considered PBV awards under our open request-for-proposals, and will celebrate the opening of new developments with our partners in 2021. At this drafting, MPHA is seeking an award of Mainstream (disabled) vouchers that, if awarded, we anticipate project-based in some cases to encourage development for this critical housing need.



## EDUCATION, EMPLOYMENT, AND HEALTH

MPHA will continue to expand our initiatives and partnerships devoted to economic opportunity, health, and wellbeing of seniors, working families, and all households we serve. In 2021, notable efforts will include:

- The launch of our Regional MTW partnership with Metro HRA:** As discussed above and in detail in Proposed Activity 2021 – 1, MPHA will seek designation as a Regional MTW Agency. This will enable a partnership we envision with Metro HRA to pool tenant-based vouchers to empower families with greater mobility—whether through physical movement or in-place investment—and to pool project-based vouchers to incentivize development across our shared regions. Both efforts will be directed toward economic advancement of families, with long-term goals of better education, employment, and health outcomes.
- Growth and Learning for *Stable Homes Stable Schools*:** *Stable Homes Stable Schools* is a partnership with the City of Minneapolis, Hennepin County, Minneapolis Public Schools, and YMCA of the Twin Cities. MPHA and the city jointly fund rental subsidies for families identified by the schools as experiencing homelessness. The YMCA provides case management services. Parents commit to engagement in their child’s education. In 2021, *Stable Homes Stable Schools* will enter the third year of its three-year pilot phase. We will bring in additional families, and begin our work with researchers to conduct program assessment.
- Expansion of Work by the Highrise Health Alliance:** Many MPHA highrise residents experience unmanaged health and mental health conditions, with much higher rates of emergency room visits and hospitalization. In response MPHA, the Minneapolis Health Department, Minneapolis Highrise Representative Council (MHRC), and partners from local government and the healthcare sector have launched the Highrise Health Alliance. The alliance will bring together leaders from all sectors (health, mental health, social services, housing) to interpret data, identify priorities, and align services.
- Extended Support for Residents Affected by COVID-19 and Loss of Neighborhood Services:** As of this drafting, the outlook is unclear for the lasting effects that COVID-19 and recent upheaval in some Minneapolis neighborhoods will continue to have on MPHA residents. At this time, we anticipate that we will continue to be engaged in 2021 with partners in the community on priorities such as on-site testing (and/or vaccination, when available).
- Stepped-up Outreach on Employment Opportunities:** MPHA’s growing *Community Connections* (formerly “Human Services”) team brings a new capacity to coordinate and publicize job-training and employment resources to targeted participants in our programs.
- Job-coaching / Savings-match Pilot:** MPHA will pilot a voluntary program for around 25 households, drawn from our public housing and voucher programs, who will engage in intensive job-coaching in exchange for a match of their savings (up to \$100/month).



- **Evolution of the Twin Cities Section 3 Collaborative:** Under HUD’s Section 3 program, MPHA will continue to emphasize training, employment, contracting and other economic opportunities to our residents and other lower-income individuals. MPHA remains a leading participant in the Twin Cities Section 3 Collaborative, working with our regional partners (housing authorities, units of local government) to streamline enrollment and search processes to make it easier for Section 3-qualified people and businesses to connect with opportunities.



## OPERATIONAL EXCELLENCE

MPHA’s nearly 300 employees are the heart of the agency. Investing in the way we do business leads to savings we can apply to our other priorities—and better service to our families and community. In 2021, we anticipate:

- **Completing our *OnePlatform* Transition:** We will complete our transition to a unified software system, Yardi Voyager, to replace our disparate systems in public housing, housing vouchers, and finance. The COVID-19 pandemic delayed our timeline during 2020 somewhat, but we remain on-course to go live in phases and become fully operational across our functions in 2021. By undergoing this much-needed upgrade, we anticipate gains in productivity, cost savings, compliance, customer and employee satisfaction.
- **Defining Top-Level Service in the Post-Coronavirus Era:** MPHA employees rose to the challenge of adapting to an unprecedented challenge posed by the coronavirus to the way we do business. We have met our mission through a period of uncertainty and stress. We anticipate that 2021 will continue to be a year of creativity and adaptation, while we implement new ways of working together and of conducting crucial business with the families we serve.
- **Diving Deep on Agency Culture (including Diversity, Equity, and Inclusion):** For many reasons, 2020 has proven a challenging year for all organizations in investing in employee morale and maintaining momentum on workforce development. Tragic events in Minneapolis have reminded MPHA of the role our housing programs play in addressing the historic legacy of structural racism in our community. They also inspire us to look internally to our own agency culture, our diverse and talented workforce, and our areas of strength and weakness. As we approach 2021, we have recommitted ourselves to institutional actions that draw and build upon the strength of the varied backgrounds and experiences of MPHA employees, and to increase this strength through our recruitment, hiring, onboarding, and training practices.

## PROPERTIES FOR WHICH MPHA MAY APPLY FOR HOUSING PRESERVATION PROGRAMS IN 2020

The purpose of this MTW Annual Plan is to forecast for HUD and the public MPHA's possible actions in the short- and long-term. Based upon the current analysis of MPHA's portfolio, the public housing properties listed below *may be considered* in 2021 or 2022 for repositioning, redevelopment, and/or recapitalization. These activities include federal programs (such as RAD and Section 18), federal/state/local grants, and other opportunities.

Development	AMP	Units
37th Street Manor	MN002000007, Horn AMP	28
Art Love Manor	MN002000003, North AMP	66
Franklin Towers	MN002000005, Hiawatha AMP	110
Friendly Manor	MN002000004, Northeast AMP	121
Hamilton Manor	MN002000003, North AMP	220
Heritage Commons	MN002000003, North AMP	102
James R. Heltzer Manor	MN002000007, Horn AMP	110
Lowry Towers	MN002000003, North AMP	193
Lyndale Manor	MN002000003, North AMP	239
Lynway Manor	MN002000003, North AMP	62
Oliver Manor	MN002000003, North AMP	31
Parker Skyview	MN002000004, Northeast AMP	333
Rainbow Terrace	MN002000003, North AMP	84
Signe Burckhardt Manor	MN002000005, Hiawatha AMP	42
Snelling Manor	MN002000007, Horn AMP	28
Spring Manor (809)	MN002000004, Northeast AMP	32
Spring Manor (828)	MN002000004, Northeast AMP	189
St. Anthony Highrise	MN002000004, Northeast AMP	49
The Atrium /Archie Givens	MN002000003, North AMP	299
The Pentagon	MN002000007, Horn AMP	129
The Riverside	MN002000007, Horn AMP	151
Third Avenue Towers	MN002000005, Hiawatha AMP	199
Thomas T Feeney Manor	MN002000003, North AMP	48

In the near term, including 2021, MPHA's most likely actions include an application for a subset of properties under a model sometimes called "**RAD with reserves.**" In contrast to the major up-front capital investment approach at the Elliot Twins, the purpose of such an application would be to stabilize the long-term federal subsidy (by conversion to project-based vouchers) at a set of properties that require lower levels of initial capital investment. These conversions *would not* anticipate the use of tax credits, major construction, or resident relocation. As a general matter, current residents would remain in-place throughout.

As with any RAD conversion, the process must satisfy stringent federal requirements to protect residents, including:

- Residents are not rescreened and do not lose eligibility during a RAD conversion.
- The rent calculation after RAD is 30 percent of adjusted income, as it was before.
- RAD retains essential resident processes and rights, including the grievance process and funding for resident organizations.
- In the event of construction requiring temporary relocation, residents have a right to return to the property after work is complete.
- If interim relocation is necessary, residents must have comparable housing throughout the process.

If MPHA determines that RAD or another preservation process is feasible and in the interest of our mission and our community, MPHA will initiate the processes required by HUD for disclosure, notification, and resident engagement prior to any application.

## UPDATE ON FORMATION OF A REGIONAL MTW AGENCY

*In 2021, MPHA will continue to explore the formation of a Regional Moving to Work Agency, in anticipation of a potential future MTW Annual Plan activity. MPHA initially proposed such an activity in this 2021 MTW Annual Plan. However, HUD subsequently informed MPHA that discussions at HUD beyond MPHA's control would make approval at this time much more difficult than anticipated. Accordingly, MPHA is withholding the activity from the plan until we receive further clarity. The material below reflects the content of the activity, as it was previously presented for public comment and MPHA board approval. (To avoid confusion, the text has been lightly edited only to remove any language specific to the prior-proposed timeline, or status as a proposed MTW activity). Appendix I includes board resolutions publicly discussed and approved by MPHA and the Metropolitan Council Housing and Redevelopment Authority endorsing partnership toward forming a Regional MTW Agency.*

In its 2016 Appropriations Act, Congress authorized the Secretary of HUD to designate an existing MTW agency as a "regional Moving to Work agency" when the agency makes a request in partnership with one or more adjacent, non-MTW housing authorities. In June 2018, MPHA and the Metropolitan Council Housing and Redevelopment Authority (Metro HRA) submitted to the HUD Secretary a letter making such a request. Following extensive discussions among the parties, HUD communicated to MPHA a set of terms for the designation of MPHA as a Regional MTW Agency, which were subsequently approved by MPHA's Board of Commissioners.

In the interest of housing choice and cost-effectiveness, MPHA and Metro HRA propose to establish a shared, regional voucher program oriented around three components:

- **PORTABILITY:** Combining policies, procedures, and certain operations will make it easier for families to move within our jurisdictions, and create efficiencies in the operations of both agencies.

- **MOBILITY:** The agencies propose to contribute vouchers to a joint pool where families might be served with enhanced housing-search assistance, enhanced rent support to afford neighborhoods with more expensive rents, and services focused on educational/economic empowerment for families in all neighborhoods.
- **PROJECT-BASED VOUCHERS (PBVs):** The agencies would combine their power to shape the development of affordable housing by other developers, and to assure deeply affordable housing within these developments, by jointly contributing and issuing PBVs under a combined Request for Proposals.

This effort is driven by the affordable housing and rent-burden crisis across the Twin Cities, and by compelling research demonstrating the positive health, education, and economic outcomes that families experience over time when they are empowered with more housing choices. It is secondarily motivated by the administrative burden on neighboring housing authorities created by large flows of voucher recipients porting from one jurisdiction to another.

MPHA's MTW flexibilities would allow for services and program-design that might not otherwise be possible for Metro HRA. For MPHA, the partnership would allow us to provide improved portability and mobility to Minneapolis families, while using the power of MTW to benefit our surrounding Twin Cities community, from which we are inextricable. Both of us together might be able to incent and shape PBV development in ways we could not do alone.

The agencies would govern their activities through a mutually agreeable, formally adopted Joint Powers Agreement. We have established that such an agreement is permissible under Minnesota law, and will submit such verification formally to HUD. All vouchers to which MTW activities are applied would be administered officially by MPHA, as per the terms previously adopted by MPHA's Board of Commissioners, although the parties envision contributing as equals to the conceptualizing, decision-making, and execution of these efforts.

The activities bulleted above will apply existing, approved MTW flexibilities—no new authorizations are proposed at this time. Harmonizing our portability activities initially might not turn out to require MTW, although could benefit from approved Attachment C authorizations to establish alternate portability policies, and from MPHA's single-fund flexibility as we establish a budget to support these efforts. Vouchers in the mobility pool could be subject to existing authorizations to set alternate payment standards, rent reasonableness, waiting list preferences, establish alternate property-owner incentive or damage policies, and to otherwise develop policies and procedures supportive to mobility. Joint efforts on PBVs will apply from the flexibilities approved in MPHA's Local Project-Based Voucher program activity.

### **Schedule and Impact**

Implementation is pending an approved MTW plan activity, multiple procedural steps, and extensive operational details to be determined by the partners. Adoption by both parties of the Joint Powers Agreement will be a significant milestone. We understand further steps with HUD could include an amendment to MPHA's MTW Standard Agreement.

The partners intend to begin modestly, growing as we learn. We would likely begin by harmonizing our portability policies and implementing obvious opportunities to streamline our interactions with each other

and the experience of porting families. Initially, as of this writing, MPHA envisions each partner contributing 300 vouchers to a joint mobility pool, and 150 each to a PBV pool—although one effort will likely precede the other in the interest of pacing and learning. These totals may include vouchers the partners receive through a joint application for HUD’s Mobility Demonstration Program, still pending at the time of this drafting.

Vouchers contributed to shared tenant or project-based pools would be reallocated from existing stocks. Where the partners contribute vouchers to a mobility pool subject to higher payment standards, this could place some downward pressure on voucher utilization to achieve the benefit of better mobility and outcomes for families served. Given the scale at which we are beginning, however, we would not expect this pressure to be significant.

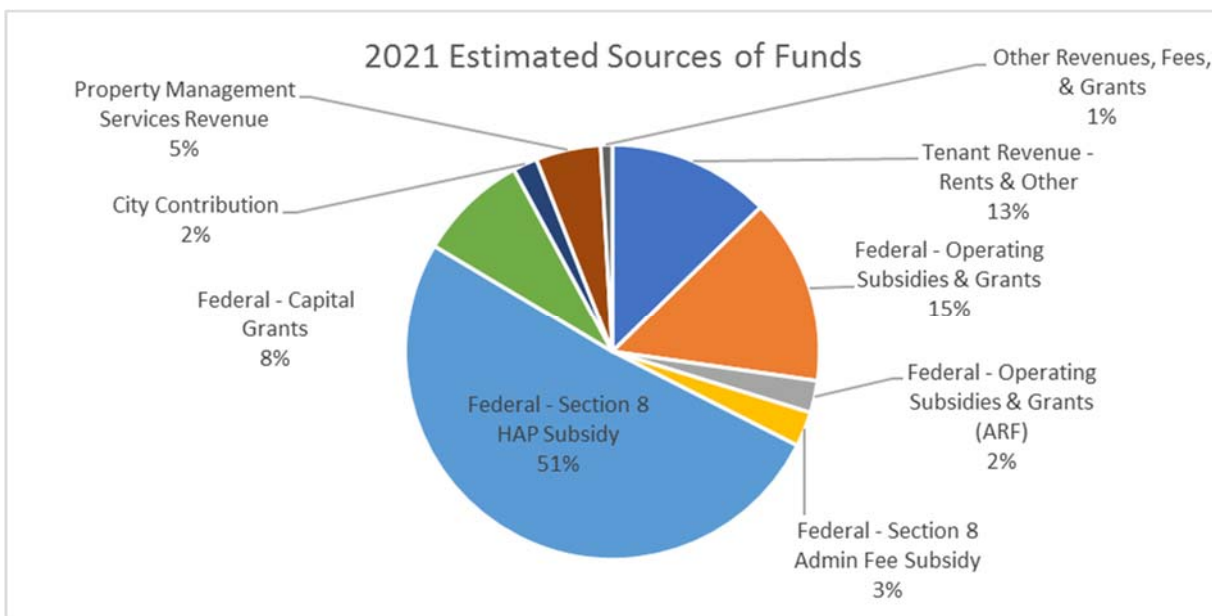
One way to assess cost implications would be the housing assistance payments (HAP) associated with the 450 projected jointly-administered vouchers, or approximately \$372,600 annually using MPHA’s current average HAP. This HAP would be expended with or without this activity. On net, we expect the countervailing cost implications of this activity will include any savings from streamlining operations, especially with regard to staff time spent on portability in the initial year. (Staff savings on portability inform the CE metric estimates below; eliminating time related to ports to/from Metro HRA will bring an estimated decrease from 175 to 150 weekly staff hours on portability, at a staff rate of \$22.50/hr, with six months of program implementation projected for 2021). A counter-acting factor will be the additional expenses typically associated with mobility efforts. Given the early stage of planning and as-yet undetermined budget for this effort, any estimate of costs is highly speculative. Both agencies will budget accordingly, per their agreement, for contributions to expenses related to mobility and administration. Staff efficiencies will be reaped at the individual agency level, with surplus resources redirected to operations.

## INFORMATION ON THE MPHA BUDGET

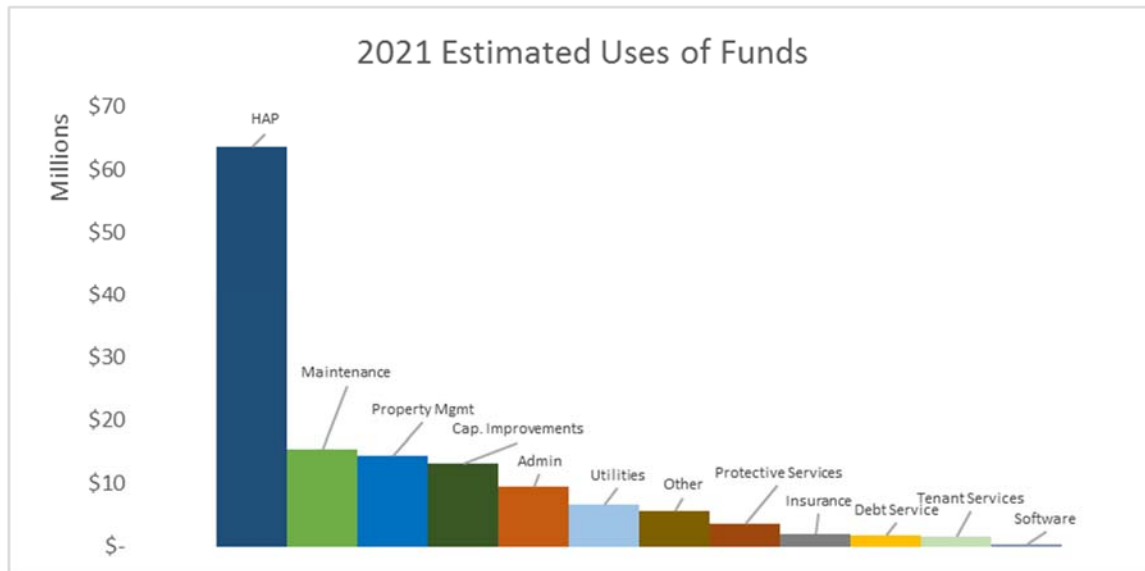
The following section contains information on MPHA's 2021 Budget. The budget is a preliminary estimate of the sources and uses expected and relies heavily upon prior year's results. MPHA will complete a process in the Fall of 2020 to analyze operations and costs and consider the latest Congressional appropriations to develop a detailed budget for MPHA's Board of Commissioners to approve in December that will most likely vary from this preliminary estimate.

