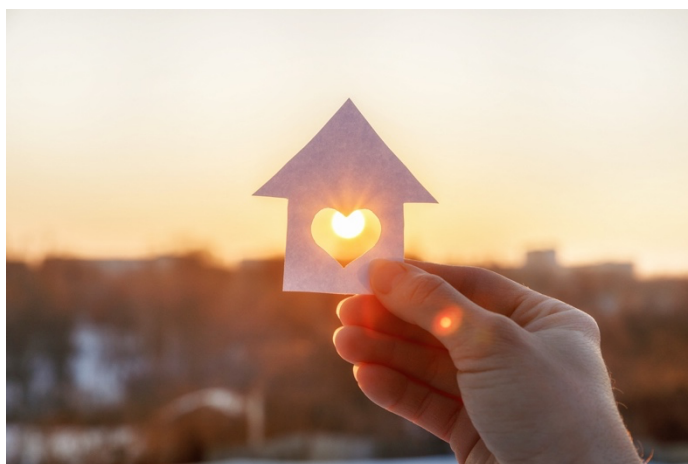


MOVING TO WORK ANNUAL PLAN 2023



Fiscal Year January 1 – December 31, 2023

Approved by the MPHA Board of Commissioners:

Submitted to HUD: 11/17/22

Revised and submitted to HUD: 02/23/2023

EQUAL HOUSING OPPORTUNITY – EQUAL EMPLOYMENT OPPORTUNITY



MINNEAPOLIS PUBLIC HOUSING AUTHORITY BOARD OF COMMISSIONERS

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MISSION STATEMENT

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

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.

The U.S. Department of Housing and Urban Development (HUD) has granted MTW status to 109 agencies nationwide. MTW status does not increase 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: MPHA staff at (MTW@mplspha.org)

 MplsPublicHousing
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www.MPHAOnline.org

MPHA 2023 MTW Annual Plan

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SECTION I - INTRODUCTION/OVERVIEW

A time for reflection and discovery

MPHA's long-term trajectory follows two board-approved documents. First, the *Strategic Vision and Capital Plan* commits MPHA to a 20-year vision to preserve and expand our public housing portfolio 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.

This dedication to the individuals who live within our community keeps the agency committed to leveraging resources to provide quality services. As we draft the Moving to Work plan for 2023, MPHA is undergoing a Strategic Planning process. Our approach, guided by The Bronner Group, LLC has an intentional focus on collaboration and inclusivity. Engagement with staff, residents, city, and county stakeholders have helped us complete a current state assessment. Understanding the dynamics, needs and priorities of these groups will assist MPHA in following a purpose-driven approach to developing agency priorities.



These last two years have been marked by difficulty and triumph. Though our world was turned upside down with COVID-19, it didn't take long for our team to adapt to navigate the uncharted territory. Our teams maintained resident services, prioritized resident and team member safety, and distributed masks in the agency's high-rises. And as COVID-19 vaccines became available, we worked with community partners to bring vaccine and booster clinics to MPHA residents.

Despite these shared challenges and uncertainties, the MPHA team's commitment to residents and voucher-holders has never wavered. MPHA remained resilient in meeting the changing needs of our residents. In Spring 2021, the COVID Relief fund application opened to support households in getting their past due rent paid. While many of our residents qualified for the RentHelpMN program, a very small percentage were able to navigate the application process on their own. By dedicating staff to conduct outreach, MPHA was able to provide technical support to make submission of an application tangible for our residents. Through this process over \$3.5 million was received to keep residents in their homes. In this process, MPHA was

reminded of the persistent trauma that exists from being housing insecure. This resulted in MPHA creating a full-time role to focus on housing stability to continue to coordinate resources for those who need it.

Our team has accomplished great work, built a solid foundation and we take the time to reflect and plan for the opportunities that lie ahead for innovation, collaboration, and partnerships that will make a lasting impact for our community.



NOTABLE MTW-SPECIFIC UPDATES

As an MTW housing authority, MPHA may waive certain federal regulations to meet local needs and better serve our Minneapolis community. In this 2023 Annual Plan, MPHA is not proposing any new initiatives nor major modifications to existing activities.

The agency's overall activities during the year align 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

Historically, federal capital funds meet about 10 percent of the capital needs of MPHA's public housing portfolio. 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 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.

Notable developments related to *Housing Preservation and Creation* include:

Completing the Elliot Twins Renovation: In late 2021, MPHA concluded 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 added another 10 fully accessible units. The RAD conversion permitted MPHA to access state housing bonds and Low-Income Housing Tax Credits to undertake this \$27 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 high-rise improvements, the Elliots project demonstrated the commitment and capacity of MPHA to provide temporary housing for residents affected by major construction work, with no permanent displacement. Most residents chose to remain on-site during construction. MPHA continues to manage the property, with long-term affordability protected by a 99-year ground lease.

MPHA's Family Housing Expansion Project: In October 2020, MPHA completed a Section 18 conversion of more than 700 units of family housing (four-plex, duplex, and mostly single-family) across the city, and transferred the ownership of these properties to its wholly controlled non-profit entity, Community Housing Resources (CHR). MPHA closely analyzed this portfolio to identify properties that would be good candidates for redevelopment and adding density. From this analysis MPHA identified 15 sites comprised of 21 units that could be redeveloped and replaced with 78 new PBV units. A sixteenth site acquired from the City of Minneapolis will be developed with six additional units, resulting in a total of 84 new scattered site family units. These new units will be more efficient to operate and improve the livability of the units for tenants. As with the Elliot Twins renovation, the project will access bonds and Low-Income Housing Tax Credits along with other soft

sources to create additional, deeply affordable family housing for our community. MPHA intends to close on the financing and break ground on construction in fall 2022. MPHA will conduct further analysis to identify additional opportunities for redevelopment to expand family housing opportunities.

Renovation Program for Scattered Site Homes: With additional tenant-protection-voucher funding as a result of a Section 18 conversion, MPHA has been exploring options to leverage additional financing to complete major repairs and renovations to assure our scattered site continues its essential mission. While staff continue to consider financing options for major, portfolio-wide improvements, the agency dedicated approximately \$3M in CHR resources in 2022 to complete renovations such as roof/siding replacement and kitchen/bath rehab in several homes. Jacob Frey, Mayor of the City of Minneapolis, announced in his budget brief on August 15, 2022, a proposal to invest \$3.7 million in Minneapolis Public Housing, building on previous ARPA investments. The Minneapolis City Council is expected to approve this budget proposal in December 2022. MPHA proposes to use these additional resources assist MPHA in the rehabilitation of the scattered site portfolio.

Additional Highrise RAD Applications: Page fourteen features' properties where MPHA is considering applications for RAD conversions in 2023, based upon analysis of our portfolio, agency priorities and other considerations. Each application and approval will follow the prescribed disclosures and public and resident engagement process as required by HUD. In mid-2022, MPHA began to engage in a robust process to revisit the agency's Strategic Vision including goals and priorities for other future conversions that will allow for housing preservation and creation. These will be more fully outlined in the agency's future MTW plan(s).