### Agency-wide Budget Estimate

MPHA estimates that approximately \$137 million in sources of funds will be available in 2021. Federal subsidies and grants are assumed to make up 79 percent of the overall sources of funds. The 2021 sources of funds are estimated at \$2 million more than the 2020 MTW budget.



The 2020 MPHA-wide budget has an estimated \$137.7 million in uses of funds. The primary use of funds is estimated to be for housing assistance payments to Section 8 property owners followed by property maintenance and management. Capital improvement expenditures are estimated at \$13 million based on current projections for federal appropriations.



Reserves are projected at \$25.5 million. MPHA's reserves play an essential role at the organization, including availability to support housing authority operations in the event of a funding crisis (such as a government shutdown) and strategic, measured investment in long-term agency priorities. All agency reserves must be spent on public purposes, and most are further limited by the grant award (for example, \$1.7 million of the reserves is limited to non-MTW Section 8 expenses). By way of comparison, MPHA holds \$25.5 million in reserves in the context of a \$137 million annual budget and estimated \$151 million in capital needs.

## Fiscal Year 2021 MTW Budget Estimate

The MTW program provides MPHA financial flexibility to expend HUD public housing operating and capital resources and HCV program resources interchangeably among these programs, rather than limit spending to the program "silos" from which the funds were derived. The combination of the three programs at the local level creates an MTW local block grant that expands our allowable use-of-funds beyond that of non-MTW housing authorities. This gives MPHA the opportunity to design and test innovative, locally-designed strategies that use federal dollars more efficiently and provide opportunities for program creativity and innovation.

The MTW Budget presented for 2021 allocates resources to carry out:

- the daily operation and major building rehabilitation activities that are planned for MPHA's public housing program;
- the administration and housing assistance payments for the HCV Program; and
- innovative, locally-designed strategies to meet the mission of MPHA.

Although Congress has not yet passed a funding bill for 2021, MPHA's 2021 MTW Budget estimates funding levels based on prior year appropriations and the recently passed 2021 House Appropriations Committee Bill. MPHA is optimistically planning that federal subsidies and grants will remain near the 2020 levels. This funding remains drastically less than needed. For example, the estimated Capital Fund Program grant awards just over 10 percent of the current unmet capital needs.

The 2021 MTW Budget estimates HUD will provide 97 percent of the Public Housing Operating Subsidy formula (approximately \$700,000 less than the amount of subsidy HUD considers is needed for MPHA's housing stock). The HCV Program housing assistance payment (HAP) subsidy is anticipated to be funded at 100 percent of the formula amount, and the program administrative fees funded at only 80 percent of the formula amount. The budget also estimates that the public housing Capital Fund award will match the amount awarded to MPHA in 2020 (approximately \$15.8 million).

The Budget assumes that MPHA's scattered sites disposition application, submitted in 2019, is approved and implemented and thus Asset Repositioning Funds (ARF) and Demolition/Disposition Transitional Funds (DDTF) are included in the sources of funds estimates. These sources are provided by HUD when public housing units are approved for disposition out of the PHA's public housing program portfolio and supplements funding needed for costs associated with the disposition. It is also assumed that the tenant protection vouchers provided by HUD for the scattered site units will be funded at a level to meet the MPHA Section 8 payment standards for similar units.

The budgeted sources of funds are just over 1.5 percent higher than the 2020 MTW Budget. The MTW Budget anticipates federal subsidy and grant resources near current appropriation levels and the higher federal subsidy provided for the tenant protection vouchers needed for the disposed scattered site public housing units.

MPHA's estimated loss of federal subsidy because of insufficient Congressional appropriations is almost \$1.4 million for 2021. The breakdown by appropriation account is presented in the following schedule.

	<b>Subsidy Formula Eligibility</b>	<b>2021 Budget (Prorated Subsidy)</b>	<b>Subsidy Loss</b>
Public Housing Operating Subsidy	22,414,400	21,742,000	672,400
MTW HCV HAP Subsidy	63,764,200	63,764,200	-
Admin Fee Subsidy	3,636,600	2,909,300	727,300
<b>Total Subsidy Loss due to Proration</b>			<b>1,399,700</b>

On the spending side, the 2021 MTW Budget maintains overall spending at 2020 levels. The budget assumes funding to cover 5,220 MTW vouchers on average each month (includes the recently converted Elliotts and planned Scattered Site public housing units) and continues MPHA's rent reform initiative with payment standards increased approximately 4.2% higher than the



current budget. The planned expenditures for major public housing building rehabilitation, \$17.1 million, are detailed in Appendix F (“Planned Capital Expenditures”) of this MTW annual plan.

In response to insufficient HUD funding for the public housing program’s building improvements and for the administration of the HCV Program, MPHA estimates it will use its MTW spending flexibility to transfer HCV HAP subsidy to cover these shortfalls for fiscal year 2021 (MPHA’s fiscal year is January to December). Additionally, HCV HAP subsidy will be used to fund MTW initiatives for costs associated with locally-designed strategies to meet MPHA’s mission and to supplement non-MTW housing choice vouchers. A breakdown of the use of HCV HAP subsidy is presented in the following schedule.

<b>Estimated</b>	<b>Use of HCV HAP Funding</b>
MTW HAP Subsidy	63,764,200
MTW Paid HAP Expenses	57,053,500
<b>MTW HAP Gain/(Loss)</b>	<b>6,710,700</b>
Used for Capital Improvements	(3,780,588)
Used for HCV Administration	(1,843,900)
Used for Public Housing Operations	(73,700)
Used for Non-MTW Housing Choice Vouchers	(334,900)
Used for Locally Designed MTW Initiatives and Human Services	(677,612)
<b>Net Gain/(Loss)</b>	<b>-</b>

Please see Section V *Sources and Uses of MTW Funds* of this MTW annual plan for a line item breakdown of the estimated sources and uses of MTW Funds.

## II: GENERAL OPERATING INFORMATION

### A. HOUSING STOCK INFORMATION

#### i. Planned New Public Housing Units

New public housing units that the MTW PHA anticipates will be added during the Plan Year.

ASSET MANAGEMENT PROJECT (AMP) NAME AND NUMBER	BEDROOM SIZE						TOTAL UNITS	POPULATION TYPE*	# of Uniform Federal Accessibility Standards (UFAS) Units	
	0/1	2	3	4	5	6+			Fully Accessible	Adaptable
							0			

Total Public Housing Units to be Added in the Plan Year

0

\* Select "Population Type" from: General, Elderly, Disabled, Elderly/Disabled, Other

If "Population Type" is "Other" please describe:

#### ii. Planned Public Housing Units to be Removed

Public housing units that the MTW PHA anticipates will be removed during the Plan Year.

AMP NAME AND NUMBER	NUMBER OF UNITS TO BE REMOVED	EXPLANATION FOR REMOVAL
MN002000009 AMP 9 MHOP	306	MPHA currently holds the ACC for 306 units that will be converted to PBV. These units were a result of the Hollman v. Cisneros Consent Decree and many are located outside the City of Minneapolis. These units will be converted to PBV units to streamline operations and reduce administrative burden.
	306	Total Public Housing Units to be Removed in the Plan Year

### iii. Planned New Project Based Vouchers

Tenant-based vouchers that the MTW PHA anticipates project-basing 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) will be 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 TO BE PROJECT-	RAD?	DESCRIPTION OF PROJECT
MN002000009 AMP 9 MHOP	306	No	MPHA currently holds the ACC for 306 units that will be converted at some point to PBV. These units were a result of the Hollman v. Cisneros Consent Decree and many are located outside the City of Minneapolis. MPHA continues to work to operationalize this change with HUD, after which these units will be converted to PBV units to streamline operations and reduce administrative burden.
3301 Nicollet	10	No	High priority homeless and low income
46 <sup>th</sup> & Hiawatha	24	No	Low income
Fire Station One	18	No	Long term homeless and low income
Exodus 2	56	No	Long term homeless, disabled and VASH
Minneapolis Supportive Housing	52	No	High priority homeless, disabled and low income families
Shelby Commons	12	No	Long term homeless, disabled, low income
Snelling Yards (Senior)	11	No	Elderly, VASH, low income
Wadaag Commons	16	No	Long term homeless, disabled, low income
Walker Methodist Raines	27	No	Long term homeless, elderly, disabled, low income
St. Stephens Housing	22	No	Long term homeless and disabled
MIWRC LIHTC	19	No	Homeless and disabled families
2025 West River Road	25	No	Low income families
	<b>598</b>		<b>Total New Vouchers to be Project-Based</b>

**iv. Planned 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 is already in place at the beginning of the Plan Year. Indicate whether the unit is included in RAD.

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Archdale	13	Leased/Issued	No	Serves homeless youth
Armadillo Flats - 2727	4	Leased/Issued	No	Serves low-income people
Armadillo Flats - 2743	4	Leased/Issued	No	Serves low-income people
Barrington	3	Leased/Issued	No	Serves low to moderate income
Bottineau Lofts	9	Leased/Issued	No	Serves low-income people
Boulevard	6	Leased/Issued	No	Serves low-income people
Catholic Eldercare	24	Leased/Issued	No	Assisted living facility for elderly
Central Ave Apts	61	Leased/Issued	No	Serves low-income people
Central Ave Lofts	8	Leased/Issued	No	Serves low-income people
Clare Apts	28	Leased/Issued	No	Serves single adults who have
Collaborative Village	16	Leased/Issued	No	Serves homeless individuals and families
Creekside Commons	6	Leased/Issued	No	Serves low-income people
Downtown View	25	Leased/Issued	No	Serves homeless youth
Emanuel Housing	6	Leased/Issued	No	Serves Veterans
Families Moving Forward	12	Leased/Issued	No	Serves homeless individuals and families
Franklin Portland	7	Leased/Issued	No	Serves low-income people
Gateway Northeast	26	Committed	No	Preservation. Low-income, incl. long-term homeless.
Hiawatha Commons	20	Leased/Issued	No	Serves low-income people
Jeremiah	18	Leased/Issued	No	Serves low-income single women
Journey Homes	12	Leased/Issued	No	Supportive services for disabled,
Lamoreaux	13	Leased/Issued	No	Serves homeless individuals
Lindquist	24	Leased/Issued	No	Serves low-income people
Lonoke	4	Leased/Issued	No	Serves low-income people
Loring Towers	43	Leased/Issued	No	Serves low-income people
The Louis	10	Leased/Issued	No	Serves low-income families.
Lutheran Social Services	12	Leased/Issued	No	Serves homeless families
Lydia	40	Leased/Issued	No	Serves disabled homeless
Many Rivers East	7	Leased/Issued	No	Serves low-income people
Many Rivers West	3	Leased/Issued	No	Serves low-income people
Maya Commons	4	Leased/Issued	No	Serves low-income people
Minnehaha Commons	15	Leased/Issued	No	Homeless, senior, disabled, VASH.
MN Indian Women's Resource Center	13	Leased/Issued	No	Serves homeless, Native American families
Park Avenue Apartments (LSS)	10	Leased/Issued	No	Addition to existing HAP. Serves low-income people.
Park Plaza (phase I)	16	Leased/Issued	No	Serves low-income people
Park Plaza (phase II)	12	Leased/Issued	No	Serves low-income people
Park Plaza (phase III)	48	Leased/Issued	No	Serves low-income people
Passage	10	Leased/Issued	No	Serves low-income single women

Penn Avenue Station	4	Leased/Issued	No	Serves low-income people.
Phillips Family	28	Leased/Issued	No	Serves low-income people
Phillips Redesign	4	Leased/Issued	No	Serves low-income people
Pinecliff	7	Leased/Issued	No	Serves low-income people
Portland Village	25	Leased/Issued	No	Serves homeless families with a disabled adult member
PPL Foreclosure	21	Leased/Issued	No	Serves low-income people
PPL Fourth Ave	6	Leased/Issued	No	Serves low-income people
The Redwell	22	Leased/Issued	No	Serves low-income people.
River Runs	16	Leased/Issued	No	Serves low-income people
Spirit on Lake	5	Leased/Issued	No	Serves low-income people
St. Anthony Mills	17	Leased/Issued	No	Serves low-income people
St. Barnabas	39	Leased/Issued	No	Serves homeless and at-risk youth
The Rose	15	Leased/Issued	No	Serves low-income people
Trinity Gateway	16	Leased/Issued	No	Serves low-income people
West River Gateway	12	Leased/Issued	No	Serves low-income people
14 <sup>th</sup> and Central	25	Committed	No	Low-income housing. projected
Wadaag Commons	16	Committed	No	Low-income, disabled homeless.
Snelling Yards	11	Committed	No	Homeless veterans (PBV VASH).
Scattered Sites	717	Leased/Issued	No	Low-income families.
Elliot Twins	184	Leased/Issued	Yes	Low-income adults.
	<b>1782</b>	<b>Planned Total Existing Project-Based Vouchers</b>		

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

**v. Planned Other Changes to MTW Housing Stock Anticipated During 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.

<b>PLANNED OTHER CHANGES TO MTW HOUSING STOCK ANTICIPATED IN THE PLAN YEAR</b>
MPHA remains open to developing new or purchasing existing structures as opportunities arise to add units to our portfolio. Examples may include augmenting MPHA's stock of much-needed scattered site housing through redevelopment strategies that could include acquiring land adjacent to existing properties and/or developing small clusters of townhomes or other multi-unit developments. Funding sources for any such opportunities could include the Minnesota Housing Finance Agency, City of Minneapolis, Hennepin County, and other funders.
MPHA continues to sell Lease-to-Own townhomes to residents, as is the intention of the program. At this drafting MPHA expects to have sold 11 of the original 20, with nine remaining (see LNT – Homeownership).
MPHA is considering disposition and/or redevelopment of non-dwelling properties. This includes the potential disposition of a warehouse facility located at 1301 Bryant Avenue North, the redevelopment of its headquarters property at 1001 Washington Avenue North, and two possible dispositions of vacant land: the Heritage Park Phase III and IV parcels located south of Olson Highway and the 4.3 acre 555 Girard Terrace site. Although there are no specific plans for any of these properties, MPHA has begun considering various options for these sites and will continue studying them into 2020.

**vi. General Description of All Planned Capital Expenditures During the Plan Year**

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

<b>GENERAL DESCRIPTION OF ALL PLANNED CAPITAL EXPENDITURES DURING THE PLAN YEAR</b>
<p>MPHA bases its capital activities on an expected Capital Fund Program (CFP) allocation of \$15.8 million for 2021. CFP funded activities that were initiated under previous funding cycles, but not fully completed in prior years, will carry over and experience expenditures in 2021. Additionally, a portion of the activities slated for 2021's \$15.8 million budget will not be fully expended in 2021 and will carry into 2022. MPHA has estimated approximately \$17 million in Capital Fund expenditures for FY2021 targeting specific projects in six of its seven Asset Management Projects (AMPs). These capital activities and expenditures are based on multiple assumptions including: completion of MPHA's Section 18 disposition for its scattered sites portfolio; final formula amounts at the 2020 levels and receipt of grant by the end of March 2021; MPHA's ability to complete physical improvements at its properties despite challenges associated with COVID-19.</p> <p>Included in the \$17 million Capital Funds expenditures are comprehensive modernization of scattered site properties; elevator modernization, building systems upgrades, window and façade work, and ongoing fire suppression systems installations in our highrise AMPs 3, 4, 5, 6, and 7. Details of this activity can be found in Appendix F. Note that construction on the Elliot Twins (RAD/LIHTC) will continue into 2021; MPHA's contribution to this project was accounted for in the 2020 capital budget. In performing its capital work, MPHA adheres to Federal, State and Local code and regulatory processes.</p>

**B. LEASING INFORMATION****i. Planned Number of Households Served**

Snapshot and unit month information on the number of households the MTW PHA plans to serve at the end of the Plan Year. *[NOTE TO READERS: Does not include non-MTW vouchers, estimated at 636 in 2021.]*

PLANNED NUMBER OF HOUSEHOLDS SERVED THROUGH:	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED**
MTW Public Housing Units Leased	64284	5357
MTW Housing Choice Vouchers (HCV) Utilized	42084	3507
Local, Non-Traditional: Tenant-Based^	2580	215
Local, Non-Traditional: Property-Based^	1224	102
Local, Non-Traditional: Homeownership^	108	9
<b>Planned Total Households Served</b>	<b>110280</b>	<b>9,190</b>

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

\*\* "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.

^ In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the MTW PHA should estimate the number of households to be served.

LOCAL, NON-TRADITIONAL CATEGORY	MTW ACTIVITY NAME/NUMBER	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED*
<b>Tenant-Based</b>	2020-3 Flexible Subsidy	600	50
	2018-2 GO Housing (SHSS)	1,800	165
<b>Property-Based</b>	2020-3 Flexible Subsidy	120	10
	2018-2 GO Housing	480	40
	2016 – 3 Supp. Housing for Youth	624	52
<b>Homeownership</b>	2010-4 Lease-To-Own Initiative	108	9

\* The sum of the figures provided should match the totals provided for each local, non-traditional categories in the previous table. Figures should be given by individual activity. Multiple entries may be made for each category if applicable.

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

Discussions of any anticipated issues and solutions in the MTW housing programs listed.

HOUSING PROGRAM	DESCRIPTION OF ANTICIPATED LEASING ISSUES AND POSSIBLE SOLUTIONS
MTW Public Housing	MPHA closed its family waiting lists in 2019 when they reached capacity. We continue to explore ways to expand agency-owned and alternative subsidy programs to aid families with children.
MTW Housing Choice Voucher	Minneapolis has a tight rental market with a vacancy rate of less than 3%. MPHA's efforts include investing in dedicated resident mobility and owner outreach positions to create new housing opportunities, completing a study of our local rental market, an incentive fund for property owners, and regional partnership.

<b>Mainstream Vouchers</b>	In mid-2020, MPHA received two substantial awards of Mainstream vouchers, which resulted in a temporarily low lease-up rate in the latter part of 2020. In addition to waiting list pulls for eligible households, MPHA is in conversation with partners who can use these vouchers with individuals that will receive housing search support and stability services.
<b>Local, Non-Traditional</b>	Given the tight rental market, the local non-traditional programs such as Stable Homes Stable Schools have focused on leveraging partnerships to reach out to property owners. Our experience shows property owners have shown greater willingness to participate in programs with a mission to serve a specific population, like children experiencing homelessness or veterans. Using MTW flexibility, MPHA will explore flexible subsidies that can be tailored to the needs of families, priorities of the community, and experience of non-profit partners.