Ongoing Public Housing Capital Improvements: Using the limited federal funds we receive, along with any successful applications for Minnesota Publicly Owned Housing Program grants or other grant awards, we will continue to invest in high-priority repair and modernization projects, including building systems (plumbing, electricity, HVAC), elevators, window replacement, exterior masonry repairs, and fire suppression systems. A more detailed discussion of 2023 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.

Long-range Planning for Other Sites: As previously noted, MPHA is currently revisiting its Strategic Vision and continues conversations with our community partners and stakeholders 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 a master planning process to realize the long-term vision of the Heritage Park neighborhood and address capital needs of the Heritage Park AMP; how the agency may best utilize its Faircloth

authority including potential Faircloth to RAD conversions; and long-term conversations about the Glendale Townhomes, where we are committed to redevelopment to provide modern units for current and additional families access to an opportunity rich neighborhood.

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 2023.



EDUCATION, EMPLOYMENT, AND HEALTH

MPHA will continue our initiatives and partnerships devoted to economic opportunity, health, and wellbeing of seniors, persons with disability, families, and all households we serve. In 2023, we will continue to focus on:

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 2022, we brought on additional families, and worked with researchers to conduct program assessment. Based on community need and the initial success of the program MPHA looks forward to continuing to strengthen these partnerships to program expansion and serve additional families in 2023.

Expansion of Work by the Highrise Health Alliance: MPHA, the Minneapolis Health Department, Minneapolis Highrise Representative Council (MHRC), and partners from local government and healthcare sectors comprise the Highrise Health Alliance. In 2022, this collaboration brought COVID-19 vaccination and boosters directly to the community. As MPHA high-rise residents experience unmanaged health conditions, with much higher rates of emergency room visits and hospitalizations leveraging resources to better meet their needs has a meaningful impact. In 2023, the alliance will continue to bring together leaders from all sectors (health, mental health, social services, housing) to interpret data, identify priorities, and align services.

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.

Launch of Community Choice (Mobility Demonstration): In May 2021, The U.S. Department of Housing and Urban Development awarded MPHA and the Metropolitan Council's Housing and Redevelopment Authority \$5.2 million under the Housing Choice

Voucher Mobility Demonstration Program. The Demonstration builds on recent research that shows growing up in neighborhoods with lower levels of poverty improves children's academic achievement and long-term chances of success. The program will support MPHA and Metro HRA in addressing barriers to increasing housing choices by offering mobility-related supports. The program will also include a rigorous, independent evaluation with research partner, ABT Associates, to determine the supports most effective in helping families achieve success. The Demonstration will run for a 6-year period. The first year was a planning year with the program launching in September 2022.

Creating Book Rich Environments: MPHA became a Book Rich Environment (BRE) in spring of 2022. BRE is a collaborative effort aimed to provide diverse, high-quality books and other literacy tools to children and families assisted by housing authorities. MPHA received 5,000 books and will be using a variety of strategies to get these books into the hands of children in our community.



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 2023, we anticipate:

Leveraging technology to Increase Efficiency

The COVID-19 pandemic forced MPHA to pivot and move to a remote workforce (central office staff). The IT Department deployed laptops, cellphones, softphones, and other associated technology to allow staff to work from home, which was not previously part of MPHA's normal operations. In the last year, our Central Office Employees have been provided hybrid telework opportunities. Our IT department continues to troubleshoot and find new technology that allows staff to work from home. In January 2021, MPHA completed a software conversion to Yardi Software. This new technology has provided the agency with ways to simplify our business, including online waiting lists and recertifications and conducting mobile workorders and inspections. In 2023, MPHA will continue to expand the use of technology and convert our paper files to electronic document management systems. To increase efficiency and provide a variety of ways for MPHA residents to pay their rent, MPHA will implement a variety of payment processing solutions with the use of Yardi software.

Diving Deep on Agency Culture (including Diversity, Equity, and Inclusion):

MPHA is committed to looking at the role our housing programs play in addressing the historic legacy of structural racism in our community. In 2020 we began intensive work with to look internally at our own agency culture, our diverse and talented workforce, and our areas of strength and weakness. In 2022, we procured and contacted with a new Employee Assistance Program that provides culturally competent providers to meet the needs of our diverse workforce. Budgeting, policy implementation, new business processes and engagement will be examined through the lens of diversity, equity, and inclusion. We will evaluate exit data, and use data to strengthen our recruitment, hiring, onboarding, and training processes.

Exploring New Development Opportunities

Faircloth to RAD (FTR) is a new HUD initiative that authorizes Housing Authorities to create additional affordable housing in their communities. MPHA, under HUD's Faircloth limit, could develop additional housing units over its current stock and receive additional subsidy

through RAD conversion. MPHA expanded its total Faircloth Authority through the disposition of its Scattered Sites portfolio through Section 18. Converting these 705 units to MPHA's non-profit affiliate Community Housing Resources (CHR), additional opportunity to create more housing units through Minneapolis is possible. In total, MPHA could create an additional 892 units through this program, with potential partnerships with private and non-profit housing providers. Once the units are built HUD will convert the funding into Project Based Vouchers. Minneapolis Public Housing Authority is exploring the best way to increase the amount of deeply affordable housing in our community. The agency is exploring how this tool could be best leveraged to reach this goal. In this pursuit, MPHA may use MTW flexibility to fund rents as well as capital costs on new construction and where possible to ease the administrative burdens associated with this effort. This may include MPHA's Project Based Voucher program being leveraged to adjust HAP contract terms above the current FMR. Using MPHA's MTW Single-fund flexibility, the agency is exploring the possibility of allocating voucher funds which initial research suggest would enable MPHA to create two units of Faircloth to RAD affordable housing for each voucher committed to this process. MPHA looks forward to pursuing this program in 2023, and beyond to add deeply affordable housing to the city of Minneapolis. This tool will complement and add value to our existing development goals.

PROPERTIES FOR WHICH MPHA MAY APPLY FOR HOUSING PRESERVATION PROGRAMS IN 2023

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. In mid-2022, MPHA began to engage in a robust process to revisit the agency's Strategic Vision including goals and priorities for other future conversions that will allow for housing preservation and creation. In exploring our goals in advance of revisiting the agency's strategic vision, the properties listed below *may be considered* in 2023 or 2024 for repositioning, redevelopment, and/or recapitalization. These activities include federal programs (such as RAD and Section 18), federal/state/local grants, and other opportunities. Future portfolio development and/or redevelopment activities will be more fully outlined in the agency's 2024 plan, after an updated strategic vision is fully adopted.

Development	AMP	Units
Heritage Park – Sumner Phase IA	MN002000008, Heritage Park AMP	60
Heritage Park – Basset Creek	MN002000008, Heritage Park AMP	45
Heritage Park – Sumner II	MN002000008, Heritage Park AMP	57
Heritage Park – Heritage Park III	MN002000008, Heritage Park AMP	38
Lowry Towers	MN002000003, North AMP	193

If RAD is identified as the best way program to meet development needs, 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.

INFORMATION ON THE MPHA BUDGET

The following section contains information on MPHA's 2023 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 2022 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.

2023 MTW Budget Summary

	MTW Single Fund				Total MTW Programs
	Public Housing Operations	MTW Housing Choice Vouchers	Capital Fund Program	MTW Initiatives	
Sources					
Tenant Revenue -Rents & Other	17,887,600	-	-	-	17,887,600
Federal - Operating Subsidies & Grants	20,446,300	-	2,015,100	-	22,461,400
Federal - Operating Subsidies & Grants (ARF)	1,337,700	-	-	-	1,337,700
Federal - Section 8 Admin Fee Subsidy	-	3,277,600	-	-	3,277,600
Federal - Section 8 HAP Subsidy	-	57,002,600	-	-	57,002,600
Federal - Capital Grants	-	-	23,197,600	-	23,197,600
City Contribution	375,500	1,552,600	1,000,000	-	2,928,100
Interest Income	48,600	3,600	-	-	52,200
Central Office Fee Revenue	-	-	-	-	-
Property Management Services Revenue	-	-	-	-	-
Other Revenues, Fees, & Grants	732,000	13,687,400	-	-	14,419,400
Total Sources	40,827,700	75,523,800	26,212,700	-	142,564,200
Uses					
Property Management and Program Admin	8,879,500	3,856,200	10,000	287,200	13,032,900
Administration	-	-	-	-	-
Development Administration	-	-	-	-	-
Fees to COCC	5,639,100	1,053,800	2,005,100	-	8,698,000
Tenant Services	988,600	-	-	5,000	993,600
Utilities	7,581,400	-	-	-	7,581,400
Maintenance	13,093,900	5,600	-	-	13,099,500
Protective Services	3,597,700	-	-	-	3,597,700
Insurance & Casualty Loss	2,030,200	38,200	-	-	2,068,400
Other General	2,400,100	-	-	-	2,400,100
Debt Service	1,848,200	-	-	-	1,848,200
Housing Assistance Payments	-	63,484,500	-	-	63,484,500
Capital Improvements & Equipment	350,000	-	25,704,900	-	26,054,900
Total Uses	46,408,700	68,438,300	27,720,000	292,200	142,859,200
Net Operating Sources/(Uses)	(5,581,000)	7,085,500	(1,507,300)	(292,200)	(295,000)
Transfer in/(Out) for MTW Single Fund	5,581,000	(7,380,500)	1,507,300	292,200	-
Transfer in/(Out) for Collection Losses	-	-	-	-	-
Transfer in/(Out) for Stable Homes Stable Schools	-	295,000	-	-	295,000
Net Operating Sources/(Uses) after Transfers	-	-	-	-	-
Estimated Reserves¹ as of Dec. 2022	15,603,300	981,000	-	-	16,584,300
Budgeted Changes in Reserves	-	-	-	-	-
Estimated Reserves¹ as of Dec. 2023	15,603,300	981,000	-	-	16,584,300

¹ Reserves are defined as Unrestricted Net Position

FISCAL YEAR 2023 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 2023 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 2023, MPHA’s 2023 MTW Budget estimates funding levels based on prior year appropriations. MPHA is planning that federal subsidies and grants will remain at the 2022 levels.

The 2023 MTW Budget estimates HUD will provide 100 percent of the Public Housing Operating Subsidy formula. 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 91 percent of the formula amount. The budget also estimates that the public housing Capital Fund award will match the amount awarded to MPHA in 2022 (approximately \$20 million).

The Budget includes Asset Repositioning Funds (ARF) and Demolition/Disposition Transitional Funds (DDTF) that related to MPHA’s scattered sites sale. 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.

The budgeted sources of funds are slightly greater than \$142 million. It is anticipated that \$23 million will come from Capital Fund Grant resources, nearly \$18 million from tenant rents, \$22 million from public housing operating subsidy, and just over \$60 million in Housing Choice Voucher funding. The remaining funding for the activities comes from local sources, interest

earnings, and repayment of housing assistance from other housing authorities whose voucher holders rent in Minneapolis.

On the spending side, the 2023 MTW Budget estimates spending at \$142 million. The budget assumes housing assistance to cover 4,503 MTW vouchers on average each month and continues MPHA's rent reform initiative with payment standards increased approximately 8% higher than the 2022 budget. The planned expenditures for major public housing building rehabilitation is \$25.7 million. More detail on this can be found 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 operations 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 2023 (MPHA's fiscal year is January to December). Additionally, HCV HAP subsidy will be used to fund locally designed MTW Initiatives and program administration. A breakdown of the use of HCV HAP subsidy is presented in the following schedule.

Estimated	Use of HCV HAP Funding
MTW HAP Subsidy	57,002,600
MTW Paid HAP Expenses (excludes Port-In)	48,931,900
MTW HAP Gain/(Loss)	8,070,700
Used for Capital Improvements	(1,507,300)
Used for HCV Administration	(690,200)
Used for Public Housing Operations	(5,581,000)
Used for Locally Designed MTW Initiatives and Program Administration	(292,200)
Net Gain/(Loss)	-

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.

MTW reserves are projected at \$16.6 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 eligible uses in the grant award. By way of comparison, MPHA holds \$16.6 million in reserves in the context of a \$140 million annual MTW budget and estimated \$210 million in capital needs.

The following schedule presents the 2023 MTW Budget in a slightly different format from what HUD requires on the HUD-50900.

SECTION II - GENERAL OPERATING INFORMATION

HOUSING STOCK INFORMATION

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
N/A	0	0	0	0	0	0	0	N/A	0	0

Total Public Housing Units to be Added in the Plan Year

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

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

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 which were a result of the Hollman v. Cisneros Consent Decree. Many are located outside the City of Minneapolis. MPHA is working to operationalize a transition of the MHOP portfolio to convert the units to Project Based Vouchers (PBV). The aim is to streamline operations for both the housing authority, owners, and residents. Potentially, this may include MPHA completing a partial voluntary transfer of some of these units as well as TPV vouchers to a PHA that operates in the property's jurisdiction.

MN002000002	5	Within its scattered sites/AMP 2 portfolio, MPHA has five public housing units that MPHA will apply for Section 18 Demolition/Disposition in 2022/23. These were held out of MPHA's previous disposition to allow time to further evaluate the property's capital needs and develop an appropriate preservation strategy. Post-conversion, the ownership of these properties will be transferred to MPHA's non-profit entity, CHR, and will be modernized utilizing CHR resources.
	311	Total Public Housing Units to be Removed in the Plan Year

Planned New Project Based Vouchers

Tenant-based vouchers that MPHA anticipates project-basing for the first time during the Plan Year. These include only those in which at least an Agreement to enter 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).

Planned New Project Based Vouchers

MPHA/CHR is planning an 84 units new scattered site development that will consist of 16 sites and break ground in fall 2022. This project will result in the demolition of 21 units (Converted to project-based vouchers in 2020), 17 units of which currently have a HAP and project-based vouchers. Four of the units have been converted but are unassisted as the unit cannot pass HQS. MPHA will likely need to project base an additional 67 vouchers into the project and will make this commitment in 2022.