### C. WAITING LIST INFORMATION

#### iii. Waiting List Information Anticipated

Snapshot information of waiting list data as anticipated at the beginning 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	PLANS TO OPEN THE WAITING LIST 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	10,000	Open	Yes
Public Housing Family	Families with at least one dependent	10,600	Closed	No
Housing Choice Voucher Program	All households who applied	2,450	Closed	No

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

Families and individuals may apply to multiple lists if they meet the eligibility criteria (and those lists are open; as of 2020/2021, HCV and PH lists are closed).

#### iv. Planned Changes to Waiting List in the Plan Year

Please describe any anticipated 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 PLANNED CHANGES TO WAITING LIST
Heritage Park (Site-Based)	MPHA may explore and, if feasible, implement a site-based waiting list for the 200 MHOP public housing units at Heritage Park. MPHA would establish such a waiting list consistent with all applicable civil rights and fair housing laws and regulations, including the marketing, analysis, and reporting requirements in 24 CFR 903.7(b)(2).



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

MPHA proposes no new activities for 2021.

## IV. Approved MTW Activities

### Implemented Activities

	<i>Approved</i>	<i>Implemented</i>
Affordable Housing Creation & Preservation Toolkit	2020	2020
Asset Verification	2018	2018
Biennial Income Recertification (Public Housing)	2018	2018
Conversion of Subsidy and Capital for MHOP Units	2018	2018
Flexible Subsidy for Community Priorities	2020	2020
Goal-Oriented (GO) Housing Initiative	2018	2018
Independent Entity for Inspect./Rent-Reasonableness	2022	2020
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
Mobility Voucher Program	2009	2010
Property Owners Incentive Program	2018	2018
Public Housing Working Family Incentive	2010	2011
Rent Reform Initiative	2014	2014
Replace the Form of the DOT with a LURA	2019	2020
Shelter to Home – Public Housing	2015	2017
Supportive Housing for Youth	2016	2016

### Activities Not Yet Implemented

#### Activities On-Hold

	<i>Approved</i>	<i>Implemented</i>	<i>On-Hold/Closed</i>
Alternate Income Verifications	2013	N/A	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
Conversion of 312 Mixed-Financed PH Units to PBV	2010	2019	2020
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
Reintegration of Offenders	2016	2017	2020
Shelter to Home – Project-Based Vouchers	2016	2016	2020
Soft-Subsidy Initiative	2011	2013	2020
Targeted Project-Based Initiative	2011	2012	2020

---

*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

### Affordable Housing Creation and Preservation Toolkit (2020 – 2)

Approved and Implemented in 2020

**Objective:** Housing Choice

#### Description/Update

In the years ahead, MPHA will use our flexibility as an MTW agency to preserve and create deeply affordable housing for our Minneapolis community. Whether renovating or redeveloping to preserve existing public housing, expanding current properties, or acquiring new properties for purposes that serve our mission and families, we will employ MTW authorizations when necessary to execute projects that optimize the goals of housing choice and quality.

This activity, as its name conveys, will be the “toolkit” within which we will house these authorizations and report on their outcomes. Having certain authorizations in place also provides clarity and reassurance on the front-end to partners and to families that MPHA has the tools and flexibility to see visions through to reality.

The primary MTW components of this activity, as currently approved and implemented, are:

- Single Fund Flexibility, by which MPHA will mitigate financing gaps by using MTW funds for development, acquisition, financing, or renovation costs.
- Development-related authorizations pertaining to partnership and property acquisition. Notes on these two components follow.

**Partnership:** MPHA’s portfolio plan envisions working with tax-credit and other partners to create mixed-finance developments that preserve our housing and potentially expand our service to the community. We may also develop our properties with an eye to facilitating work by service-provider partners who can reach our residents with resources and improve quality of life. We believe the MTW authorization under Attachment C - C.7(a) provides assurance to all partners, and to residents, that any MTW waivers MPHA brings to bear in a development will be unimpeded by the partnership. For 2021, this includes our tax-credit financing partners and residents at the Elliot Twins, where a RAD conversion is complete, and construction is underway concluding in 2021. Residents and partners can feel confident under this authorization that MPHA’s policies and programs remain fully applicable, notwithstanding the presence of a partner with an ownership stake.

**Acquisition:** Opportunities for property acquisition, by their nature, can arise quickly and are difficult to project with certainty. MPHA fully anticipates that it could be in a position to acquire, at good value to the public, properties that can be purposed for our community’s housing priorities. For example, MPHA will look for opportunities to augment its stock of much-needed scattered site housing through redevelopment strategies that could include acquiring land adjacent to existing properties and/or developing small clusters of townhomes or other multi-unit developments. A waiver related to site acquisition requirements will allow MPHA to move quickly in such cases, acquiring sites without prior HUD approval (while understanding the

agency must still meet all site-selection requirements). MPHA does not have any such acquisitions underway or contemplated at this drafting.

The authorizations contemplated by this activity are integral to MPHA's *Strategic Vision* for the preservation of our public housing properties, and our *Portfolio Plan* that lays out the steps we will take and the mechanisms we will leverage to accomplish that vision. Both board-approved documents are available to the public. This *Affordable Housing Creation and Preservation Toolkit* is the framework under which any waivers needed to pursue the Portfolio Plan will be vetted, approved, and implemented.

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

MPHA does not plan any changes to the activity, metrics, or data in the plan year.

## **Asset Verification (Activity 2018 – 4)**

Approved and implemented, 2018

**Objective:** Cost-effectiveness

### **Description/Update**

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

In 2018, MPHA began phasing this change in at each scheduled or interim rent redetermination. At this pace, it will have been fully implemented in 2021.

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

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

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

Approved and implemented, 2018

**Objective:** Cost-effectiveness, Self-Sufficiency

### **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. It is now fully phased-in.

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

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

## **Conversion of Public Housing Operating Subsidy and Capital Funds for MHOP Units (2018 - 5)**

Approved and Implemented, 2018

**Objective:** Cost-effectiveness

### **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 receive the rewards of increased cost-effectiveness. HUD currently has a process for this transfer of funds under the RAD program. However, the small number of units (4 -13 units per property) across 16 different entities is not conducive to a RAD and/or Voluntary Conversions where there are extensive costs related to such conversions.

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 plans no changes to the activity, metrics, or data in the plan year.

## Flexible Subsidy for Community Priorities (2020 – 3)

Approved and Implemented in 2020

**Objective:** Housing Choice

### Description/Update

Our traditional federal housing programs lack the flexibility or capacity to meet the needs of low-income households facing urgent housing crises. Nor do they always offer the ability to customize housing assistance to address specific community needs (such as eviction/foreclosure, safety, or hard-to-house populations) or to provide funding to partners who have the networks and expertise to reach target populations.

Under this activity, MPHA can design and implement local, non-traditional (LNT) models of housing support to meet these needs and extend our reach to new families not currently served by MPHA. Such subsidies could be sponsor-based or directly administered by MPHA, with the form and conditions of the subsidy tailored to match the scale and objectives. In time, this activity could also embrace limited programs with a research objective. As community needs arise, MPHA would propose the specific additional uses of LNT subsidy in future plans as it deems appropriate.

In one existing partnership, MPHA provides a sponsor-based subsidy to a private housing partner in a development to provide new permanent housing to 10 previously homeless families whose head-of-household has a disability. Families will be referred from the Hennepin County Coordinated Entry system. Families will receive housing stabilization services, including case management and referrals to medical, mental health, and chemical health services.

This activity supports MPHA's ability to come to the table for rapid response in circumstances where families face near-term need for stabilization. The additional use of this activity in 2021 will be to address such acute eviction and homelessness crises in Minneapolis, identified by MPHA and local government partners, using fixed-amount and term-limited rental subsidy support. At this drafting we project assisting up to 50 households in this way.

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

MPHA does not plan any changes to the activity, metrics, or data in the plan year.



## 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 will be voluntary. MPHA anticipates targeting these initiatives to households in the best position to benefit from it. Examples could include:

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

Program elements may 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 2021 initiatives under GO Housing are as follows:

**Stable Homes Stable Schools:** The “Stable Homes, Stable Schools” program is a partnership with the City of Minneapolis and the Minneapolis Public Schools to provide rental assistance and supportive services to families of elementary students experiencing homelessness. MPHA and the city 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.

In its first year (2019), 79 families were eligible for rental assistance, with 271 children. The program serves around 100 families at mid-2020. 2021 will begin the third year of the three-year pilot, and the partners expect to integrate an evaluation component to understand achievements and consider next steps. In 2021, we anticipate the program will serve approximately 165 families with rental assistance. The long-term outlook for the program depends upon Minneapolis city funding, results of the program analysis, and decisions by the Minneapolis City Council. Families who receive rental assistance through SHSS will continue to receive it for at least three years, regardless of when they enter the program.

**Great River Landing:** Great River Landing is a partnership focused on ex-offenders committing to a program of job-training and employment. MPHA’s sponsor-based subsidy supports housing for 40 participants at Great River Landing, a 72-unit building that opened in 2020. In addition to stable housing and access to employment resources, the partner organizations (Better Futures Minnesota and Beacon Interfaith Housing Collaborative) will provide social and supportive services that will help the men reunify with their families and establish civic pride and ties to their communities.

**Employment and savings incentive pilot program (unnamed):** In 2021, MPHA expects to pilot a program to incentivize employment and savings for participants in MPHA’s public housing and voucher programs. Participation in the program will be voluntary, serving a target of up to 25 families in its first year. In return for a savings match of up to \$100 per month, participants will receive dedicated coaching and connections with service providers focused on employment/career pathways, education and skills development, financial education. Other connections/partnership might include literacy and English language classes, services,

mentorship services, and childcare providers. MPHA will use multiple methods to recruit from among the families we serve, including efforts to reach across language or other barriers. Potential annual costs, including the savings match for the indicated number of families and anticipated hiring of a program coordinator position, would be approximately \$100,000. However, MPHA will pursue grant funding to defray these costs in full or in part.

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

Program applications have expanded to include the supportive-housing-for-youth and employment/savings incentive pilot described above. Otherwise, MPHA does not plan any changes to the activity, metrics, or data in the plan year.

## **Inspections and Rent-Reasonableness for MPHA-Owned Properties (2020 – 1)**

**Objective:** Cost-Effectiveness

### **Description/Update**

Federal regulations require an outside contractor to perform HQS inspections and rent reasonableness determinations on PHA-owned units receiving federal subsidies for housing programs. In order to reduce cost and achieve greater cost-effectiveness in federal expenditures, MPHA conducts inspections and determines rent reasonableness for MPHA-owned units under this activity. Eliminating the independent entity is intended to improve administrative efficiencies, eliminate confusion for the resident of the unit, and improve the response time for performing inspections.

This activity is implemented and will be ongoing in 2021, covering MPHA's agency-owned PBV portfolio: 717 units of scattered site housing converted to project-based vouchers using HUD's Section 18 program, and 184 units from the high-rise RAD conversion at the Elliot Twins. These activities will be subject to MPHA's voucher program Quality Control (QC) processes.

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

MPHA does not plan any changes to the activity, metrics, or data in the plan year.

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

Approved in 2010, Implemented in 2012

**Objectives:** Housing Choice, Self-Sufficiency

### **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 anticipates that as of 2021 we will have sold 11 units of the original 20, crossing the half-way point. We will continue our work with current ambitions to close on three additional homes in 2021.

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

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

## 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.
- Waiving the caps on the proportion of a development that may be project-based; waiving the caps on allocation of MPHA's voucher program budget authority to PBVs.
- 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 option to determine the content of contract rental agreements that differ from otherwise mandated program requirements. This includes continuation of certain public housing lease, grievance, due process-related, and other provisions at properties that have undergone subsidy conversion, as a service to residents who undergo these transitions.
- Application of other relevant MPHA policies to the Local PBV program, including MTW authorizations under MPHA's approved Rent Reform activity (2014 – 1).
- When currently served families in public housing reside in units converted to project-based vouchers (PBVs), MPHA intends to promote housing stability and continuity, as consistent with its mission and its *Guiding Principles for Redevelopment and Capital Investments*.
  - With respect to a family living in an under-occupied scattered-site unit when MPHA converts the unit from public housing to PBV, the unit may receive PBV assistance and the family may remain in the unit until an appropriate-size scattered-site unit becomes available. If MPHA determines that there will be no appropriate-size scattered-site unit within a reasonable time,

MPHA may offer a more nearly appropriate-size scattered-site unit. When MPHA offers an appropriate-size or more nearly appropriate-size scattered-site unit, the family living in the under-occupied scattered-site unit must move to the appropriate-size or more nearly appropriate-size scattered-site unit within a reasonable period determined by MPHA.

- With respect to a family living in an over-crowded scattered-site unit when MPHA converts the unit from public housing to PBV, the unit may receive PBV assistance and the family may remain in the unit. If the unit is over-crowded according to HQS standards, MPHA will provide the family a priority for a transfer to a scattered-site or other unit consistent with applicable standards. MPHA may provide a Housing Choice Voucher, if the Executive Director or designee determine in their sole discretion that a voucher is available for this purpose and is the most reasonable means of providing adequate housing to the family.
- The MPHA may revisit these policies after a reasonable transition period for conversion of the scattered sites from public housing to PBV.

The first 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 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. Under the RFP, MPHA will continue to make PBV awards and lease up units in 2021.

By 2021, MPHA will have project-based for the first time at properties owned by the agency, following subsidy conversions under RAD and Section 18. Any future such applications are contemplated elsewhere in this plan, and would follow the required and transparent course.

Note that starting with last year's (2020) plan, this activity integrated two closed-out activities: Shelter to Home - PBV (2016-1); Targeted Project-Based Initiative (2011-1).

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

There are no changes to metrics or data.

MPHA is incorporating a relevant authorization under Attachment C, D.2.b. (waiving 24 CFR 982.308f), under which "the Agency is authorized to determine contract rents and increases and to determine the content of contract rental agreements that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations." In executing its first public housing preservation subsidy conversions, we noted the potential value, for public housing residents and as a matter of administrative efficiency, of being able to preserve terms from public housing leases and lease-related documents. MPHA desires this authorization going forward, including an RAD applications MPHA might make in 2021 or beyond, as a further assurance that public housing resident protections are preserved notwithstanding a conversion (except as otherwise required by law). At this time MPHA is interested in implementing only in the second ("contract rental agreements") portion of this authorization. We would propose an update and explain in future proposed plans if we sought to apply the first part related to modifying contract rents.

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

Approved in 2009, Implemented in 2012

**Objective:** Cost-effectiveness

### **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 plans no changes to this activity in the plan year.



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

Approved in 2010 and Implemented in 2011

**Objective:** Cost-Effectiveness

### **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.

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

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

## Mobility Voucher Program (2009 – 6)

Approved in 2009, Implemented in 2010

**Objective:** Housing Choice

### 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.

In 2021, it is possible our mobility efforts under this activity could be synced with work we might undertake as part of our proposal to form a Regional MTW Agency (see Activity 2021 – 1).

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

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

## Property Owners Incentive Program (2018 – 1)

Approved and implemented, 2018

**Objectives:** Housing Choice

### Description/Update

MPHA and the City of Minneapolis partner 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.

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

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

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

Approved and Implemented in 2011

**Objectives:** Self-Sufficiency

### **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 plans no changes to this activity in the plan year.

## 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 Statement of Corporate Policies and HCV Program Procedures:

- 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 [UPDATED]:** MPHA limits HCV families to one discretionary interim re-examination ~~between annual recertifications~~ per year. Between recertifications, household members who are employed are not required to report increases in earned income. Unemployed household members (*change to "households with no earned income"???*) must report any subsequent employment. Increases in unearned income for any household member and changes in household composition must still be reported. MPHA does not require notification of increases of income that do not require an interim.
- 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) 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.
- j) Mitigating rent increases in cases of subsidy conversion:** MPHA may mitigate and/or phase in rent increases for households that formerly lived in Section 9 public housing and moved to MPHA's PBV program through a subsidy conversion program (such as RAD or Section 18), as permitted under the MTW Agreement and program regulations.
- k) Triennial Recertification for All Families [UPDATED]:** All households will undergo recertification once every three years. MPHA will perform recertification on a rolling basis, with approximately 1/3 of families recertified each year.

*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.*

*NOTE: MPHA's Rent Reform activity and authorizations may be applied to all Section 8-funded voucher-types, as specified under MPHA's Statement of Policies and any relevant procedures. This includes tenant- and project-based voucher subsidies, including MPHA-controlled properties that have undergone conversion from Section 9 to Section 8 through the Rental Assistance Demonstration or other HUD-approved program, unless otherwise prohibited by HUD pursuant to statutory or regulatory requirements not subject to waiver.*

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

MPHA is adding item (k), to move all households subject to this activity to a triennial recertification cycle. Related this change, the narrative modifies item (e) to remove references to "annual" certifications, and clarify interim recertification policy. This change is authorized by Attachment C - D.1(c), which is already approved under this activity.

MPHA currently recertifies households on *fixed* incomes triennially. By moving all families to this same cycle, MPHA advances the statutory objective of increasing incentives for self-sufficiency

by allowing working families to retain more of their growth in earned income. It will have the secondary effect of advancing the cost-effectiveness of the agency's operations, freeing up staff capacity to focus on other priorities that advance the wellbeing of families.

Households will not be required to report to MPHA any interim changes in income, or undergo an interim reexamination, unless this increase represents an initial introduction of earned income for a household that previously had none. Changes in household composition will also still require reporting and trigger an interim reexamination. MPHA will continue to process interim examinations as today, and adjust rent downward as warranted, where families experience a decline in household income.

MPHA will recertify one-third of families in 2021, an additional third in 2022, and the remaining third in 2023, with each family experiencing triennial certification going forward.

We do not anticipate that this change, by its construction, would have an adverse impact upon any families. However, should any situation arise, MPHA's standard rent reform hardship policy would apply.

MPHA has conducted a basic impact analysis by looking at the average change in tenant payment over the prior 12 months, and calculating the impact if families retained these payments (rather than undergo annual or interim reexamination). Since fixed-income HCV households are already certified triennially, this change would affect only households with earned (employment) income, who are now recertified annually.