Property Name	# of PBV Vouchers	RAD?	Description	AHAP?
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 is working in partnership with Metro HRA to operationalize Phase 1 that would convert the 98 units outside of MPHA's jurisdiction. We will continue to work on a plan for PBV conversion for the 208 remaining MHOP units in MPHA's jurisdiction	No
MN002000002 AMP 2 Scattered Sites	5	No	MPHA will apply for a Section 18 Demolition/Disposition for five public housing scattered sites. If the application is approved, all would be transferred to Project-Based Vouchers	No

3301 Nicollet	10	No	High priority homeless and low income	No
46 th & Hiawatha	24	No	Low income	No
Emerson Village (previously Minneapolis Supportive Housing)	40	No	High priority homeless, disabled and low income families	No
Snelling Yards (Workforce)	13	No	High priority homeless, low income, VASH	No
Wadaag Commons	16	No	Long term homeless, disabled, low income	No
Walker Methodist Raines	27	No	Long term homeless, elderly, disabled, low income	No
Plymouth Ave Apartments	7	No	Low income, high priority, homeless disabled	No
St. Stephens Housing	22	No	Long term homeless and disabled	No
Whittier Community Housing II	40	No	High priority homeless, low income	No
Currie Commons	40	No	Disabled, high priority homeless, low income	No
Calvary Apartments	26	No	Low income	No
Kyle Garden Square	27	No	Low income	No
3030 Nicollet	12	No	Low income	No
Aeon 805 2nd	25	No	Elderly, low income	No
Agra	18	No	Low income	No
550 West Lake St. Apartments	18	No	Low income	No
2120 Minnehaha Apartments	5	No	Low income	No
Canvas Apartments	11	No	Low income	No
Clare Housing - Expansion	12	No	Homeless and disabled	No
			Total New Vouchers to be Project-Based	704

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 the 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	25	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
Family Housing Resources	67	Committed	No	Serves low-income people

Franklin Portland	7	Leased/Issued	No	Serves low-income people
Gateway Northeast	26	Leased/Issued	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	10	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 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
Timber & Tie (Formerly 14 th and Central)	25	Leased/Issued	No	Low-income housing. projected

Snelling Yards (Senior Housing)	11	Committed	No	Homeless veterans (PBV VASH).
Scattered Sites	705	Leased/Issued	No	Low-income families.
2528 13 th Ave S	1	Committed	No	Low Income Family
Bloom lake Flats	25	Committed	No	HIV/AIDS, High Priority Homeless, Low Income
Endeavors (previously Exodus 2)	56	Committed	No	High priority homeless, disabled, VASH
Fire Station One	18	Committed	No	High priority homeless, Low Income
Lydia - Expansion	40	Committed	No	Disabled Homeless
Peregrine Apts	25	Committed	No	Low Income Families
Shelby Commons	12	Committed	No	High priority homeless, disabled, low income
Elliot Twins	184	Leased/Issued	Yes	Low Income
	1982	Planned Total Existing Project-Based Vouchers		

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

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.

PLANNED OTHER CHANGES TO MTW HOUSING STOCK ANTICIPATED IN THE PLAN YEAR
MPHA will continue to explore 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 government and private funders.
MPHA continues to operate a homeownership program; Lease-to-Own, which provides a pathway from rental to homeownership. At this drafting, MPHA expects to have sold 16 of the original 20, with four remaining (see LNT – Homeownership).
Although there are currently no specific plans for these properties, MPHA continues to contemplate the long-term vision for the Heritage Park neighborhood including the Phase III and IV parcels located south of Olson Highway and the 4.3 acres 555 Girard Terrace site. Options may include disposition and/or development and MPHA will continue studying them into 2023.
The affordable housing development, Agra, that MPHA has planned PBVs for is being constructed adjacent to one of MPHA's high rise properties, 2728 East Franklin Avenue. The project's developer has approached MPHA about acquiring a small sliver of land at that property, as the land is separated from MPHA's primary property by a driveway and does not provide any benefit to our property or its residents. Further, future maintenance of this land will be better served by the new development. MPHA intends to submit a Section 18 disposition application for HUD's consideration in late 2022/early 2023. Our process will involve engaging the building's residents, though this disposition will have no adverse impact.
MPHA will be holding units vacant due to modernization at our 1314 44 th Avenue North (MN2-37, AMP 3) building. MPHA may also hold units vacant due to modernization at other sites where construction activities or pre-development planning work will be underway in 2023. These include: 315 Lowry Avenue North (MN2-23, AMP 3), 314 Hennepin Avenue (MN2-42, AMP 3), 600 18 th Avenue North (MN2-25, AMP 3), Hiawatha Towers (MN2-9, AMP 5), 1707 3 rd Avenue South (MN2-24, AMP 5), and the Cedars (MN2-6, AMP 6).

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.

GENERAL DESCRIPTION OF ALL PLANNED CAPITAL EXPENDITURES DURING THE PLAN YEAR

MPHA bases its capital activities on an expected Capital Fund Program (CFP) allocation of \$20 million for 2023. CFP funded activities that were initiated under previous funding cycles, but not fully completed in prior years, will carry over and experience expenditures in 2023. Additionally, a portion of the activities slated for 2023's \$20 million budget will not be fully expended in 2023 and will carry into 2024. MPHA has estimated approximately \$27.7 million in Capital Fund expenditures for FY2023 targeting specific projects in six of its seven Asset Management Projects (AMPs). These capital activities and expenditures are based on assumptions including: final formula amounts at the 2022 levels and receipt of grant by the end of March 2023; and, MPHA's ability to complete identified improvements within noted budgets at its properties despite challenges associated with construction and commodity markets in historic fluctuation. Further, the plan and expenditures are subject to change as the agency goes through its annual budgeting process including budget approval by the MPHA Board of Commissioners.

Included in the \$27.7 million Capital Fund expenditures are pre-development work associated with any RAD conversions the agency pursues, comprehensive building modernization; building systems (HVAC, plumbing, electrical) upgrades, roof, window and façade work, elevator modernization, security enhancements, and ongoing fire suppression systems installations in our high-rise AMPs 1, 3, 4, 5, 6, and 7. Details of this activity can be found in Appendix F. In performing its capital work, MPHA adheres to Federal, State and Local code and regulatory processes.

LEASING INFORMATION

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 PBV (estimated above) or non-MTW vouchers (estimated at 1274 in 2022).]

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	61,200	5,100
MTW Housing Choice Vouchers Utilized	38,400	3,200
Local, Non-Traditional: Tenant-Based^	2,880	240
Local, Non-Traditional: Property-Based^	1,164	97
Local, Non-Traditional: Homeownership^	72	6
Planned Total Households Served	103,716	8,643

“Planned Number of Units 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*
Tenant-Based	2020-3 Flexible Subsidy (TBD)	600	50
	2018-2 GO Housing (SHSS)	2,160	180
	2018-2 GO Housing (Better Futures)	120	10
Property-Based	2020-3 Flexible Subsidy (Hook & Ladder)	120	10
	2018-2 GO Housing (GRL)	444	37
	2016-3 Supp. Housing for Youth	600	50
Homeownership	2010-4 Lease-To-Own Initiative	72	6

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.

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 has established a creative partnership with the Northside Achievement Zone (NAZ) which is a collaboration of organizations and schools helping families in a geographic "Zone" of North Minneapolis to prepare children to graduate from high school ready for college. Families who agree to move into the NAZ area are allowed to apply even when the waiting list is closed, with the requirement that they accept a unit in the "zone". The MPHA public housing elderly/disabled waiting list remains open.
MTW Housing Choice Voucher	Minneapolis has a tight rental market with a vacancy rate of less than 5%. 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.
Local, Non-Traditional	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.

WAITING LIST INFORMATION

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	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	7,352	Open	Yes
Public Housing Family	Families with at least one dependent	3,123	Closed	Yes
Housing Choice Voucher Program	Income eligible households	2,450	Closed	TBD

Please describe any duplication of applicants across waiting lists:

Families and individuals may apply to multiple lists if they meet the eligibility criteria.

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).

SECTION III - Proposed MTW Activities

No activities in 2023

SECTION 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 M TW 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.

IMPLEMENTED ACTIVITES

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, allowing use of funds for local, non-traditional activities (approved as part of MPHA's Second Amendment to the MTW Agreement), expanding current properties, 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.

All activities related to acquisition and development will comply with PIH Notice 2011-45 in addition to Attachment C of the MTW Agreement. Further, activities will comply with PIH 2017-21 and the required input and documentation of project-based vouchers (PBV) units at all PBV properties.

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. 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. While the agency will formulate and ultimately adopt a revised Strategic Vision in the near future, MPHA continues to carry out its mission in alignment with these documents.

Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report) MPHA does not plan any changes to the metrics, or data in the plan year. However, in addition to this Activity's potential role in the preservation of MPHA's public housing properties, MPHA may use funds for local, non-traditional activities, which was approved as part of MPHA's Second Amendment to the MTW Agreement. In addition, MPHA may use this activity to commit MTW Funds for pledging and satisfying guarantee commitments related to Section 8 and Section 9 housing units and for other affordable housing eligible as local, non-traditional activities. MPHA will exclude from any such pledge or guarantee commitment the ability of any beneficiary to foreclose public housing assets as a means of fulfilling the pledge or guarantee.

<i>HC#1: Additional Units of Housing Made Available</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household give that type in this box)	0	67 - Family Housing for Scattered Sites New Construction (This is 84 units less the 17 existing assisted units). 16 of these units will be ADA compliant and 17 will be dedicated to families experiencing homelessness	N/A for the Plan	N/A for the Plan

<i>HC#2: Units of Housing Preserved</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box.	5	5 Family Housing Units for rehab	N/A for the Plan	N/A for the Plan

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.

<i>CE#1 Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$28,509	\$2,479	N/A for Plan	N/A for Plan

<i>CE#2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	1150 Hours	100 Hours	N/A for Plan	N/A for Plan

<i>CE#3: Decrease in Error Rate of Task Execution</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	1	0	N/A for Plan	N/A for Plan

Not an objective of this activity

Triennial Income Recertification for Households in Public Housing (2018 – 3)

Biennial Income Recertifications Approved and implemented, 2018. Amended, 2022

Objective: Cost-effectiveness, Self-Sufficiency

Description/Update

This initiative, which was approved and implemented in 2018, changed income certification of non-elderly, non-disabled families to every other year, rather than annually. Residents may still request interim recertifications or utilize a hardship policy if they believe they are adversely affected by this 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 for biennial recertifications for fixed-income households at each new, interim, or recertification. It is fully phased-in.

Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report) MPHA plans changes to this activity in the plan year. MPHA is amending this existing activity to recertify every three years (instead of biennially) for public housing households who are not on a fixed income. MPHA must reexamine the status of each tenant family relating to eligibility for continued occupancy, the rent charged and the household composition, once every three years for families who are not paying Flat Rent.

MPHA has maintained its policy of reporting changes in income. MPHA's existing Statement of Operating Procedures state, "Once the Rent is established, the rate will be effective until the next scheduled reexamination unless there is a decrease in the income or an increase in income of \$100 or more per month. Tenant Family Members must report all changes in income, changes in source of income, or changes in household composition within five days. MPHA will not reduce Rent at an interim reexamination when the tenant has not cooperated with the scheduled re-exam. During an interim reexamination, only the information affected by the changes being reported will be reviewed and verified."

MPHA continues interim recertifications for any household that is required to be recertified or who requests recertification due to a change in circumstances.

Residents may still request interim recertifications or utilize a hardship policy if they believe they are adversely affected by the triennial schedule.

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 and verify if there any new jobs that households did not report.

<i>CE#1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$31,310	\$15,000	N/A for Plan	N/A for Plan

<i>CE#2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	1,263 Hours	632 Hours	N/A for Plan	N/A for Plan

<i>CE#5: Increase in Agency Rental Revenue*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total Household contributions towards housing assistance.	\$20,050,000	\$20,500,000	N/A for Plan	N/A for Plan

*Not an objective of this activity.

<i>SS#1: Increase in Household Income</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$26,600	\$27,400	N/A for Plan	N/A for Plan

<i>SS#3: Increase in Positive Outcomes in Employment Status*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?*
(1) Employed Full-Time	400	0	N/A for Plan	N/A for Plan
(2) Employed Part-Time	800	0		
(3) Enrolled in an Educational Program	0	0		
(4) Enrolled in Job Training Program	0	0		
(5) Unemployed	300	0		
(6) Other	0	0		

*Not an objective of this activity.

<i>SS#4: Households Removed from Temporary Assistance for Needy Families*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (increase).	265	250	N/A for Plan	N/A for Plan

<i>SS#8: Households Transitioned to Self-Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self- sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided.	50	70	N/A for Plan	N/A for Plan
* Self-Sufficiency Definition: Public housing residents whose rent increased to the flat rent amount for their unit.				

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 98 units of public housing in 16 cities in the Metropolitan Housing Opportunity Program (MHOP), as well as 206 mixed-finance units, 200 of them are 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 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 98 MHOP units outside of MPHA's jurisdiction, MPHA continues to explore options on how to convert these units for tenants, and owners to receive the rewards of increased cost-effectiveness. 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.

<i>CE#1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$72,000	\$35,000	N/A in the Plan	N/A in the Plan

<i>CE#2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	1,136 Hours	550 Hours	N/A in the Plan	N/A in the Plan

<i>MPHA Metric</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of Units Converted	306	12	N/A in the Plan	N/A in the Plan

*Activity in planning stage

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 general, this activity provides MPHA with a broad range of ways to utilize funds directly or indirectly for housing opportunities for the people we are able to serve. Consistent with MPHA's MTW Agreement and HUD's Notice 2011-45 titled, "Parameters for Local, Non-Traditional Activities under the Moving to Work Demonstration Program," MPHA's rental housing subsidies within this activity includes but are not limited to: supportive housing programs and services; homeless/transitional housing programs and services; support of existing local rental subsidy programs; creation of unique local rental subsidy programs to address special needs populations. Service provision includes but is not limited to services for residents of other PHA-owned or managed affordable housing that is not public housing or Housing Choice Voucher assistance, services for low-income non-residents and supportive services subsidies or budgets for low-income families. 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 2023 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 Collection – Planned (Annual Plan) or Actual (Annual Report)

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

Planned Non-Significant Changes, Planned Significant Changes

MPHA is seeking authorization for expending MTW funds in connection with development loan guarantees as part of this activity.

Attachment C of the MTW Agreement regarding "Single Fund Budget with Full Flexibility" defines "MTW Funds" as funding awarded to the agency annually for the public housing Capital Fund, public housing Operating Fund and Section 8 vouchers. Attachment C also states that the MPHA may use those funds for any activity that otherwise would be eligible under those sections of the Act. The agreement also includes housing development activities as among those eligible expenditures, to include but not be limited to a number of listed activities including financing and other related activities.