Estimate of Impact: Triennial Recertifications			
<i>MTW/RentReform VOUCHERS</i>	Avg. Monthly Tenant Payment (2019)	Avg. Monthly Tenant Payment (2020)	Average Year-over-Year Increase in Tenant Payment
Households with Earned Income	\$ 451.00	\$ 470.00	\$ 19.00
<b>Individual Affected Household Impact</b>			
Avg. retained earnings (Annual)			\$ 228.00
Avg. retained earnings (3 Years)			\$ 684.00
<b>Aggregate Impact (Annual)</b>			
Total EA families (July 2020)			1660
Families forgoing reexam (2/3)			1107
Monthly savings to families (additional HAP from MPHA)			\$ 21,027
Annual savings to families (additional HAP from MPHA)			\$ 252,320

The impact on families is positive. With an average increase in monthly tenant payment of \$19, a household would retain \$228 per year (\$684 between triennial recertifications). On an aggregate basis, assuming 1/3 of families recertified each year, this amounts to \$252,320 in retained earnings for families.

Conversely, this represents \$252,320 in additional HAP payments that MPHA would make—a measure of the cost implications of this change. We believe this is outweighed by the benefit to MPHA families and by staff time savings. This basic model also does not account for the effect of the earning incentive created by this policy, which could lead to higher growth in family income over time compared to the status quo—a positive outcome for both families and the PHA.

There are no other changes to this activity, nor to metrics or data collection.



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

Approved in 2019, Implemented in 2020

**Objectives:** Housing Choice, Cost-Effectiveness

### **Description/Update:**

MPHA has implemented a *Strategic Vision and Capital Plan* featuring multiple strategies for preserving its portfolio, including RAD and Section 18. However, these HUD programs may be infeasible or undesirable in limited cases where properties are nonetheless in need of significant rehabilitation.

For these 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 these properties. We will do this while maintaining the long-term affordability of this housing for very low-income families via the LURA. In contrast to the DOT, the LURA is a proven framework that is well understood by potential lending/funding partners.

This initiative will contribute to HUD's emphasis on preservation and capital investment and repositioning, while assuring long-term affordability and 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.

This activity is implemented insofar as MPHA has commenced the process of operationalizing it with HUD. MPHA has submitted a form of LURA to HUD for approval, which would continue to apply applicable public housing requirements to the properties (as modified by any applicable HUD-approved MTW-related changes). The next steps depend upon agreement with HUD on the form of this template LURA. MPHA intends to revive this currently dormant conversation with HUD in 2021 and move forward.

Once fully implemented, 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 (see table below). 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.

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 (i.e., without MTW), 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 approval a LURA under these regulations, MPHA will be able to use such a HUD-approved LURA and this MTW will become

unnecessary. If HUD determines the activity is necessary, HUD and MPHA agree to execute a Community-Specific Authorization that will support the activity.

Units to which we would seek to apply this activity:

<b>Property Name</b>	<b>Property ID</b>	<b>AMP</b>
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

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

None.

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

Approved in 2015, Implemented in 2017

**Objectives:** Housing Choice, Self-Sufficiency

### 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 enter these public housing units directly as referrals from the Hennepin County Coordinated Entry homeless shelter system, with the units reserved for families below 30 percent of area median income. The development includes four two-bedroom and 12 three-bedroom units, along with a playground, ample green space, community patio, and storm-water management. Four units 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.

Under HUD's Faircloth limit, the Minneapolis Public Housing Authority (MPHA) could operate additional public housing units over its current stock and receive additional subsidy for the units, *if these units could be developed*. 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. This concept has not been successful since introduced with the implementation of this activity; the operation of public housing units within a private/non-profit property is not appealing to developers. However, MPHA remains open to a partnership along these lines, under the auspices of this activity.

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

None.

## Supportive Housing for Youth (2016 – 3)

Approved in 2016, Implemented in 2016

**Objectives:** Housing Choice, Self-Sufficiency, Cost-Effectiveness

### Description/Update

The City of Minneapolis has a significant need for supportive housing for homeless youth. This activity helps MPHA contribute through vouchers or sponsor-based/non-traditional rental subsidies to help meet this need.

This activity began when 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. 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 activity is expanding in 2021 to include additional *sponsor-based* partnerships, on a similar model. The first is at *Nicollet Square*, where MPHA funding will support 42 efficiency units for youth between 16 and 22 experiencing homelessness, including those in extended foster care. Youthlink will provide onsite services. And at *Cedar View*, 10 one-bedroom apartments will serve homeless pregnant or parenting youth ages 18 to 22, with services provided by Simpson Housing. Both programs also feature the involvement of Beacon Interfaith Housing Collaborative, an MPHA partner familiar from our work on Great River Landing (GO Housing MTW activity). We look forward to reporting the outcomes for these young people going forward.

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

This activity has been renamed “Supportive Housing for Youth.” (The title was formerly preceded by the word “Permanent”). This has no bearing upon the program intent or activities. The term “permanent” is ill-defined and has the potential to be confusing.

Otherwise, no changes.

## B. ACTIVITIES NOT YET IMPLEMENTED

None.

## C. ACTIVITIES ON HOLD

### Alternate Income Verifications (2013 – 2)

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

#### Description

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

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

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

#### Changes or Modifications since Approval

None.

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

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

#### Description

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

Since implementing this initiative, 353 MPHA residents have completed MTW EIDs. This number reflects the percentage of elderly and disabled residents in our population. However, households who participated in this program had a meaningful incentive to work and continue working as the

EID is targeted to reward families who maintain their employment for a full two years. MPHA also found the initiative reduced staff time and mitigated possible errors as the policy implements EID for two full years without having to deal with the intermittent, cumbersome tracking and communications issues related to the HUD standard 48-month program. Residents reported that they were able to follow and understand this program better.

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

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

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

#### **Changes or Modifications since Approval**

None.

## D. CLOSED-OUT ACTIVITIES

*Note: There are no activities proposed for closure in 2021.*

### 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.

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

Approved in 2010, Implemented in 2019, Closed in 2020

**Explanation for Closure:** MPHA consolidated this activity with another that was fundamentally the same, *Conversion of Public Housing Operating Subsidy and Capital Funds for MHOP Units (2018 - 5)*. One activity pertained to a subset of properties of the other, which was redundant and potentially confusing. The core of both activities was to operationalize subsidy conversion programs for units in the Metropolitan Housing Opportunities Program (MHOP), which are owned and managed by third parties and created under the *Hollman v. Cisneros* Settlement Agreement. MPHA is continuing the initiative under this activity now under 2018 – 5.

### **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 PBV 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 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.

### **Reintegration of Offenders (2016 – 2)**

Approved in 2016, Implemented in 2017, Closed in 2020

**Why the activity was closed out:** We integrated this partnership under another, subsequently-created MTW activity, *Goal-Oriented Housing (2018-2)*. The intentions and execution of the *Reintegration of Offenders* (also known as *Great River Landing*) project are a perfect fit for MPHA's Goal-Oriented Housing framework. The authorizations and scope of this earlier activity are entirely contained within the intent and authorizations of Goal-Oriented Housing. Accordingly, Activity 2016-2 was closed in 2020. Great River Landing is a project-based voucher partnership focused on ex-offenders committing to a program of job-training and employment. To date, the initiative took the interim form of a sponsor-based arrangement while the Great River Landing facility was under construction. We expect it to open by 2020, at which point MPHA will enter into the long-term, project-based voucher form of subsidy. In addition to stable housing and access to employment resources, the partner organizations (Better Futures Minnesota and Beacon Interfaith Housing Collaborative) will provide 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.

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

Approved in 2016, Implemented in 2016, Closed in 2020

**Why the activity was closed out:** This activity has been superseded by Activity 2018-6 (*Local PBV Program*). Under its Local PBV Program, MPHA now has a comprehensive, open Request for Proposals (RFP) for PBVs that allows MPHA to establish and accomplish community-driven goals with its PBV allocations (including directing units to serve community priorities such as homelessness, which was the stated original purpose of this activity, 2016-1). Accordingly, MPHA closed this activity as its intentions, potential outcomes, and authorizations are fully encompassed within our approved Local PBV Program Activity 2018-6. Under this activity, MPHA proposed to place up to 50 project-based vouchers (PBVs) with non-profit housing providers, focused on providing housing to formerly homeless families. Families will receive ongoing services from Hennepin County, property owners and/or their services provider partners. 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 have been converted to PBV in the course of natural attrition of units.

### **Soft Subsidy Initiative (2011 – 2)**

Approved in 2011, Implemented in 2013, Closed in 2020

**Why the activity was closed out:** We closed and integrated this activity under a subsequently-created MTW activity, *Goal-Oriented Housing Initiative (2018-2)*. Goal-Oriented Housing was designed at the outset to incorporate a broader approach than the narrow program proposed in this activity in 2011. This activity is presently inactive. Its authorizations were absorbed into Goal-Oriented Housing activity, and any potential revival of the program envisioned here would be encompassed by Goal-Oriented Housing. Accordingly, Activity 2011-2 was closed in 2020. Under this activity, MPHA initially entered into a subsidy agreement with a service-provider partner that rehabbed units for participating families. The family would commit to a path toward self-sufficiency and into the workforce, receiving a rent subsidy in return. The rent portion was structured differently than a standard voucher arrangement to incentivize work. MPHA provided a fixed subsidy payment to the partner, who also provided services related to education or job-training. After some successful years, this initial partner experienced funding challenges and discontinued the program at the end of 2017. We continued unsuccessfully to seek another partner.

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

Approved in 2011, Implemented in 2012, Closed in 2020

**Why the activity was closed out:** This activity has been superseded by Activity 2018-6 (*Local PBV Program*). Under its Local PBV Program, MPHA now has a comprehensive, open Request for Proposals (RFP) for PBVs that allows MPHA to establish and accomplish community-driven goals with its PBV allocations (including leveraging units of non-PBV affordable housing, which was the sole stated original purpose of this activity, 2011-1). The units originally intended for creation under this activity were constructed, and the activity is no longer in active use. Accordingly, MPHA closed this activity as its intentions and potential outcomes are fully encompassed within approved activity 2018-6. Under this activity, MPHA project-based vouchers for the purpose of creating additional affordable housing for low-income families in the City of Minneapolis. MPHA's objective was 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 Median Income or below). MPHA first awarded vouchers under this initiative in early 2012, ultimately awarding 41 vouchers that facilitated an additional 226 units (a total of 267 affordable housing units) across four developments. This exceeded the goal of 120 units.

## V. SOURCES AND USES OF MTW FUNDS

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

#### i. Estimated Sources of MTW Funds

The MTW PHA shall provide the estimated sources and amount of MTW funding by Financial Data Schedule (FDS) line item.

FDS LINE ITEM NUMBER	FDS LINE ITEM NAME	DOLLAR AMOUNT
70500 (70300+70400)	Total Tenant Revenue	\$17,331,000
70600	HUD PHA Operating Grants	\$90,008,000
70610	Capital Grants	\$11,709,000
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	\$0
71100+72000	Interest Income	\$243,000
71600	Gain or Loss on Sale of Capital Assets	\$0
71200+71300+71310+71400+71500	Other Income	\$2,299,000
70000	Total Revenue	\$121,590,000

#### ii. Estimated Uses of MTW Funds

The MTW PHA shall provide the estimated uses and amount of MTW spending by Financial Data Schedule (FDS) line item.

FDS LINE ITEM NUMBER	FDS LINE ITEM NAME	DOLLAR AMOUNT
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	\$11,831,000
91300+91310+92000	Management Fee Expense	\$8,112,000
91810	Allocated Overhead	\$0
92500 (92100+92200+92300+92400)	Total Tenant Services	\$1,487,000
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$6,024,000
93500+93700	Labor	\$572,000
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$11,626,000
95000 (95100+95200+95300+95500)	Total Protective Services	\$3,400,000
96100 (96110+96120+96130+96140)	Total Insurance Premiums	\$1,378,000
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	\$5,125,000
96700 (96710+96720+96730)	Total Interest Expense & Amortization Cost	\$460,000
97100+97200	Total Extraordinary Maintenance	\$105,000
97300+97350	HAP + HAP Portability-In	\$57,054,000
97400	Depreciation Expense	\$13,570,000
97500+97600+97700+97800	All Other Expense	\$0
90000	Total Expenses	\$120,743,000

**Please describe any variance between Estimated Total Revenue and Estimated Total Expenses:**

As presented in the MTW Budget section, MTW Sources are \$847,000 more than MTW Uses. However, Generally Accepted Accounting Principles (GAAP) classify sources and uses differently from revenues and expenses. The variance in Total Estimated Revenue and Total Estimated Expenses is the result of the classification difference. In 2021, MPHA is estimating spending \$13.2 million in capitalized expenditures and receiving current year revenue to pay for these expenditures. Those current year capitalized expenditures are not classified as an expense but instead depreciation of \$13.6 million on previous years' capitalized expenditures are shown. The difference is actually \$0.4 million more in Net MTW Sources. Additionally, revenue of \$1.3 million is planned to cover the principal payment on loans owed by MPHA. The payment of the principal amount on the loan is not shown as an expense; only the associated interest as required by GAAP. Because of this, there is actually \$1.3 million less in Net MTW Sources. When both presentation adjustments are factored in, the Net MTW Sources over uses is zero.

**iii. Description of Planned Use of MTW Single Fund Flexibility**

The MTW PHA shall provide a thorough narrative of planned 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 (III) or Section (IV) of the Annual MTW Plan. The MTW PHA shall also provide a thorough description of how it plans to use 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).

**PLANNED USE OF MTW SINGLE FUND FLEXIBILITY**

MPHA plans to use approximately \$6.7 million from its HCV HAP Subsidy to augment other programs in accordance with the needs of our local community. Of this amount: \$3.8 million is planned for public housing building improvements; \$1.8 million to HCV Administration; \$335,000 to supplement under funding for VASH vouchers; and \$677,000 for resident services above normal PHA programs and to MTW Local Initiatives (primarily research, reporting, administration related to MPHA's MTW status), and \$0.1 million for public housing operations. Among other things, these transfers respond to insufficient funding for public housing building improvements and support 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 HCV administrative funding.

MPHA also intends to use, or contribute to its non-profit instrumentality (CHR) to use, MTW funds for pre-development and property repair costs including but not limited to environmental reviews, Physical Needs Assessments, radon testing, and surveys needed on the former MPHA scattered site public housing units sold to CHR through a Section 18 approved disposition.

In accordance with MPHA's MTW authority and activities, we will use our single-fund flexibility to support development efforts, MTW subsidization on post-conversion properties, and local, non-traditional subsidy programs.

**B. LOCAL ASSET MANAGEMENT PLAN**

i. Is the MTW PHA allocating costs within statute?

No

ii. Is the MTW PHA implementing a local asset management plan (LAMP)?

Yes

iii. Has the MTW PHA provide a LAMP in the appendix?

Yes

- iv. If the MTW PHA has provided a LAMP in the appendix, please describe any proposed changes to the LAMP in the Plan Year or state that the MTW PHA does not plan to make any changes in the Plan Year.

MPHA does not plan to make any changes in the Plan Year.

### C. RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION

#### i. Description of RAD Participation

The MTW PHA shall provide a brief description of its participation in RAD. This description must include the proposed and/or planned number of units to be converted under RAD, under which component the conversion(s) will occur, and approximate timing of major milestones. The MTW PHA should also give the planned/actual submission dates of all RAD Significant Amendments. Dates of any approved RAD Significant Amendments should also be provided.

#### RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION

MPHA has converted one property using RAD Component 1 (PBV): The Elliot Twins (174 units) in 2020. We began renovations in June 2020 and expect to complete work in mid-to-late 2021. The RAD Significant Amendment for this conversion (to the 2019 MTW Annual Plan) was approved on September 25, 2019; MPHA's MTW Standard Agreement was subsequently augmented by its Third Amendment on November 2, 2020. MPHA has no other pending RAD applications. MPHA is considering one or more RAD Component 1 applications in 2021, from among a set of properties disclosed in Section 1 of this MTW Annual Plan. If MPHA determines that a RAD application is feasible and in the interest of our mission and our community, MPHA will initiate the processes required by HUD for disclosure, notification, and resident engagement prior to any application.

- ii. Has the MTW PHA submitted a RAD Significant Amendment in the appendix? A RAD Significant Amendment should only be included if it is a new or amended version that requires HUD approval.

No

- iii. If the MTW PHA has provided a RAD Significant Amendment in the appendix, please state whether it is the first RAD Significant Amendment submitted or describe any proposed changes from the prior RAD Significant Amendment?

N/A

## VI. ADMINISTRATIVE

### A. Board Resolution and Certifications of Compliance

See Appendix A, Board Report/Resolution and Certifications of Compliance.

See Appendix H for HUD Form 50075.1

### B. Documentation of Public Process

The draft plan was available for public review on July 27, 2020. The MPHA Board of Commissioners held a public hearing on August 26, 2020.

Appendix B contains the priorities as approved by MPHA's Resident Advisory Board.

Appendix C contains detailed documentation of MPHA's public process and a summary of public comments.

### C. Planned and Ongoing Evaluations

MPHA has no planned or ongoing MTW PHA-directed evaluations of the MTW demonstration and/or of any specific MTW activities.

### D. Lobbying Disclosures

See Appendix D for Certification of Payments (HUD Form 50071).

*Based on the certification on Form 50071, Form SF-LLL is not relevant to MPHA's activities.*

# APPENDIX A

## CERTIFICATE

I, **Paula Sotelo**, Executive Assistant to the Executive Director/CEO and Board of Commissioners of the Minneapolis Public Housing Authority in and for the City of Minneapolis, do hereby certify that the attached **RESOLUTION** was duly adopted at a Special Meeting of the Board of Commissioners of said Authority, held on September 23, 2020, and is a true and correct copy of the **RESOLUTION** adopted at said meeting and on file and of record in the official Minutes of said Authority.