MPHA would like to clarify that it will be permitted to pledge and use MTW funds for fulfilling Guarantees related to the production, rehabilitation, and financing of PBV, and other non-PBV low-income units, by its instrumentalities. We believe that this step would provide additional comfort to both MPHA and lenders or investors of MPHA's authority to proceed with these commitments. MPHA, and its instrumentalities intend to close on financing in 2022 that will require such guaranteed commitments.

<i>HC#1: Additional Units of Housing Made Available</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household give that type in this box)	0	84	N/A for the Plan	N/A for the Plan

<i>HC#2: Units of Housing Preserved</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box.	0	0	N/A for the Plan	N/A for the Plan

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

<i>HC #7: Households Assisted by Services that Increase Housing Choice</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	0	0	N/A for the Plan	N/A for the Plan

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. A set number of subsidies are allocated for eligible individuals/families. The specific provider or program team then provides services with funding from other sources not provided by MPHA. A set number of subsidies are allocated for eligible individuals/families. The specific provider or program team then provides services with funding from other sources not provided by MPHA. Partners 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:

1. 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.
2. Establish specific program participation requirements tied to partner programs and supports as well as other requirements necessary to demonstrate progress in meeting program goals.
3. Explore creation of a workforce housing development at MPHA properties and/or create a new workforce development in concert with MPHA partners.
4. 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.
5. 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).
6. Explore home ownership vouchers as incentives.
7. Consider setting aside or creating sponsor-based subsidy programs to better coordinate with partner programs and services.

8. Make available local project-based vouchers targeted at developments near partner services and supports.

Program elements may include:

- Partnerships with:
 - Schools – pre, elementary and middle, secondary and post-secondary
 - Supportive services providers
 - Vocational skills providers
 - Employment providers
 - Tenant/participant savings initiatives
 - 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 others school – family initiatives)

Specific 2023 initiatives under Goal-Oriented 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.

When the program began in 2019, 79 families were eligible for rental assistance, which included 271 children. Since then, the program has incrementally grown to serve over 150 families. Our three-year pilot has concluded and based on initial evaluations our partners are interested in an expansion. In the short-term the need is high across all age groups to stabilize families. The long-term outlook for the program will continually depend upon Minneapolis city funding, trends in the program analysis, and priorities of the Minneapolis City Council. Despite these fluctuations, MPHA will ensure 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.

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.

<i>SS#1: Increase in Household Income</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).*	\$24,976	\$25,376	N/A for the Plan	N/A for the Plan

**Income of families with employment income.*

<i>SS#2: Increase in Household Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy in dollars (increase).	0	0	N/A for the Plan	N/A for the Plan

**Asset information is not collected and there is no escrow program for this activity.*

<i>SS#3: Increase in Positive Outcomes in Employment Status</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(1) Employed Full-Time	7	20	N/A for the Plan	N/A for the plan
(2) Employed Part-Time	15	30		
(3) Educ. Program	N/A	0		
(4) Job Training Program	N/A	0		
(5) Unemployed	22	10		
(6) Other	0	0		

<i>SS#4: Households Removed from Temporary Assistance for Needy Families</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	25	15	N/A for the Plan	N/A for the Plan

**Given ongoing program expansion to new homeless families, we would expect growth in this number (in the initial years) to outweigh families who advance toward self-sufficiency.*

<i>SS#5: Households Assisted by Services that Increase Self-Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0	70	N/A for the Plan	N/A for the Plan

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

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

SS#7: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total Household contributions towards housing assistance (increase).	0	0	N/A for the Plan	N/A for the Plan

**Not a feature of the one program currently covered by this activity.*

SS#8: Households Transitioned to Self-Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).*	0	10	N/A for the Plan	N/A for the Plan

** Self-Sufficiency defined as graduation / no longer requiring subsidy.*

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. 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, 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.

CE#1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$51,000	2020: \$35,700 (30% decrease)	N/A for the Plan	N/A for the Plan
<i>* Metrics for this activity could not be calculated for 2020, as the activity was not fully implemented given the conditions of COVID-19. Under appropriate HUD waivers, MPHA did not perform the inspections it would otherwise have performed under this activity, thus providing a basis to calculate metrics. We expect to fully implement in 2021.</i>				

CE#2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	0	2020: - 700 hours (increase)*	N/A for the Plan	N/A for the Plan
*MPHA does not currently spend any staff time inspecting these units, so the baseline is zero. This activity uses MPHA staff in lieu of paying a third party, so we would expect an <u>increase</u> in staff time, which will be reported here as a negative number.				

CE#3: Decrease in Error Rate of Task Execution				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease)*	50%	2020: 50%	N/A for the Plan	N/A for the Plan
*Measured as the percentage of units that fail initial HQS inspection. MPHA does not expect this activity to fundamentally change those dynamics, but will track and observe outcomes.				

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 Sumner field 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 2023, 16 units of the original 20 will have been sold. We will continue our work to close on the remaining homes.

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.

<i>SS #1: Increase in Household Income</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$39,000	\$53,176	N/A for the Plan	N/A for the Plan

SS #2: Increase in Household Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow affected by this policy in dollars (increase).*	0	\$750 per-household average	N/A for the Plan	N/A for the Plan

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided.	0	2	N/A for the Plan	N/A for the Plan

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

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

<i>HC #6: Increase in Homeownership Opportunities</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households that purchased a home as a result of the activity (increase).	0	4	N/A for the Plan	N/A for the Plan

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 vouchers 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 of 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 that was living in an under-occupied scattered-site unit when MPHA converted 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.

Typically, MPHA would require the family to accept or reject the unit within two days and to move within 15 days after the family accepts the unit and within three days after signing the lease. MPHA may provide additional time, for example, to mitigate a hardship related to the school calendar or illness within the family, or as a reasonable accommodation for a person with a disability. If the family does not relocate within the required time, MPHA expects to terminate assistance for the unit and that the owner will move to evict the family.

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.

MPHA has 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 the 2020 plan, this activity integrated two closed-out activities: Shelter to Home - PBV (2016-1); Targeted Project-Based Initiative (2011-1).

2023 Use of Previously Existing MTW Authorizations

While MPHA retains the ability to use and may use all the above authorizations in the future, MPHA expects to use them as follows in 2023. MPHA will use the ability to project-base to PHA-owned units without following a competitive process as needed in connection with the 84-unit new construction project described below. MPHA does not plan to (1) use the MTW authorizations to adopt a different competitive process for non-PHA-owned units or (2) substitute a Letter of Commitment or other pre-issuance of a HAP action for an Agreement to Enter into Housing Assistance Payments Contract. MPHA expects to waive the cap on the proportion of a development that will be project-based for the 84-unit new construction project. MPHA may exceed the 20% cap on allocation of vouchers to PBVs.

MPHA uses owner-managed, site-based waiting lists for all PBV projects after their initial occupancy. MPHA uses the MTW authorization to carry over public housing tenant protection-related provisions for its scattered-site PBV units and may do so for the 84-unit new construction project. MPHA is not applying rent reform to PBV units. MPHA is applying the MTW-authorized modifications regarding treatment of households in wrong-sized scattered-site units.