**IN WITNESS WHEREOF**, I have hereunto set my hand and the seal of said Authority this 23rd day of September 2020.

***I DO HEREBY CERTIFY THAT I AM DULY AUTHORIZED TO EXECUTE THIS CERTIFICATE.***

  
Paula A. Sotelo

**(SEAL)**





# APPROVED

September 23, 2020

Agenda Item 6

## REPORT TO THE COMMISSIONERS

**FROM:** Abdi Warsame, Executive Director/CEO

**SUBJECT:** Approval of MPHA 2021 Moving to Work (MTW) Annual Plan

**Previous Directives:** On January 6, 2008 MPHA signed an MTW Agreement with HUD making MPHA a full-status MTW agency. This status requires MPHA to create an Annual MTW Plan. On July 6, 2008, the board approved MPHA's first MTW Annual Plan. As required by the MTW Agreement, the board must approve and submit to HUD a new MTW Annual Plan each year by October 17.

**Resident Notification:** All public housing received notice of the draft plan by direct mail, including how to participate in the public process. The Resident Advisory Board (RAB) received a copy of the draft plan following its July meeting. The RAB will review and act on its recommendations to the board regarding the 2021 MTW Annual Plan prior to the September 23, 2020 board meeting.

**Impact on Budget:** The MTW Annual Plan identifies how MPHA resources will be spent but does not itself have a budgetary impact.

**Recommendation:** Adopt the resolution approving the MPHA FY 2021 MTW Annual Plan such that MPHA may submit it timely to HUD, pursuant to the requirements in the MTW Agreement.

### *About MPHA's MTW Annual Plan Process*

The MTW Agreement requires MTW agencies to make a draft MTW Annual Plan available for comment for at least 30 days, hold one public hearing, and allow at least 15 days between the public hearing and board approval. MPHA strives to exceed these requirements for public process around our MTW Annual Plan, even under the unusual circumstances imposed by the COVID-19 pandemic.

MPHA published the draft plan on July 27, 2020 followed within days by an overview in Somali. The comment period was open until August 31. The draft plan has been prominently featured on



MPHA includes a summary of public comments and MPHA responses as Appendix C of the plan.

### *Updates to the Draft Plan*

The final plan includes certain technical updates identified by staff. These include some more detailed insights into potential cost implications for the proposed Regional MTW Activity and additional anticipated sponsor-based subsidy awards that staff identified (the latter are reflected in the previously implemented *Permanent Supportive Housing for Youth* activity). The plan also includes language in the *Local Project-Based Voucher Program* activity reflecting updates to the 2020 plan placed before the board for approval today. It also includes Appendix C and other forms not applicable to the plan in its draft form.

MPHA is eager for constructive comments that might lead us to provide greater clarity or make valuable adjustments or additions to the draft. Official comments from the Minneapolis Highrise Representative Council (MHRC) expressed general support for MPHA's strategic initiatives and specific proposals in the plan, including its commitment to creating and preserving deeply affordable housing and the creation of the Regional MTW Agency "because of the increased housing opportunity it will create." MHRC urged MPHA to inform residents early of any specific development or subsidy conversion plans that might affect them; avoid cuts to programs and services that directly affect residents; and to partner more closely with MHRC to press for local and state funding for public housing. MPHA takes to heart these calls to action, agrees in all cases, and seeks ever-closer partnership with MHRC in the year ahead. We hope and believe our annual plan reflects these values.

Other comments received on the draft 2021 plan largely spoke to the plan format and process, rather than offer specific or constructive feedback on the content of the plan itself. Certain comments that did speak directly to elements of the plan incorrectly characterized those elements and their intended outcomes. Others were fundamentally at odds with MPHA's underlying, board-approved strategic objectives. In these cases, MPHA has respectfully reviewed the critique, although declines to modify or reject sections of the plan as requested. We are glad for the opportunity to acknowledge and respond to these concerns in Appendix C of the plan.

**A Board Resolution and the final 2021 MTW Annual Plan follow this report.**

*This report was prepared by Jeff Horwich, Director of Policy and Communications ([jhorwich@mplspha.org](mailto:jhorwich@mplspha.org)).*



September 23, 2020

Agenda Item 6

**RESOLUTION No. 20-205**

**WHEREAS**, the Minneapolis Public Housing Authority in and for the City of Minneapolis (MPHA) signed a Moving to Work (MTW) Agreement with the U.S. Department of Housing and Urban Development (HUD) on January 6, 2008, making MPHA a full-status MTW Agency; and

**WHEREAS**, the full-status MTW Agreement requires MPHA to create an annual MTW Plan; and

**WHEREAS**, in compliance with the MTW Agreement, the draft plan was available for public comment between July 27 and August 31, MPHA held a public hearing, and not less than 15 days elapsed between the public hearing and board approval; and

**WHEREAS**, MPHA is required to submit the MTW Annual Plan in its required form at least 75 days prior to the start of the agency's fiscal year (i.e., by October 17, 2020);

**NOW THEREFORE, BE IT RESOLVED** by the Board of Commissioners of MPHA that the 2021 MTW Annual Plan is approved and that the Executive Director is authorized to submit it to HUD for approval as required.

## CERTIFICATIONS OF COMPLIANCE

### **U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OFFICE OF PUBIC AND INDIAN HOUSING**

#### **Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan**

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chairman or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the MTW PHA Plan Year beginning 1/1/2021, hereinafter referred to as "the Plan", 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 Plan and implementation thereof:

- (1) The MTW PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the MTW PHA conducted a public hearing to discuss the Plan and invited public comment.
- (2) The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
- (3) The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- (4) The MTW PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
- (5) The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- (6) The Plan contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the MTW PHA's jurisdiction and a description of the manner in which the Plan is consistent with the applicable Consolidated Plan.
- (7) The MTW PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o) and 24 CFR 903.15(d), which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o)(3). Until such time as the MTW PHA is required to submit an AFH, and that AFH has been accepted by HUD, the MTW PHA will address impediments to fair housing choice identified in the Analysis of Impediments to fair housing choice associated with any applicable Consolidated or Annual Action Plan under 24 CFR Part 91.
- (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
- (9) In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identify, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.
- (10) The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- (11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
- (12) The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13) The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

- (14) The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- (15) The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (16) The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- (17) With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- (18) The MTW PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- (19) The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 200.
- (21) The MTW PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- (22) All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its Plan and will continue to be made available at least at the primary business office of the MTW PHA.

Minneapolis Public Housing Authority  
**MTW PHA NAME**

MN002  
**MTW 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. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).*

Sharmarke Issa

Chairman of the Board of Commissioners

**NAME OF AUTHORIZED OFFICIAL**

**TITLE**



September 23, 2020

**SIGNATURE**

**DATE**

\* *Must be signed by either the Chairman or Secretary of the Board of the MTW PHA's legislative body. This certification cannot be signed by an employee unless authorized by the MTW PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.*

## APPENDIX B:

### Resident Advisory Board 2021 MTW Annual Plan Priorities

*MPHA's Resident Advisory Board (RAB) approved the following priorities to guide MPHA's actions in 2021.*

1. Define and maintain high standards and accountability for maintenance staff and management, and apply them consistently across MPHA properties. Create a protocol for residents to comment and address their concerns.
2. Advocate for and use MTW fungibility as much as possible to provide adequate funding for maintenance of buildings and prompt attention to all work orders.
3. Continue to incorporate MPHA's *Guiding Principles for Redevelopment and Capital Investments* as MPHA pursues its *Strategic Vision and Capital Plan* to preserve public housing.
4. Maintain a policy of one-for-one hard unit replacement of public housing.
5. Create and define a comprehensive security program, including:
  - Investing in cameras and other security measures where it makes the most difference.
  - Enforcing MPHA's guest/visitor policies to ensure unauthorized people are not entering the buildings.
  - Enforcing prohibitions on firearms and illegal drugs.
  - Protecting the anonymity of residents/Project Lookout volunteers who report other residents.
6. Pursue restoration of the full tax levy, as allowable under state law. Apply the levy to address MPHA's large deferred capital needs and reinstate \$1.2 million of the levy for resident security.
7. Do not increase rent over 30% of income.
8. Do not implement housing time limits.
9. Focus on the most needy: homeless, children, elderly, disabled, the mentally ill, and ex-offenders.
10. Create transitional housing for people coming out of homelessness, corrections, rehab, etc.
11. Continue the use of Volunteers of America and continue support for resident programs with any future redevelopment structures.
12. Create collaborations that increase affordable housing and/or services for residents.
13. Focus new effort on combatting sexual harassment in MPHA buildings, including workshops and training for staff and residents.
14. Focus on resident employment opportunities, including Section 3, as part of all MPHA activities, including:
  - A Section 3 "job bank";
  - Posting and publicizing MPHA and Section 3 job opportunities in all buildings;
  - Giving residents a preference for available jobs at MPHA.

## **APPENDIX C:**

### **Documentation of Public Process and Summary of Comments**

#### **PUBLIC PROCESS: 2021 MTW ANNUAL PLAN**

The MTW Agreement requires MTW agencies to make a draft MTW Annual Plan available for comment for at least 30 days, hold one public hearing, and allow at least 15 days between the public hearing and board approval. MPHA strives to exceed these requirements for public process around our MTW Annual Plan, even under the unusual circumstances imposed by the COVID-19 pandemic.

MPHA published the draft plan on July 27, 2020 followed within days by an overview in Somali. The comment period was open until August 31. The draft plan has been prominently featured on MPHA's web site home page, and available upon request from MPHA's main office, MPHA property management offices, and by mail.

MPHA provided notice (in English and Somali) on or around August 1 to all public housing residents via a rent statement insert. MPHA also mailed this notice to a random selection of 500 households with Housing Choice Vouchers, promoted the draft plan in English and Somali across social media accounts (including paid Facebook posts to boost community exposure among those in our region with an expressed interest in affordable housing, poverty, and other relevant issues), placed paid advance notice of the draft plan and public hearing in print and online outlets, and ran a radio PSA notice in multiple languages on community radio station KFAI.

The formal notice included information on how and where to obtain the draft; how to join the upcoming public hearing; how to provide comments by email or regular mail; the deadline for comments; and the method for requesting language or other accommodation for any aspect of the process.

This year, the notice also directed recipients to a new feature: online narrated videos in English and Somali, posted to YouTube, summarizing the plan and any significant changes. These replicated the live presentations we would have given under normal circumstances. Unlike these limited live presentations, however, these videos could be shared widely on social media and viewed by any member of the public at their convenience. The video content and description included directions for how to access the draft plan and submit comments.

The MPHA Resident Advisory Board (RAB) met in June to revise and amend its priorities for inclusion in the draft plan, and subsequently approved these revisions at its July meeting (included in the plan as Appendix B). At their July meeting, RAB members received the same presentation on the draft that was given subsequently to the MPHA Board of Commissioners. Throughout the year, the RAB received presentations, asked questions, and formally acted upon all items presented for approval to the MPHA Board, becoming duly informed on the many strategic decisions and other factors that ultimately shape the plan each year. RAB members received hard-copies of the draft by mail upon its release.

MPHA's Board of Commissioners received a staff presentation at its July 22 meeting, featuring an overview of the plan, the public process, the 2021 proposed activity, and notable updates to existing activities. The board held a public hearing on the draft MTW Annual Plan following its next regular

meeting on August 26. Given restrictions on in-person gatherings in Minnesota, the public hearing took place over the common videoconference platform Zoom, which allowed the public to comment by audio and (if they chose) video, just as in a live setting. Participants could listen and/or comment via computer, smartphone, or by calling in on a telephone line. MPHA also logged any comments submitted using the “chat” function in Zoom. MPHA provided a simultaneous “listening line” in Somali. Within the public hearing itself, MPHA had interpreters standing by to assist in Somali and Oromo. (MPHA received no formal advance requests for interpretation, but provided these languages in anticipation of possible need).

## **SUMMARY OF PUBLIC COMMENTS**

MPHA thanks all those who took time to comment. MPHA has reviewed these comments in their entirety and with due consideration, prior to submitting the MTW Annual Plan for board approval.

By the comment deadline, MPHA received a total of 21 written and oral comments across our formal email/mail comment channels and the public hearing. This total includes the official response from the Minneapolis Highrise Representative Council (MHRC), which we speak to directly at the outset and then reproduce in-full at the end of this appendix section.

This summary represents an overview of key themes evident in the comments. Some comments did not speak directly to the plan (or address items that are asserted by the commenter to be in the plan, but are not). Where commenters speak directly to points in the plan and an MPHA response would be illuminating, we offer it below. In one case, extensive comments from an MPHA resident related primarily to circumstances at a specific building; these comments were provided to relevant staff for review.

### **MHRC Comments**

Comments from MHRC (reproduced at the end of this Appendix C) generally urged MPHA to pursue its goals and actions as described in the draft MTW Annual Plan, and to keep certain principles in mind as we do our work.

With regard to the sole new MTW activity for 2021, MHRC expressed its support for the Regional MTW initiative because of the “increased housing opportunity it will create,” and supports the expansion of education, health, and employment initiatives. MHRC expressed appreciation for MPHA’s work keeping residents safe during the COVID-19 pandemic, but noted that some vendors and contractors are not wearing masks as required. MHRC urged MPHA to avoid cuts to programs and services that directly affect residents, including management, maintenance, and resident-run programs.

With regard to capital spending, MHRC stated that it recognizes MPHA’s need to focus on core building needs with its limited federal capital fund budget. However, they ask MPHA to recognize the importance of security and exercise spaces in its capital investments. They praised MPHA for resident engagement related to our first RAD project at the Elliot Twins, and urged MPHA to 1) continue to work closely with MHRC on meetings related to redevelopment and capital work, and 2) continually state our commitment to deeply affordable housing in all redevelopment efforts. They ask MPHA to engage with residents as soon as possible at any properties where MPHA will apply for RAD, in the interest of preventing the spread of misinformation.



MHRC further stated that MPHA and MHRC must improve our partnership in 2021 as we pursue additional state and local funding for preserving public housing, including state bonding and full funding of the City of Minneapolis property tax levy.

**MPHA Response:** MPHA appreciates the constructive nature of MHRC's comments, expressions of partnership, and MHRC's ongoing vigilance in helping residents stay informed and engaged. We find no points of disagreement here, and take to heart the suggested areas for improvement. With regard to some specific points:

- MPHA will meet—and strive to exceed—the requirements for resident engagement around RAD. HUD requires specific engagement with affected residents and relevant resident organizations prior to and after making a RAD application. MPHA seeks to engage residents when we can provide clear answers to the most critical questions they will have about timeline and scope. The timeline for applications at the large list of buildings in MPHA's plan remains uncertain; most, in fact, will likely not have a RAD application in 2021. When MPHA has defined the timeline for applications, we commit to engage residents as early as possible.
- MPHA agrees that MPHA and MHRC need to organize better together to advocate at the state and local levels. 2020 has been a year of extraordinary, unforeseen challenges that have set back our efforts together in this area. We look forward to working closely together in 2021 to resume momentum.
- MPHA will reinforce to our vendors and contractors the requirement for face coverings, and expects its staff to communicate and enforce this requirement.

## Comments Pertaining to the Content of the Draft Plan

MPHA received one longer comment taking issue with multiple aspects of the draft plan and with MPHA's overall strategic vision. The comment echoes objections that MPHA has received in prior years, from the same source. At their base, these comments rest upon a belief that MPHA's plans constitute a threat to the families MPHA serves, with extended analysis that works backward from this conclusion. MPHA will respond in general, and then to specific points where we hope it might be illuminating for those who share such concerns.

**MPHA Response (General):** MPHA respects and shares the passion of all who care deeply for the public housing in our community. MPHA is a public, accountable, social service organization with a clear mission that compels us to protect these homes now and tomorrow. Our board and staff pursue this unitary mission with seriousness, care, and transparency. We therefore reject the premise that the 2021 MTW Annual Plan, or our plans generally, are dangerous or unwise. We further reject the extensive misstatements of fact used to buttress this point of view, which are crafted to mislead the community and vulnerable people whose homes are not, in fact, endangered.



The comment criticizes MPHA's new proposed MTW activity, the Regional MTW Agency, as an effort that "takes resources away from Minneapolis during a housing crisis" and is intended to "move poor people out of Minneapolis and into the suburbs." The comment also accuses the activity of "encouraging luxury development."

**MPHA Response:** MPHA believes that low-income families deserve choices in where they live. The activities of the Regional MTW Agency we propose to form with Metro HRA will not impose a choice on any family. Rather, they will break down barriers for families who wish to use their vouchers across jurisdictional lines. We will provide additional financial and program support in cases where the family wishes to move to an area that might otherwise be financially unattainable. Enrollment in this "mobility" program will be entirely voluntary, as will any move they choose to make. For some families, these may be moves within Minneapolis; for others, it could be a move from a suburban (Metro HRA) location into the city.

Within this activity, MPHA and Metro HRA are also committing to promote economic mobility "in place," jointly helping families to attain their goals without a physical move.

The comment about "luxury development" is precisely wrong. The effect is exactly the opposite: the agencies intend to jointly spark new affordable housing development using project-based vouchers that, per strict program rules, must serve extremely low-income families (below 30 percent of AMI). There is no feasible way in which they would subsidize non-low-income tenants or promote luxury development.

The comment make frequent charges of "privatization" of public housing, including properties listed in the plan for potential RAD applications; the Glendale Townhomes; and in relation to MPHA's "DOT-to-LURA" MTW activity.

**MPHA Response:** The MPHA properties that undergo subsidy conversion (such as RAD or Section 18) retain public oversight, public control, public management, public joint ownership, and public (federal) housing subsidy. Accessing outside investment—such as through Low-Income Housing Tax Credits—does not constitute privatization. It is, rather, a game-changing option to harness millions of dollars of external funding to further our public mission to house families whom the private market otherwise leaves behind.

With regard to Glendale, the submitted comments refer to a plan to "add new luxury units" and "demolish and privatize Glendale." No such plan is discussed in the plan, and none in fact exists. Glendale is not listed among MPHA's near-term potential RAD applications. The comments also state incorrectly that Glendale has been approved for local historical designation. The Minneapolis City Council has taken no action to approve such a designation.

With regard to MPHA's activity titled "Replace the Form of the Declaration of Trust with a Land Use Restriction Agreement," this activity has nothing to do with selling or privatizing these properties. To the contrary, these are properties for which tax credits (the mechanism interpreted by some—albeit wrongly—as privatization) are impractical. The objective of this first-in-the-nation activity is, in fact, to *retain* the public housing subsidy (along with MPHA's full ownership and management) while unlocking additional avenues for outside contributions for repair and preservation. Whereas other public housing authorities faced with diminished federal

funding and such “odd duck” properties might pursue avenues to sell them, MPHA has instead committed to an innovative mechanism to keep them in our portfolio and obtain further funding for major repairs.

The comment criticizes MPHA’s contemplated “RAD-with-reserves” application for a subset of properties, stating that “RAD is supposed to be a program for housing in need of repairs.”

**MPHA Response:** We would note, first, that these same critics objected loudly when RAD *was* used to enable a major renovation, at the Elliot Twins. Across the country and in the Twin Cities, RAD has been used in both scenarios, with the same objective of preserving public housing for the long-term. For properties with lower initial capital needs, RAD stabilizes the federal operating and capital subsidies into a single, reliable stream that is far less volatile than under traditional public housing. For local context: this was the reasoning and approach of the St. Paul Public Housing Agency, which converted its full 3,900-unit high-rise portfolio using RAD in 2019.

The comment states that Section 8 (project-based voucher) funding is at greater risk from a proposed federal budget cuts and/or a government shutdown.

**MPHA Response:** Housing advocates broadly agree—and the recent federal budget process bears out—that project-based and other voucher funding under Section 8 is at considerably *less risk* than traditional, Section 9 public housing funding. While the Trump administration has (unsuccessfully) proposed cuts to Section 8, they have proposed to eliminate the public housing capital budget *entirely*.

In an extended government shutdown, *all* federal housing subsidies could be at risk. However, the 20-year contracts that characterize project-based vouchers, as well as the wide constituency of millions of property owners with a political stake in the Section 8 project, indicate it is the more stable subsidy stream in the near and long-term.

The comment alleges that MPHA refuses to hold “public meetings” on RAD.

**MPHA Response:** The MPHA Board of Commissioners is a publicly accountable body, appointed to staggered terms by the Minneapolis Mayor and City Council. The actions of the board, including consideration of any RAD applications, take place in public. MPHA is committed to providing accurate information about RAD that helps the community to understand our actions. However, the resident meetings related to RAD applications are explicitly *not* public meetings, under HUD rules designed to protect the rights of residents to be informed and ask questions. While some advocates would prefer we open these meetings to anyone, we cannot. These meetings are for residents of affected properties.

The comment states that MPHA has refused to seek local sources of public funding, including the city property tax levy and funds from the State of Minnesota.

**MPHA Response:** Both statements are demonstrably false. The city tax levy has been included from the start in the anticipated sources of funding in MPHA’s published *Strategic Vision and Capital Plan*, and MPHA is on public record on numerous occasions making the case to city officials to restore the tax levy. In recent years, MPHA has been among the largest recipients of other affordable housing funding from the city, including \$1 million (and city donation of the land)

for the Minnehaha Townhomes, \$2.3 million in city funding for the Elliot Twins, and millions of dollars in city financial support for the *Stable Homes Stable Schools* program.

At the state level, MPHA has been the state's most successful applicant and has been awarded millions of dollars in state bonds for public housing preservation through the Publicly Owned Housing Program, and successfully applied for state housing revenue bonds essential to the Elliot Twins renovation. MPHA is a visible and vocal advocate at the State Capitol and across social media for much deeper state investment in public and other affordable housing.

Comments insinuate something underhanded about MPHA's inspections process at properties that have undergone subsidy conversion, asking "why does MPHA specifically use different inspection processes" at these properties.

**MPHA Response:** To the contrary, MPHA's MTW activity related to this topic is what allows MPHA to use *the same* inspections processes at these buildings as we use at all others. Without this MTW activity, MPHA would need to conduct inspections differently for properties we own with project-based vouchers. We believe this would be inefficient for the agency and hamper our ability to hold all of our buildings to a consistent standard.

Comments state that "instead of confirming rents will continue to be 30% of income including utilities, MPHA comes up with a new term called "rent reasonableness." This is followed by a related discussion about MPHA's ability to determine "contract rents," implying that this will lead to rent increases for tenants.

**MPHA Response:** MPHA is glad to confirm this, as we have done many times before: under project-based vouchers, rent is still income-based and is calculated at 30% of adjusted income. This is the same as under traditional public housing.

"Rent reasonableness" is an important term in HUD regulations, not a new phrase we invented. As stated in this plan's glossary, rent reasonableness has *no reference to rent paid by the tenant*. It refers instead to the hypothetical "market" rent of the unit (also called the "contract rent"), which is necessary to calculate the amount of federal rental subsidy MPHA receives for the unit (i.e., the difference between the contract rent and the income-based rent paid by the tenant). MPHA has explained this concept multiple times; regrettably, commenters continue to abuse these HUD terms and somewhat complicated aspect of the subsidy process to misinform residents.

Commenters state that MPHA's stated intention in the plan to "mitigate rent increases in cases of subsidy conversion" is an admission that residents at converted properties "will face rent increases."

**MPHA Response:** We refer commenters to the definition of the term "mitigate." MPHA's intention is to use our MTW authority and other means to prevent rent increases in cases of subsidy conversion.

In addition to the points above, which arise from a single submitted comment, MPHA received one separate written comment from a public housing resident. Much of this comment pertained to property-specific operational concerns about security and property management; accordingly, the comment was provided to an appropriate supervisor for review. Elsewhere in the comment, however, the commenter

expresses 1) concern that MPHA plans to provide housing “only...for the next 99 years”; and 2) urging MPHA that “more and better housing options...must be considered and established for many deserved seniors without children and other low and very low income residents, even at this time period.” The commenter suggests multiple forms of such housing, including so-called “tiny houses” and converting vacant warehouses, churches, motels, and other structures.

**MPHA Response:** MPHA shares the commenter’s concern that our community lacks sufficient housing options for low-income seniors and families. While we are focused fundamentally on preserving our existing housing stock, our MTW Annual Plan and long-term *Strategic Vision* also embrace opportunities to expand and serve more households—both through properties we control and manage, and through our voucher and other non-traditional subsidy programs. Like the commenter, we are thinking creatively about what forms this housing might take. With respect to the references to “99 years”: this is the term of a (renewable) ground lease that sits beneath one specific development (the Elliot Twins), protecting the use of that property for low-income housing for *at least* that period. This period is the maximum amount feasible under current legal and financing structures. It should not be interpreted as an expiration of MPHA’s mission—which we intend to endure as long as extremely low-income families in Minneapolis remain in need of quality, affordable homes.

## Comments Related to the MTW Plan Process

Rather than address the content of the plan, most commenters focused solely on the public review process.

MPHA is scrupulous in assuring that our public processes satisfy all meeting and disclosure requirements, and typically exceed them. We stand behind our process as described in the opening section of this appendix. All residents were notified early, offered multiple ways to receive the plan, and presented with a public hearing format available to anyone with a telephone. MPHA translated our notices, plan overview, and online video to serve the large number of Somali-speakers in our programs, and stood ready as always to provide access in any language or format requested. In some ways, learning about and commenting on the draft plan was more accessible this year than it has ever been: members of the public could “attend” our presentations and join our public hearing without even leaving home.

To those who believe the plan is too long and complex, your objection is better directed HUD. MPHA does not have flexibility to alter the plan format or requirements, and provides the detail and documentation required of us by our regulator. We do work consciously to help MPHA’s plan to be more streamlined and readable than those of many MTW agencies, including an opening summary written in plain-language and designed primarily for public benefit.

MPHA declines the specific request to extend our comment period through October, which is beyond when our final plan is due to HUD. MPHA structures its public process to provide ample time for public review while meeting the critical needs for proper board approval and timely submittal of our annual plan to HUD on time.

Notably, MPHA did not hear these concerns about our process from participants in our programs—including MHRC or the members of the RAB, which are rarely reticent when they have concerns to

share with MPHA. Some of these comments suggested that MPHA “does not answer questions” about its plan or strategy. To those commenters, we hope the detailed responses above will help to clear up concerns and confusion, in addition to the extensive information available at [MPHAOnline.org](http://MPHAOnline.org).

## **FULL COMMENTS FROM THE MINNEAPOLIS HIGHRISE REPRESENTATIVE COUNCIL (MHRC)**

*Good afternoon. I am Mary McGovern, resident of 1225 S. 8th St. and president of the Minneapolis Highrise Representative Council. Thank you for the opportunity to comment on the proposed 2021 Draft Moving to Work plan.*

*Let me start by discussing COVID-19. MPHA has done a good job of implementing measures to keep residents, guests, and staff safe during this extremely challenging time. We appreciate the extra cleaning, the signage around physical distancing and other safety protocols, requiring masks, restricting use of common areas, increased guard coverage in some buildings, and limiting the number of visitors to the highrises. Please continue all of these practices and remain in dialog with resident councils and the MHRC regarding ongoing resident concerns. We also urge you to continue to work with health officials and others to identify additional measures that may be taken to keep everyone safe. We appreciate all of the work and coordination with healthcare providers to offer COVID-19 testing in all of the highrises.*

*The MHRC supports the Resident Advisory Board’s MTW Priorities that primarily pertain to MPHA keeping a strong focus on resident livability and security concerns.*

*We support the proposed new MTW initiative to create a regional MTW designation with the Metropolitan Housing and Redevelopment Agency because of the increased housing opportunities it will create for families.*

*We support the expansion of education, employment, and health initiatives including expansion of the Highrise Health Alliance and COVID-19-related activities.*

*Over the past year, many Elliot Twins residents have been involved in numerous relocation contract negotiations and design committee meetings. It is exciting that redevelopment work is underway at the Elliot Twins. We expect that MPHA will continue to work closely with residents to address resident concerns and seek resident input as the project moves forward. We have noticed that not all contractors have been wearing masks and request that MPHA re-assert this as a requirement, not just at the Elliot Twins but with all vendors and contractors working in our buildings.*

*Regarding the twenty-three highrises that have already been identified for possible housing preservation programs, including “RAD with Reserves,” we urge you to inform residents of these properties of these potential plans as soon as possible (even though there may be no or little disruption to residents) in the interest of transparency and minimizing the spread of misinformation.*

### *Regarding Planned Physical Improvements in the Capital Fund Program*

- *Residents recognize and appreciate that MPHA understands that the vast majority of limited capital improvement dollars must go toward maintaining and repairing critical building systems in order to preserve our housing. Residents also request that MPHA be mindful of the need for space in the highrises for exercise equipment. Many residents are focused on improving their health and areas for exercise in the buildings, especially in the winter months, are in high demand.*
- *We request that MPHA continually state its commitment to deeply affordable housing and that this commitment carries into all redevelopment efforts.*
- *Security remains the number one priority for highrise residents and we appreciate MPHA's commitment to address security considerations in its capital improvement work.*

### *Regarding MPHA FY2021 Budget*

- *It is clear that MPHA faces continued major funding challenges in FY2021 and into the near future. As MPHA considers cost-saving measures we urge MPHA to keep these two things in mind:*
  - 1) *MPHA should avoid cuts to programs and services that directly impact residents including management, maintenance and security as well as resident-run programs. A positive resident perception of our homes and our quality of life in our buildings must be maintained in order to preserve public housing.*
  - 2) *It is more important now, than ever, that MPHA partner with the MHRC and other groups to go after local and state support of public housing that has been sorely lacking. Public housing is an asset to Minneapolis and to neighborhoods and should be supported more vigorously at all levels of government. The City, alone, could provide over \$8 million to support MPHA's security and capital needs through a mill levy, if there was the will to do so. MPHA and MHRC need to improve our partnership in this effort. Additionally, we are glad that MPHA has increased its presence and awareness of public housing needs at the State legislature. We will continue to fight for State bonding money for public housing capital improvements. For years, residents and the MHRC have brought resident voices to City Hall, the State legislature and Washington DC, and we will continue to, even through a pandemic. We know there is room for more collaboration and new ideas on how to move this important agenda forward.*

# Certification of Payments to Influence Federal Transactions

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (Exp. 01/31/2017)  
2021 MPHA MTW Annual Plan

Applicant Name

Minneapolis Public Housing Authority

Program/Activity Receiving Federal Grant Funding

Publicly owned housing and housing choice voucher program

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.  
**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Abdi Warsame

Title

Executive Director/CEO

Signature



Date (mm/dd/yyyy)

09/10/2020

Previous edition is obsolete

form HUD 50071 (01/14)  
ref. Handbooks 7417.1, 7475.13, 7485.1, & 7485.3



## **APPENDIX E: LOCAL ASSET MANAGEMENT PLAN (LAMP)**

### **Minneapolis Public Housing Authority**

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.

### **LOCAL DETERMINATION ON FEES**

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.

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 implemented a new preventive maintenance program in 2019. The Quality Maintenance Program (QMP) delivered 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 prioritized 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 may use maintenance crew(s) that 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 F: MPHA Planned Capital Expenditures (2021)

Across the nation, Public Housing Authorities have been chronically underfunded over the past 30 years. HUD reports the backlog of repairs grows at a rate of \$3.4 billion each year, starting from a baseline 2010 when a deferred need of \$26 billion was reported. In 2010, HUD funded approximately 10% of the reported backlog; in 2018, only 4% was funded. One percent of public housing units in the United States—10,000 homes—go offline each year because there is not enough money for repairs and maintenance. Despite our housing’s capital needs and declining federal funding, MPHA intends to implement innovative strategies to ensure our housing stock remain viable for the long-term.

### MPHA CAPITAL NEEDS

Minneapolis Public Housing Authority’s (MPHA) housing stock is comprised of 42 high-rise buildings, 736 scattered site homes, 184 rowhouse units, a 16-unit townhome development, and three maintenance, administrative, and service facilities. Forty of the 42 highrise buildings in MPHA’s inventory were built in the 1960s and early 1970s; the age range of MPHA’s single-family homes is 10 – 100+ years old, and our 184-townhouse development is nearly 70 years old. MPHA completed its comprehensive physical needs assessment process (PNA) in 2015, which included contracting with specialty consultants to assess major building systems such as HVAC, roofs, facades, and elevators. Utilizing field data collection tools, MPHA gathered needs data on all property components including current ages and conditions. Life-cycle profiles and replacement or repair costs were established for each building component, and needs related to life-safety/code compliance, security, and energy savings were noted as such and all repair/replace actions were assigned a priority level relative to all MPHA capital needs. MPHA updates this data on an annual basis to reflect completed work and any changes to building conditions. As required by HUD every five years, MPHA is in the process of completing another comprehensive PNA of its properties, which will be completed by the end of 2020. MPHA has already completed a comprehensive analysis of its scattered sites properties, which has informed the preservation strategy it intends to launch at these properties in 2021. Additional details on MPHA’s portfolio strategy are covered in Section I of this plan.

MPHA’s existing physical-needs data indicates it has a current unmet need of \$151 million that will grow to over \$500 million over the next 20 years. These figures do not take into account applied capital funding, as it is difficult to predict future funding levels and availability. This estimate of unmet need represents building components that have reached or exceeded their estimated useful life. When formulating its annual capital plan, MPHA is forced to make difficult decisions between competing needs due to continual insufficient funding. To aid in capital planning with limited resources MPHA considers several factors including:

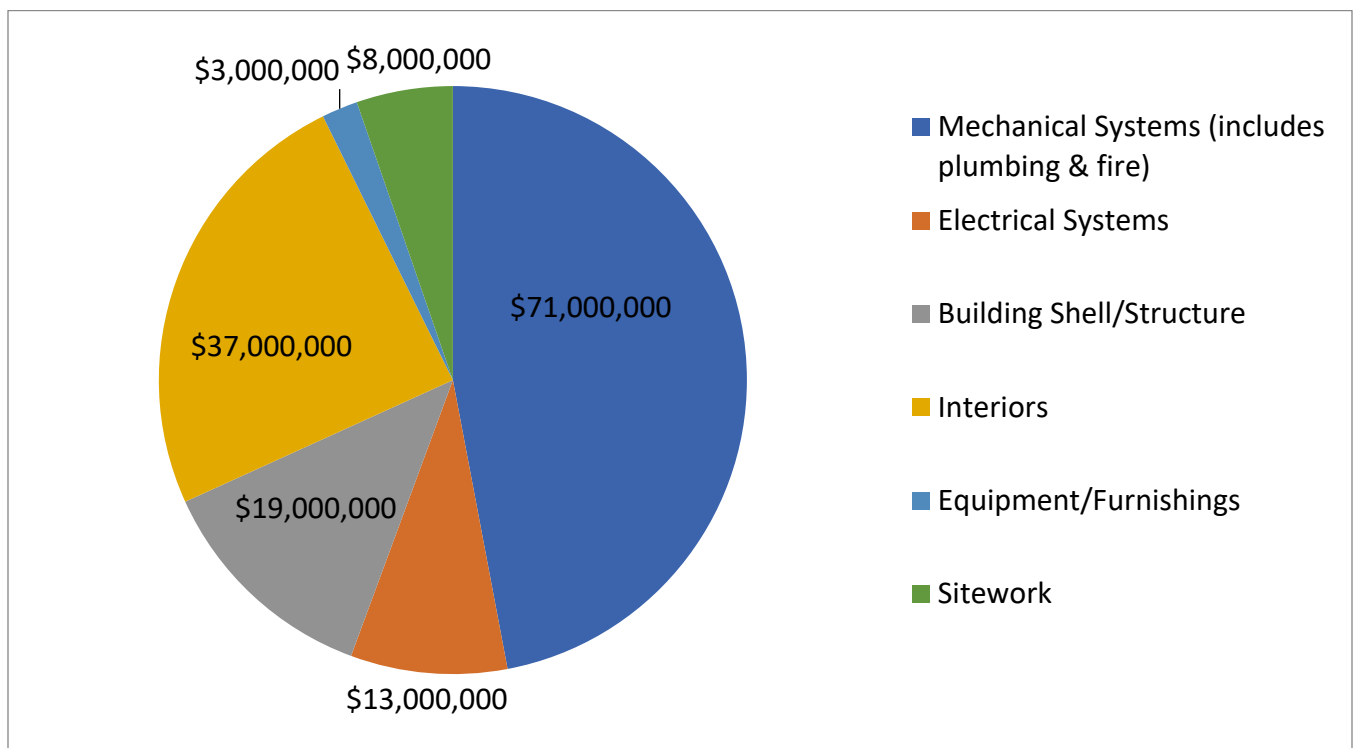
1. The type of need

- Building Systems/Infrastructure (e.g., mechanical systems, plumbing and electrical systems, security systems, fire protection systems, roofs/façades, windows, elevators). These are components that are required to keep the building functioning and safe.