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 any RAD applications MPHA might make in the future, 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 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.

MPHA may implement changes to the local PBV program to increase efficiency in several respects, now that MPHA has converted over 700 scattered-site units to PBV. First, MPHA may simplify rent reasonableness practices, by means that may include among others (1) allowing a new annual rent to go into effect without a new rent reasonableness study when the new rent would be authorized under the previous rent reasonableness study, and (2) omitting rent

reasonableness studies for particular units and instead explicitly relying on completed rent reasonableness studies already completed for units with similar characteristics (e.g., same bedroom size and neighborhood). Second, to even out management staff workload, MPHA may stagger annual rent increase dates and may rely on increased fair market rents without rent reasonableness studies to authorize rent increases during interim periods that will facilitate the transition to staggered dates.

<i>HC#1: Additional Units of Housing Made Available</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household give that type in this box)	0	25 63 Family Housing – Scattered Sites New Construction (This is 84 units less than 21 existing assisted units).	N/A for the Plan	N/A for the Plan

<i>HC#2: Units of Housing Preserved</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box.	0	891 21 Family Housing – Scattered Sites New Construction (21 existing assisted units that will be redeveloped).	N/A for the Plan	N/A for the Plan

In late 2022, subject to applicable HUD approvals, MPHA expects to undertake a 3–6-month demolition of 21 PBV-assisted scattered site units and their replacement construction period with 84 PBV and low-income housing tax credit-assisted modular units on those sites. Current residents will remain subsidized throughout the process, be relocated temporarily for the 3–6-month demolition and construction period and move into the new PBV- assisted units. MPHA expects to use this activity both to assure that the residents’ treatment reflects the reality that they will be continuously subsidized and moved into the new construction and to facilitate the HAP contract transition from the current PBV units to the modular PBV units. MPHA would not provide notice for terminating contracts under 24 CFR 983.206 or allow residents to move with their assistance under HUD Notice PIH 2017-21, Attachment K (implementing new Section 8(o)(13)(F)(iv) of the U.S. Housing Act of 1937 added by the Housing Opportunity Through Modernization Act of 2017), irrespective of any potential applicability of these provisions. MPHA also may modify HAP and/or AHAP contract rules as needed to allow for partial assignment of the current HAP contract to the new units with the necessary contract revisions, for that assignment or the commencement of new HAP contracts on a staggered basis as households move into the completed units, or as otherwise needed to assist the transition for these households and MPHA and satisfactory to the participating lender(s) and tax credit investor(s).

HC#4: Displacement Prevention				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households at or below 80% AMI that would lose assistance or need to move (decrease). If units reach a specific type of household, give that type in this box.	0	200*	N/A for the Plan	N/A for the Plan
*This benchmark turned out to be higher than the number of families who were ultimately affected by the change. While short of the benchmark, the outcome is considered fully successful, as every family intended to be protected under this activity was protected and remained housed.				

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.

<i>CE #5: Increase in Agency Rental Revenue - Public Housing</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Rental revenue in dollars (increase).	\$221,400.00	\$450,000	N/A for Plan	N/A for Plan

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.

HUD announced in April 2021 that nine lead public housing authorities (PHAs) will participate in HUD's new Housing Choice Voucher (HCV) Mobility Demonstration. Under the demonstration, MPHA received 37 vouchers and Metropolitan Council Housing & Redevelopment Authority (MCHRA) received 37 vouchers. Through this Demonstration, these sites will provide families

with children better access to low-poverty neighborhoods with high-performing schools and other strong community resources. The Demonstration builds upon recent research that shows growing up in neighborhoods with lower levels of poverty improves children's academic achievement and long-term chances of success and reduces intergenerational poverty. Children who move to low-poverty neighborhoods have also been shown to experience lower rates of hospitalizations, lower hospital spending, and some changes in mental health over the long-term follow-up. Adults given the chance to move to low-poverty neighborhoods experience reductions in obesity and diabetes.

MPHA and Metro HRA have been using the initial planning year of the Community Choice Demonstration to plan and prepare the program design based upon HUD guidelines and with the support of technical assistance from HUD provided vendors. We launched the pilot in September 2022 and are anticipating exiting the pilot to full implementation Spring 2023. The start of the pilot includes recruitment and enrollment of eligible families and the beginning of comprehensive mobility-related services provided by Metro HRA to households selected to receive these services.

The HCV Program continues to encourage all families to locate and obtain housing in communities of greater opportunity. Eligibility criteria for the Mobility Voucher Program is as follows: applicants must be currently living in a Minneapolis area impacted by race and poverty, have minor children, be employed, in job training or in school, and be willing to enter into a contract and relocate to an area not impacted by poverty, for a minimum of three years.

The Mobility Community Services Coordinator will provide the Mobility families with case management services, referrals to community resources and employment / educational opportunities, as well as act as the liaison between the tenant family and the property owner. Working closely with the Community Services Coordinator-Mobility, families set goals, attend regular meetings, participate in workshops, and receive on-going case management throughout the entire time they are on program in order to achieve a greater level of self-sufficiency for their entire family.

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.

<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity	0	45	N/A for the Plan	N/A for the Plan

<i>HC #7: Households Assisted by Services that Increase Housing Choice</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice	0	45	N/A for the Plan	N/A for the Plan

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 pay 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 maintains this activity in the plan year, but also notes the possibility that MPHA would be able to utilize its funding in this manner without necessarily using financial support from the City of Minneapolis. MPHA would also like to utilize its funds in this manner in conjunction with its Flexible Subsidy for Community Priorities (2020 – 3) described above.

<i>HC #1: Additional Units of Housing Made Available</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household, give that type in this box.	0	30	N/A for the Plan	N/A for the Plan

<i>HC#5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase)	0	15	N/A for the Plan	N/A for the Plan

<i>MPHA Metric</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase in the number of new owners in opportunity areas of the City of Minneapolis	0	15	N/A for the Plan	N/A for the Plan

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 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)

Updates to Benchmarks.

<i>SS #1: Increase in Household Income</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$15,970	\$26,000	N/A for Plan	N/A for Plan

<i>SS #3: Increase in Positive Outcomes in Employment Status</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(6) Other - Households with earned income.	1,241	800	N/A for Plan	N/A for Plan
(Expressed as percent)	21%	15%		

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	546	300	N/A for Plan	N/A for Plan

SS #6: Reducing Per Unit Subsidy Costs for Participating Households*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	\$306	\$315	N/A for Plan	N/A for Plan

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

SS #7: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline (2009)	Benchmark	Outcome	Benchmark Achieved?
Total Household contributions towards housing assistance (increase).	\$14,437,400	\$18,000,000	N/A for Plan	N/A for Plan

<i>SS #8: Households Transitioned to Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided.	270	75	N/A for Plan	N/A for Plan

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

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 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:

- **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.
- **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.
- **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 (RTA) if a participant's rent portion exceeds 50 percent of their monthly adjusted income without supervisory review and approval.
- **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.
- **Interim Re-examinations:** MPHA limits HCV families to one discretionary interim re-examination 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.