- Building Site Work, Interiors & Equipment/Furnishings (e.g., apartment kitchen and bath rehab, landscaping/site improvements, community room furnishings, building amenities). These are components that address livability and resident quality-of-life.
2. The remaining useful life of the building component (generally ranges from 0 – 20 years)
  3. The urgency of action relative to other competing capital needs.
    - Low: This action is not currently impeding building functionality or safety and may be deferred. Quality-of-life may be affected by deferment.
    - Medium: This action is not currently impeding building functionality or safety but should be done with in the next two to five years. Quality-of-life may already be affected and manageable component failure may occur by deferment.
    - High: This action is of high urgency, necessary to address building functionality and livability, and should be done within the next one to two years. Quality-of-life is likely affected and component failures will become more frequent by deferment.
    - Urgent: This action should not be deferred and must be done as soon as possible. Building functionality or safety is currently compromised.

## PHYSICAL NEEDS ASSESSMENT BREAKDOWN

MPHA's immediate capital needs are illustrated below:



As shown above, a large portion of our immediate capital needs are infrastructure/building systems. Aging systems and infrastructure at many of our properties have exceeded their life expectancy and have started to fail. MPHA deems a portion of these items as high or urgent needs that could become life/safety needs if left unaddressed. Additionally, as building codes have evolved, we need to address increased life/safety requirements such as retrofitting our highrise buildings with sprinkler systems. MPHA has made infrastructure/building systems a priority and will target these types of improvements with its limited Capital Fund resources until major reinvestment opportunities materialize.

## **FY2021 SIGNIFICANT CAPITAL EXPENDITURES BY DEVELOPMENT**

MPHA bases its capital activities on an expected Capital Fund Program (CFP) allocation of \$15.8 million for 2021. CFP funded activities that were initiated under previous funding cycles, but not fully completed in prior years, will carry over and experience expenditures in 2021. Additionally, a portion of the activities slated for 2021's \$15.8 million budget will not be fully expended in 2021 and will carry into 2022. MPHA has estimated approximately \$17 million in Capital Fund expenditures for FY2021 targeting specific projects in six of its seven Asset Management Projects (AMPs).

*[Chart on following page]*

**CAPITAL ACTIVITIES & EXPENDITURES – FY 2021\***

AMP	PROJ	ADDRESS	WORK ITEMS	BUDGET	2021 EXPENDITURES*
<b>ONGOING 2020 ACTIVITIES</b>					
N/A	N/A	N/A	Administration	\$1,582,078	\$1,582,078
2	Varies	Scattered Sites	Comprehensive modernization	\$1,000,000	\$300,000
3	20.4	2415 N 3 <sup>rd</sup> Street	Security improvements	\$200,000	\$150,000
3	25	600 18 <sup>th</sup> Avenue North	Window replacement, masonry repairs, HVAC systems replacement	\$2,700,000	\$300,000
3	29	1015 4 <sup>th</sup> Avenue North	HVAC improvements	\$650,000	\$350,000
3	37	1314 44 <sup>th</sup> Avenue North	Roof replacement	\$940,000	\$900,000
5	9	Hiawatha Towers	HCPD accessible unit upgrades, common area improvements	\$650,000	\$450,000
5	24	1707 3 <sup>rd</sup> Avenue South	Elevator modernization, main electrical switch gear & generator replacement	\$1,325,000	\$525,000
6	6	1611 S 6 <sup>th</sup> Street	Piping, apartment upgrades, fire alarm system replacement/fire suppression retrofit, HVAC improvements	\$4,600,000	\$800,000
6	6	1611 S 6 <sup>th</sup> Street	Elevator modernization	\$675,000	\$625,000
7	17	2728 E Franklin Ave	Elevator modernization	\$695,000	\$425,000
7	18.4	3755 Snelling	Elevator modernization	\$275,000	\$175,000
7	22	3205 E 37 <sup>th</sup> Street	Elevator modernization	\$275,000	\$175,000
<b>PLANNED 2021 ACTIVITIES</b>					
N/A	N/A	N/A	Administration	\$1,580,000	\$0
N/A	N/A	N/A	Audit fee	\$10,000	\$10,000
Varies	Varies	Area-Wide	High-rise systems replacements	\$370,000	\$300,000
2	Varies	Scattered Sites	Pre-development	\$2,500,000	\$2,500,000
3	20.5	3116 Oliver Ave North	Elevator modernization	\$275,000	\$225,000
3	37	1314 44 <sup>th</sup> Avenue North	Façade repairs, plumbing replacement, shower replacement/bath upgrades, fire suppression system installation	\$3,500,000	\$2,000,000
4	15.5	616 Washington St NE	Elevator modernization	\$275,000	\$225,000
4	21.6	1206 2 <sup>nd</sup> Street NE	Fire suppression system installation	\$350,000	\$325,000
5	24	1707 3 <sup>rd</sup> Avenue South	Façade restoration, apartment entry door replacement	\$500,000	\$450,000
6	6	1627 S 6 <sup>th</sup> Street	Fire suppression system installation	\$690,000	\$665,000
6	6	Cedars Lowrises	Façade restoration & window replacement	\$3,750,000	\$2,000,000
7	17	2728 E Franklin Avenue	Fire suppression system installation	\$800,000	\$775,000
7	18.4	3755 Snelling Avenue	Fire suppression system installation	\$200,000	\$175,000
7	22	3205 E 37 <sup>th</sup> Street	Fire suppression system installation	\$200,000	\$175,000
N/A	N/A	TBD	Contingency	\$800,000	\$500,000
<b>TOTAL – 2021 EXPENDITURES*</b>					<b>\$17,082,078</b>

\*Estimates are subject to final budget approval by the MPHA Board of Commissioners.

These capital activities and expenditures are based on multiple assumptions:

- Completion of MPHA's Section 18 disposition for its scattered sites portfolio;
- Final formula amounts at the 2020 levels and receipt of grant by the end of March 2021;
- MPHA's ability to complete physical improvements at its properties despite challenges associated with COVID-19.

Since these variables are subject to change, expenditures and activities may vary significantly. MPHA will modify its capital activities as it deems suitable based on different outcomes.

## FIVE-YEAR CAPITAL NEEDS

The five-year Capital Needs table illustrates total funding needed to address all capital needs at MPHA properties between 2021-2025.

*Minneapolis Public Housing Authority  
2021 Five-Year Schedule of Capital Needs*

Minneapolis Public Housing Authority					FY21	FY22	FY23	FY24	FY25
2021 Five-Year Schedule of Capital Needs									
AMP 1 - Rowhouses									
AMP	Project	Address	Bldgs	Units					
1	1	Glendale	28	184	17,951,969	141,434	0	54,663	269,511
Total AMP 1			28	184	17,951,969	141,434	0	54,663	269,511
AMP 2 - Scattered Site/Single Family									
AMP	Project	Address	Bldgs	Units					
2	Various	Various	752	752	14,670,534	12,960,286	2,450,450	3,621,917	18,085,223
Total AMP 2			752	752	14,670,534	12,960,286	2,450,450	3,621,917	18,085,223
AMP 3 - North									
AMP	Project	Address	Bldgs	Units					
3	3	800 North Fifth Ave	1	66	1,328,317	169,505	0	637,397	497,214
3	20.4	2415 North Third Street	1	62	1,100,221	43,730	0	2,315,877	45,917
3	20.5	3116 North Oliver Ave	1	31	837,594	80,051	38,264	497,487	0
3	23	315 North Lowry Ave	1	193	2,723,359	225,897	525,632	2,595,974	1,392,341
3	25	600 North 18th Ave	1	239	3,519,392	43,730	0	10,532,144	92,927
3	26	1710 North Plymouth Ave	1	84	4,926,141	290,584	0	2,840,098	162,432
3	28	901 North 4th Ave	1	48	122,831	43,730	81,964	0	0
3	37	1314 North 44th Ave	1	220	6,422,494	43,730	1,020,290	3,421,926	1,915,621
3	42	314 Hennepin Ave	1	299	6,453,590	3,857,982	355,309	2,317,539	2,757,721
3	50	350 Van White Memorial Blvd	1	102	727,837	43,730	0	0	2,131,831
Total AMP 3			10	1,344	28,161,776	4,842,669	2,021,459	25,158,442	8,996,004
AMP 4 - Northeast									
AMP	Project	Address	Bldgs	Units					
4	10	311 NE University Ave	1	49	1,768,225	43,730	0	157,106	88,843
4	15.4	710 NE Second Street	1	35	1,315,794	186,416	534,405	294,580	0
4	15.5	616 NE Washington Ave	1	35	1,526,467	55,479	287,870	165,219	0
4	21.4	1206 NE Second Street	1	57	2,166,064	71,988	5,783	352,341	60,787
4	21.5	1900 NE Third Street	1	32	2,085,047	43,730	0	696,999	225,831
4	21.6	809 NE Spring Street	1	32	2,558,380	71,062	54,663	292,275	0
4	32	1717 NE Washington Street	1	182	7,623,604	73,703	42,954	1,831,095	1,620,348
4	33	828 NE Spring Street	1	189	3,907,131	311,482	739,554	3,682,109	380,454
4	35	1815 NE Central Ave	1	333	4,760,100	1,115,688	874,607	3,390,884	1,592,296
Total AMP 4			9	944	27,710,812	1,973,278	2,539,836	10,862,608	3,968,559

**Minneapolis Public Housing Authority**  
**2021 Five-Year Schedule of Capital Needs**

FY21	FY22	FY23	FY24	FY25
------	------	------	------	------

**AMP 5 - Hiawatha**

AMP 5	Project	Address	Bldgs	Units					
5	9	Hiawatha Towers	3	281	8,534,320	163,536	100,359	2,321,801	758,251
5	18.5	2533 South First Ave	1	42	1,687,830	21,865	0	312,312	209,906
5	19	1920 South Fourth Ave	1	110	3,274,527	618,588	0	556,157	26,364
5	24	1707 South Third Street	1	199	2,345,796	43,730	683,287	3,153,834	1,007,405
5	34	2419/33 South Fifth Ave	2	254	5,318,590	87,461	0	4,650,108	776,603
<b>Total AMP 5</b>			<b>8</b>	<b>886</b>	<b>21,161,063</b>	<b>935,180</b>	<b>783,646</b>	<b>10,994,212</b>	<b>2,778,529</b>

**AMP 6 - Cedars**

AMP 6	Project	Address	Bldgs	Units					
6	6 & 30	Cedars Community	4	539	23,029,114	712,014	175,646	2,913,902	1,547,377
6	16	1515 South Park Ave	1	182	5,066,607	453,386	32,798	1,252,481	0
<b>Total AMP 6</b>			<b>5</b>	<b>721</b>	<b>28,095,721</b>	<b>1,165,400</b>	<b>208,444</b>	<b>4,166,383</b>	<b>1,547,377</b>

**AMP 7 - Horn**

AMP 7	Project	Address	Bldgs	Units					
7	14	1415 East 22nd Street	1	129	1,618,600	43,730	215,773	434,649	194,005
7	17	2728 East Franklin Ave	1	151	2,624,123	173,876	82,541	916,062	0
7	18.4	3755 South Snelling Ave	1	28	1,527,965	43,730	0	877,256	11,047
7	22	3205 East 37th Street	1	28	870,030	43,730	0	680,377	11,047
7	31	Horn Towers	3	491	14,449,724	437,303	178,201	9,677,893	1,881,885
7	36	2121 South Minnehaha Ave	1	110	2,913,927	167,076	27,331	859,196	1,191,099
<b>Total AMP 7</b>			<b>8</b>	<b>937</b>	<b>24,004,369</b>	<b>909,445</b>	<b>503,846</b>	<b>13,445,433</b>	<b>3,289,083</b>

**Management, Maintenance, and Other Facilities**

Project	Location	Bldgs	Units						
N/A	Elliot Twins	2	174	0	0	0	0	0	0
29	1015 North Fourth Ave	1		498,328	0	196,667	0	261,734	
93	1301 Bryant Maintenance Off.	1		266,447	0	612,225	379,209	61,846	
96	1001 Washington Main Office	1		3,582,599	0	0	263,944	0	
<b>Total MM&amp;O</b>			<b>5</b>	<b>174</b>	<b>4,347,374</b>	<b>0</b>	<b>808,892</b>	<b>643,153</b>	<b>323,580</b>
<b>GRAND TOTAL</b>			<b>825</b>	<b>5,942</b>	<b>166,103,618</b>	<b>22,927,692</b>	<b>9,316,573</b>	<b>68,946,811</b>	<b>39,257,866</b>

## ASSET PRESERVATION & CREATION STRATEGIES

As an MTW agency, MPHA can utilize fungible authority to increase the amount of funds allocated to capital improvements above the Capital Fund allocation from Congress/HUD. However, given a long-standing trend of federal underfunding and the current administration's proposed budget cuts to all PHA programs, our ability to dedicate additional funds to capital investments will become increasingly difficult. Due to our funding challenges, MPHA must consider additional tools and funding sources to ensure our properties remain viable for the long-term. There is no stand-alone solution available; rather, we must take a multi-pronged approach as we consider reinvestment strategies.

### Roadmap for MPHA's Portfolio Preservation

In 2018-19, MPHA initiated an in-depth portfolio analysis to determine the best way to enhance each property's value while preserving its long-term viability. This evaluation considered each property's physical condition, social and strategic value, and income potential, as well the numerous challenges MPHA faces as it embarks on redevelopment. Our preliminary plan serves as the framework to guide our path into the future but will continue to evolve as property needs, funding opportunities, and the priorities of MPHA and its stakeholders change.

As we implement construction at the Elliot Twins – MPHA’s first RAD conversion which closed in June 2020 – and move through the Section 18 disposition process for our scattered sites, MPHA will look to this roadmap to consider which properties we will next apply these or other tools to ensure our housing assets remain viable for the future. Regardless of the strategies we employ now or moving forward, MPHA will continue to honor its commitment of collaboration and partnership with our residents and other various community stakeholders. We discuss specific near- and longer-term implementation plans for RAD, Section 18, and other components of our portfolio in Section 1 of this MTW Annual Plan.

### *Resident & Community Engagement*

In keeping with its *Guiding Principles for Redevelopment and Capital Investments*, when utilizing these or other tools, MPHA has and will continue to engage with its residents and community partners to ensure our stakeholders have a clear understanding of our path, are actively involved and collaborate with us through the entire process and, most importantly, that residents rights are protected along the way.

In addition to the pledges MPHA has made to its residents with the *Guiding Principles for Redevelopment and Capital Investments*, MPHA worked in conjunction with residents and the Mid-Minnesota Legal Aid to develop a relocation rights contract that outlines tenant protections should residents need to temporarily relocate due to MPHA’s redevelopment activities. Additionally, in April 2019, the Minneapolis City Council adopted a Memorandum of Understanding (MOU) between the city and MPHA which expresses our shared commitment to investing in public housing, long-term public control, and protecting the rights of every resident. The MOU closely reflects MPHA’s own Board-approved *Guiding Principles* and protections built into the RAD Program.

## **HUD Tools**

As a starting point, MPHA considers how it can further its flexibility under MTW, as well as pursue special programs offered by HUD.

### *The Rental Assistance Demonstration (RAD) & Section 18 Programs*

The Rental Assistance Demonstration (RAD) and Section 18 Programs have been utilized around the country to preserve and reinvest in more than 100,000 units of deeply affordable housing. The RAD Program converts the traditional Operating and Capital Fund streams to more reliable Section 8 project-based funding, which allows housing authorities to create new partnerships and open themselves to opportunities for greater investment in the housing. Section 18 of the 1937 Housing Act allows access to Tenant Protection Vouchers (TPVs), which carry a higher subsidy thereby allowing the properties to leverage more debt for improvements. Under some conditions, HUD allows these tools to be used in tandem, offering even greater opportunities for long-term preservation.

### *Moving to Work (MTW) Enhancements*

As an MTW agency, MPHA has funding and regulatory flexibility to enhance our development activity. For example, enhancing rents using our MTW “single-fund flexibility” allows MPHA greater borrowing capacity, which in turn equates to additional building improvements. Resident rents remain unaffected while their homes benefit from greater enhancements.



### *A Preservation-Focused Alternative to the Declaration of Trust (DOT)*

HUD's legacy Declaration of Trust (DOT) inhibits MPHA's ability to raise money from other sources needed to reinvest in our public housing stock. Replacing DOTs with Land Use Restriction Agreements (LURAs) provides MPHA the flexibility to secure much needed capital investment while protecting long-term affordability for residents. HUD approved this activity in MPHA's 2019 MTW Plan, and it may apply to a limited number of properties where neither RAD nor Section 18 offer a path to funding and preservation.

### *Energy Performance Contracting*

In 2010, MPHA contracted with Honeywell International, Inc. to implement \$33.6 million of energy conservation measures throughout MPHA's properties. The contract was financed under HUD's Energy Performance Contracting (EPC) program incentive to borrow private capital to fund energy improvements. Although this project allowed MPHA to replace 40-to-50-year-old boilers and complete other energy-related improvements, MPHA needs to satisfy the EPC debt in order to utilize HUD's RAD and Section 18 Programs or other creative financing strategies. In 2020, MPHA worked with Honeywell and Bank of America to address outstanding debt issues at the Elliot Twins and our scattered sites portfolio. As we consider our next redevelopment projects, MPHA will once again work to satisfy this debt.

### *Choice Neighborhoods Program*

The Choice Neighborhoods program leverages significant public and private dollars to support locally driven strategies that address struggling neighborhoods with public or HUD-assisted housing through a comprehensive approach to neighborhood transformation. Local leaders, residents, and stakeholders, such as public housing authorities, cities, schools, police, business owners, nonprofits, and private developers, come together to create and implement a revitalization plan for a neighborhood.

## **Financing Tools**

In conjunction with the flexibility and programs available through HUD, MPHA will continue to pursue a variety of funding sources to augment HUD's tools.

### *Traditional Debt*

MPHA would borrow money from banks or other financial institutions to complete major improvements at its properties, much like homeowners and other housing providers do to finance improvements.

### *Soft Funding Sources/Grants*

MPHA has had success securing grants and soft loans from the state, county, city, and Federal Home Loan Bank for development activities. In 2020, the City of Minneapolis provided a \$2.3 million soft loan to help fund the energy improvements that are now underway at the Elliot Twins. MPHA has also received multiple rounds of state bond financing from the state for affordable housing preservation, most recently \$1 million for elevator modernization at 1611 South Sixth Street and window replacement at 600 18<sup>th</sup> Avenue North. In 2021, MPHA will continue pursuing local and other resources – such as a city tax levy – for its redevelopment efforts.

*Low-Income Housing Tax Credits (LIHTC) Program*

The LIHTC program is a key resource for creating and preserving affordable housing in Minneapolis and around the country. LIHTCs allow for creation of new partnerships to access tax credits that fund significant capital improvements at existing properties or help create new communities while offsetting investor tax basis. In 2020, MPHA utilized this program to successfully carry out the RAD conversion at the Elliot Twins where \$25 million in improvements are now underway. This significant investment is allowing MPHA to address all deferred needs, complete energy improvements and other property enhancements, add ten fully handicapped accessible units at the site, as well as constructing a single-story community building that will house increased resident amenities. A modernization of this magnitude has not been possible at our properties in the past and therefore we believe the program is an essential tool for our housing preservation and creation strategy.

## 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 24<sup>th</sup> 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.

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 06/30/2017

<b>Part I: Summary</b>					
PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: MN46P00250117 Replacement Housing Factor Grant No: Date of CFPP:		FFY of Grant: 2017 FFY of Grant Approval:	
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2019 <input type="checkbox"/> Revised Annual Statement (revision no: ) <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Original	Total Estimated Cost	Obligated	Total Actual Cost <sup>1</sup>
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—None expendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				
			10,232,133	10,232,133	10,232,133

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 06/30/2017

<b>Part I: Summary</b>				FFY of Grant: 2017 FFY of Grant Approval:	
PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: MN46P00250117 Replacement Housing Factor Grant No: Date of CFPP:			
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2019 <input type="checkbox"/> Revised Annual Statement (revision no.) <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	10,232,133	10,232,133	10,232,133	10,232,133
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director		Date		Signature of Public Housing Director	
Abdi Warsame		09/29/2020			

Digitally signed by Abdi Warsame  
DN: cn=Abdi Warsame, o=U.S.  
email=abdiwarsame@mppha.org, c=US  
Date: 2020.09.29 12:23:16 -0500

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFPP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.



## Federal FY of Grant: 2017

[illegible]

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.

## Federal FRY of Grant: 2017

[illegible]

<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

**Annual Statement/Performance and Evaluation Report**  
**Capital Fund Program, Capital Fund Program Replacement Housing Factor and**  
**Capital Fund Financing Program**

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 06/30/2017

<b>Part I: Summary</b>					
PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: MN46P00250118 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant 2018 FFY of Grant Approval:	
<input type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2019		<input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: ) <input type="checkbox"/> Final Performance and Evaluation Report			
Line	Summary by Development Account	Original	Total Estimated Cost	Obligated	Total Actual Cost <sup>1</sup>
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	14,993,413	14,993,413	14,993,413	14,993,413
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

**Annual Statement/Performance and Evaluation Report**  
**Capital Fund Program, Capital Fund Program Replacement Housing Factor and**  
**Capital Fund Financing Program**

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
**Expires 06/30/2017**

<b>Part I: Summary</b>				FFY of Grant: 2018 FFY of Grant Approval:	
PHA Name:		Grant Type and Number			
Minneapolis Public Housing Authority		Capital Fund Program Grant No: MN46P00250118			
Replacement Housing Factor Grant No:		Date of CFP:			
Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2019 <input type="checkbox"/> Revised Annual Statement (revision no.) <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant: (sum of lines 2 - 19)	14,993,413	14,993,413	14,993,413	14,993,413
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director		Date		Signature of Public Housing Director	
Abdi Warsame		09/29/2020			

Digitally signed by Abdi Warsame  
 DN: cn=Abdi Warsame, o=U.S.  
 email=abdiwarsame@mpispha.org, c=US  
 Date: 2020.09.29 12:24:40 -0500'

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

PHA Name:

Minneapolis Public Housing Authority

Grant Type and Number

CFRP (Yes/No): No  
Replacement Housing Factor Grant No:

Federal FFY of Grant: 2018

[illegible]

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup>To be completed for the Performance and Evaluation Report.

## Federal FY of Grant: 2018

[illegible]<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 06/30/2017

Part I: Summary		FFY of Grant: Est. 2019 FFY of Grant Approval:			
PHA Name: Minneapolis Public Housing Authority		Grant Type and Number: Capital Fund Program Grant No: Estimated MN46P00250119 Replacement Housing Factor Grant No: Date of CFFP:			
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2019 <input type="checkbox"/> Revised Annual Statement (revision no: ) <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Original	Total Estimated Cost Revised <sup>2</sup>	Obligated	Total Actual Cost <sup>1</sup> Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration		14,881,179	14,881,179	8,503,185
16	1495.1 Relocation Costs				5,143,212
17	1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

**Annual Statement/Performance and Evaluation Report**  
**Capital Fund Program, Capital Fund Program Replacement Housing Factor and**  
**Capital Fund Financing Program**

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
**Expires 06/30/2017**

<b>Part I: Summary</b>				<b>FY of Grant: Est. 2019</b>	
<b>PHA Name:</b> Minneapolis Public Housing Authority		<b>Grant Type and Number</b> Capital Fund Program Grant No: Estimated MN46P00250119 Replacement Housing Factor Grant No: Date of CFP:		<b>FY of Grant Approval:</b>	
<b>Type of Grant</b> <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2019 <input type="checkbox"/> Revised Annual Statement (revision no: ) <input type="checkbox"/> Final Performance and Evaluation Report					
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>		<b>Total Actual Cost<sup>1</sup></b>	
		<b>Original</b>	<b>Revised<sup>2</sup></b>	<b>Obligated</b>	<b>Expended</b>
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant: (sum of lines 2 - 19)	14,881,179	14,881,179	8,503,185	5,143,212
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
<b>Signature of Executive Director</b>		<b>Date</b>		<b>Signature of Public Housing Director</b>	
Abdi Warsame		09/29/2020			

Digitally signed by Abdi Warsame  
 DN: cn=Abdi Warsame, o=U.S.

email=abdiwarsame@mplpha.org, c=US  
 Date: 2020.09.29 12:25:17 -0500

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.



Federal FY of Grant: Est. 2019

[illegible]

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup>To be completed for the Performance and Evaluation Report.

[illegible]

<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 06/30/2017

<b>Part I: Summary</b>					
PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: Estimated MN46P00250120 Replacement Housing Factor Grant No: Date of CFPP:		FFY of Grant: Est. 2020 FFY of Grant Approval:	
Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2019		<input type="checkbox"/> Revised Annual Statement (revision no: ) <input type="checkbox"/> Final Performance and Evaluation Report			
Line	Summary by Development Account	Original	Total Estimated Cost	Obligated	Total Actual Cost <sup>1</sup>
1	Total non-CFP Funds		Revised <sup>2</sup>		Expended
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	15,935,790	15,935,790	0	0
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 06/30/2017

<b>Part I: Summary</b>			
<b>PHA Name:</b> Minneapolis Public Housing Authority		<b>Grant Type and Number</b> Capital Fund Program Grant No: Estimated MN46P00250120 Replacement Housing Factor Grant No: Date of CFFP:	
<b>Type of Grant</b> <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2019		<input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: ) <input type="checkbox"/> Final Performance and Evaluation Report	
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>	<b>Total Actual Cost</b>
		<b>Original</b>	<b>Revised <sup>2</sup></b>
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant:: (sum of lines 2 - 19)	15,935,790	15,935,790
21	Amount of line 20 Related to LBP Activities		0
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
<b>Signature of Executive Director</b> Digitally signed by Abdi Warsame DN: cn=Abdi Warsame, o=MPHA, email=abdi.warsame@mpsha.org, c=US Date: 2020.09.29 12:25:41 -0500		<b>Date</b> 09/29/2020	<b>Signature of Public Housing Director</b>

Abdi Warsame

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFF Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

## Federal FRY of Grant: Est. 2020

## Replacement Housing Factor Grant No:

[illegible]

<sup>2</sup> To be completed for the Performance and Evaluation Report.

PHA Name: Minneapolis Public Housing Authority

[illegible]

<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 06/30/2017

<b>Part I: Summary</b>					
PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: Estimated MN46P00250121 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant: Est. 2021 FFY of Grant Approval:	
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2019 <input type="checkbox"/> Revised Annual Statement (revision no: ) <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Original	Total Estimated Cost	Obligated	Total Actual Cost <sup>1</sup>
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				
			15,935,790	15,935,790	0
					0

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 06/30/2017

<b>Part I: Summary</b>				FFY of Grant: Est. 2021 FFY of Grant Approval:	
PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: Estimated MN46P00250121 Replacement Housing Factor Grant No: Date of CFP:			
Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2019		<input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no: ) <input type="checkbox"/> Final Performance and Evaluation Report	
Line	Summary by Development Account	Total Estimated Cost	Revised <sup>2</sup>	Obligated	Total Actual Cost <sup>1</sup> Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant: (sum of lines 2 - 19)	15,935,790	15,935,790	0	0
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director		Date	Signature of Public Housing Director		Date

**Abdi Warsame**

Digitally signed by Abdi Warsame  
DN: cn=Abdi Warsame, o=MPHA, email=abdi.warsame@mpha.org, c=US  
Date: 2020.09.29 12:26:22 -0500

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.



## Federal FRY of Grant: Est. 2021

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

**PHA Name: Minneapolis Public Housing Authority**

[illegible]<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 06/30/2017

Part I: Summary		FFY of Grant: 2017				
PHA Name:		FFY of Grant Approval:				
Minneapolis Public Housing Authority						
Grant Type and Number						
Capital Fund Program Grant No. MN46L00250117						
Replacement Housing Factor Grant No.						
Date of CFFP:						
<input type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2019		<input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Final Performance and Evaluation Report				
Line	Summary by Development Account	Original	Revised <sup>2</sup>	Obligated	Total Actual Cost <sup>1</sup>	Expended
1	Total non-CFP Funds					
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>					
3	1408 Management Improvements					
4	1410 Administration (may not exceed 10% of line 21)					
5	1411 Audit					
6	1415 Liquidated Damages					
7	1430 Fees and Costs					
8	1440 Site Acquisition					
9	1450 Site Improvement					
10	1460 Dwelling Structures					
11	1465.1 Dwelling Equipment—Nonexpendable					
12	1470 Non-dwelling Structures					
13	1475 Non-dwelling Equipment					
14	1485 Demolition					
15	1492 Moving to Work Demonstration		1,000,000		1,000,000	398,960
16	1495.1 Relocation Costs					308,217
17	1499 Development Activities <sup>4</sup>					

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

**Annual Statement/Performance and Evaluation Report**  
**Capital Fund Program, Capital Fund Program Replacement Housing Factor and**  
**Capital Fund Financing Program**

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
**Expires 06/30/2017**

<b>Part I: Summary</b>				<b>FY of Grant: 2017</b>	
<b>PHA Name:</b>		<b>Grant Type and Number</b>		<b>FY of Grant Approval:</b>	
Minneapolis Public Housing Authority		Capital Fund Program Grant No: MN46L00250117 Replacement Housing Factor Grant No: Date of CFP:			
<b>Type of Grant</b> <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2019 <input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Final Performance and Evaluation Report					
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>		<b>Total Actual Cost<sup>1</sup></b>	
		<b>Original</b>	<b>Revised<sup>2</sup></b>	<b>Obligated</b>	<b>Expended</b>
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant: (sum of lines 2 - 19)	1,000,000	1,000,000	398,960	308,217
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
<b>Signature of Executive Director</b>		<b>Date</b>	<b>Signature of Public Housing Director</b>		<b>Date</b>

**Abdi Warsame**

Digitally signed by Abdi Warsame  
 DN: cn=Abdi Warsame, o=U.S.

Date: 2020.09.29 12:26:45 -05'00'

email=abdiwarsame@mpshpa.org, c=US

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

## Part II: Supporting Pages

[illegible]

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

OMB No. 2577-0226

**Expires 06/30/2017**

### Part III: Implementation Schedule for Capital Fund Financing Program

PHIA Name: Minneapolis Public Housing Authority

Federal FTY of Grant: 2017

[illegible]<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

## **APPENDIX I: Board Resolutions Endorsing Formation of a Regional Moving to Work Agency**


[The following pages include board resolutions from MPHA  
and the Metropolitan Council Housing and Redevelopment Authority]

## **CERTIFICATE**

I, **Paula Sotelo**, Executive Assistant to the Executive Director/CEO and Board of Commissioners of the Minneapolis Public Housing Authority in and for the City of Minneapolis, do hereby certify that the attached **RESOLUTION** was duly adopted at a Special Annual Meeting of the Board of Commissioners of said Authority, held on July 22, 2020, and is a true and correct copy of the **RESOLUTION** adopted at said meeting and on file and of record in the official Minutes of said Authority.

**IN WITNESS WHEREOF**, I have hereunto set my hand and the seal of said Authority this 1st day of February 2021.

***I DO HEREBY CERTIFY THAT I AM DULY AUTHORIZED TO EXECUTE THIS CERTIFICATE.***

  
Paula A. Sotelo

**(SEAL)**





## Agenda Item 2

July 22, 2020

### RESOLUTION No. 20-200

**WHEREAS**, the Minneapolis Public Housing Authority (MPHA) has since 2008 been a fully designated Moving to Work agency under the United States Department of Housing and Urban Development's (HUD's) Moving to Work (MTW) Demonstration program, and

**WHEREAS**, the U.S. Congress, in the 2016 Appropriations Act, authorized the Secretary of the U.S. Department of Housing and Urban Development (HUD) to designate an MTW agency as a "regional Moving to Work agency" at the request of the MTW agency and one or more adjacent public housing agencies ("partner agencies"), and

**WHEREAS**, the Minneapolis Public Housing Authority (MPHA) and Metropolitan Council Housing and Redevelopment Authority (Metro HRA) submitted a joint letter to HUD Secretary Ben Carson on June 18, 2018 requesting such designation, and

**WHEREAS**, such a designation and the joint programs it would facilitate can create greater housing choice for low-income families in Minneapolis and adjacent areas under the purview of Metro HRA, as well as administrative efficiencies for both agencies, and

**WHEREAS**, HUD's MTW Program Director on January 15, 2020 provided a letter to MPHA and Metro HRA expressing that HUD was "supportive of this proposal in concept" and laying out "requirements that need to be met in order to set the groundwork" for the program, and

**WHEREAS**, MPHA finds these terms an acceptable basis upon which to proceed toward formal designation of MPHA as a Regional MTW Agency (via approval within MPHA's MTW Annual Plan), with Metro HRA as our initial partner agency in implementing a regional voucher program in the interest of our communities and families-served,

**NOW THEREFORE, BE IT RESOLVED** by the Board of Commissioners of MPHA that these terms shall form the basis of implementing any activities as a Regional MTW Agency, namely that:

1. MPHA accepts the status as the lead MTW agency administering any partner agency vouchers or other assets that the partner should choose to commit to the Regional MTW activities;
2. MPHA's funding shall be neither more nor less than it would otherwise be absent the Regional MTW designation and any activities undertaken under MPHA's capacity as the lead MTW agency;

3. Any vouchers or other assets to which MPHA, as a Regional MTW Agency, applies its MTW flexibilities shall be administered exclusively by MPHA, under formal agreement with the partner agency;
4. MPHA and any partner agency shall be jointly and severally liable for any violation of statute, regulation, or program requirement that may arise in MPHA's administration of the Regional MTW program, and HUD may take enforcement action against either or both agencies;
5. MPHA shall propose the Regional MTW Agency as an activity in its MTW Annual Plan, shall provide updates in its MTW annual plans and reports, and will amend and receive approval of its MTW plans or MTW Standard Agreement as needed to support these activities, including any future changes or expansions;
6. Policy decisions and program implementation shall still adhere to housing requirements outside the Housing Act of 1937, including Fair Housing, Civil Rights, and any others that may be applicable; and
7. Policy requirements for the regional MTW program shall be included in policies approved by this MPHA Board of Commissioners, including its Statement of Corporate Policies (successor to MPHA's Section 8 Administrative Plan).

**METROPOLITAN COUNCIL****390 Robert Street North, St. Paul, MN 55101****RESOLUTION NO. 2020-33****RESOLUTION AUTHORIZING THE DIRECTOR OF THE METROPOLITAN COUNCIL HOUSING AND REDEVELOPMENT AUTHORITY (METRO HRA) TO CONTINUE CONVERSATIONS WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TOWARD FORMING A REGIONAL MOVING TO WORK VOUCHER PROGRAM THROUGH THE MINNEAPOLIS PUBLIC HOUSING AUTHORITY****WHEREAS:**

Congress authorized the U.S. Department of Housing and Urban Development (HUD) to expand the Moving to Work (MTW) Program by 100 agencies and authorized the HUD Secretary to extend MTW status to one or more adjacent public housing agencies in the same area through Public Law 114-113, and

**WHEREAS:**

The Metro HRA and the Minneapolis Public Housing Authority (MPHA) submitted a joint letter to HUD on June 18, 2018, requesting a Regional MTW designation, and

**WHEREAS:**

The Metro HRA and the MPHA received a letter from HUD on January 15, 2020 expressing "support of this proposal in concept". The letter laid out basic requirements that need to be met in order to set the groundwork and move forward with preparing legal documents or other action items related to planning and implementation for the initiative, and

**WHEREAS:**

The Metropolitan Council understands continuing dialogue toward obtaining a Regional MTW designation with MPHA does not commit the Metropolitan Council to participation in the Moving to Work program and allows the Metropolitan Council additional decision-making ability during the formal approval and MTW Plan development process, and

**WHEREAS:**

The Metropolitan Council intends to comply with the Moving to Work Objectives and statutory requirements, if the Metropolitan Council becomes a Moving to Work agency,


**NOW, THEREFORE, BE IT RESOLVED BY THE METROPOLITAN COUNCIL**

That the Director of the Housing and Redevelopment Authority of the Metropolitan Council is authorized to continue conversations with HUD toward forming a Regional Moving to Work Voucher program through the Minneapolis Public Housing Authority.

Adopted this 23<sup>rd</sup> day of December 2020.



Charles A. Zelle, Metropolitan Council Chair



Elizabeth Sund, Recording Secretary