- **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).
- **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. We intend to explore updating our payment standards to reflect this local market analysis as way of increasing choice for families.
- **Flat Subsidy Reasonable Accommodation:** As a reasonable accommodation for individuals with qualifying disabilities, MPHA may provide a higher subsidy for accessible units.
- **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.
- **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.
- **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.

<i>Estimate of Impact: Triennial Recertifications</i>			
<i>MTW/Rent Reform 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

<i>Individual Affected Household Impact</i>	
Avg. retained earnings (Annual)	\$ 228.00
Avg. retained earnings (3 Years)	\$ 684.00

<i>Aggregate Impact (Annual)</i>	
Total EA families (July 2020)	1,660
Families forgoing reexam (2/3)	1,107
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.

CE #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (budget for Section 8 HCV program – expenses)	\$44,451,999	\$50,578,800	N/A for the Plan	N/A for the Plan

CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	0*	0*	N/A for the Plan	N/A for the Plan
* In assembling this report, MPHA has looked closely at our prior reporting on this metric and investigated the capacity of our existing internal data sources to measure baselines and outcomes. Our review has determined that we are currently unable to measure this metric in a verifiable, usable way. MPHA will continue exploring whether to reinstate this metric in the future.				

CE #3: Decrease in Error Rate of Task Execution				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in calculating adjusted income as a percentage	12.6% error rate in adjusted income calculation	4% error rate in adjusted income calculation	N/A for the Plan	N/A for the Plan

SS #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average income from employment	\$17,495	\$25,611	N/A for the Plan	N/A for the Plan

*Among employed households.

<i>SS #3: Increase in Positive Outcomes in Employment Status</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
6. Other – work-able households with earned income*	1,504 heads of households had earned income 58% of work-able households had a head of household with earned income	1825 heads of households had earned income 70% of work-able households had a head of household with earned income	N/A for the Plan	N/A for the Plan
"Work-able" is defined as a HOH that is not elderly or verified as disabled.				

<i>SS #4: Households Removed from Temporary Assistance to Needy Families (TANF)</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance	2,418	450	N/A for the Plan	N/A for the Plan

<i>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average per unit cost	\$730	2020 - \$751.00 (1.6% COLA 2020)	N/A for the Plan	N/A for the Plan

<i>SS #8: Households Transitioned to Self-Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided.*	14	2020: 350	N/A for the Plan	N/A for the Plan
*Includes homeownership, zero HAP, and voluntary withdrawals due to achieving financial stability.				

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.

HC #1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0	16	N/A in the Plan	N/A in the Plan

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity.	0	16	N/A in the Plan	N/A in the Plan

SS #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Employed Full-Time	0	4	N/A in the Plan	N/A in the Plan
Employed Full-Time	0	4		
Enrolled in an Educational Program	0	0		
Enrolled in Job Training Program	0	0		
Unemployed	16	8		
Other	0	0		

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	16	8	N/A in the Plan	N/A in the Plan

<i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0	6	N/A in the Plan	N/A in the Plan

Note: Clients receive services in the initial months after move-in. We anticipate there will typically be a mix of residents receiving these initial services, and those who no longer need them.

<i>SS #8: Households Transitioned to Self-Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided.	0	2	N/A in the Plan	N/A in the Plan

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.

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

<i>HC #1: Additional Units of Housing Made Available</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase)	0	77	N/A for the Plan	N/A for the Plan

<i>HC #5 Households Assisted by Services that Increase Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	77	N/A for the Plan	N/A for the Plan

<i>HC #7: Households Assisted by Services that Increase Housing Choice</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	0	77	N/A for the Plan	N/A for the Plan

<i>SS #1: Increase in Household Income</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of household affected by the policy (increase)*	0	\$8,487	N/A for the Plan	N/A for the Plan

* For 2020, because of temporary partner data limitations, outcome reflects participants in the Downtown View property only.

<i>SS #2: Increase in Household Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy (increase).	0	\$300	N/A for the Plan	N/A for the Plan

<i>SS #3: Increase in Positive Outcomes in Employment Status*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(1) Employed Full-Time	0	0	N/A for the Plan	N/A for the Plan
(2) Employed Part-Time	0	8		
(3) Enrolled in an Educational Program	0	8		
(4) Enrolled in Job Training Program	0	8		
(5) Unemployed	25	0		
(6) Other:	0	0		

* For 2020, because of temporary partner data limitations, outcome reflects participants in the Downtown View property only.

<i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0	77	N/A for the Plan	N/A for the Plan

<i>SS #8: Households Transitioned to Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided.	0	2	N/A for the Plan	N/A for the Plan

* Self Sufficiency Definition: Youth on an education or employment trajectory and able to afford safe and decent housing upon exit from program.

ACTIVITIES NOT YET IMPLEMENTED

None.

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.

Job-coaching / Savings-match Pilot is just one component of MPHA's existing activity - Goal-Oriented Housing Initiative (2018 – 2)

Job-coaching / Savings-match Pilot: 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.

Reactivation Update (Plan) or Actions Taken (Report)

MPHA's plans and timeline are indeterminate at this time. The activity was placed on-hold in 2021, 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.

CLOSED-OUT ACTIVITIES

Note: Replace Form of Declaration of Trust (DOT) with Land Use Restriction Agreement (LURA) to Preserve Public Housing (2019 – 1) is closed out in this report.

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

Why the activity was closed out: 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 need 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. After it opened, MPHA moved this subsidy into our long-term, project-based voucher program. 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.

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, and Closed Out in 2022

Why the activity was closed out: MPHA implemented a Strategic Vision and Capital Plan featuring multiple strategies for preserving its portfolio, including RAD and Section 18. However, these HUD programs were infeasible or undesirable in limited cases where properties are nonetheless in need of significant rehabilitation. MPHA has determined other paths toward preserving the in-need properties and is no longer pursuing this initiative.

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 was 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 depended upon agreement with HUD on the form of this template LURA. MPHA intended to revive this conversation with HUD in 2021 and to move forward.

If fully implemented, MPHA projected applying the activity to no more than 50 units. Based upon a comprehensive assessment of its property needs and values, MPHA 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.

HUD staff considered 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 determined that HUD can approve a LURA under these regulations, MPHA would have used such a HUD-approved LURA and this MTW provision would have become unnecessary.

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 Media 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.

SECTION V – Sources and Uses of MTW Funds

A. PLANNED APPLICATION OF MTW FUNDS

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.

Note: the information collected in this section is to fulfill MTW programmatic reporting requirements and does not replace the MTW PHA's obligation to annually complete its audited financial statements through HUD's Financial Data Schedule (FDS).

FDS LINE-ITEM NUMBER	FDS LINE-ITEM NAME	DOLLAR AMOUNT
70500 (70300+70400)	Total Tenant Revenue	\$17,887,600
70600	HUD PHA Operating Grants	\$84,079,300
70610	Capital Grants	\$23,197,600
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	
71100+72000	Interest Income	\$52,200
71600	Gain or Loss on Sale of Capital Assets	
71200+71300+71310+71400+71500	Other Income	\$17,347,500
70000	Total Revenue	\$142,564,200

Estimated Application of MTW Funds

The MTW PHA shall provide the estimated application of MTW funding in the plan year by Financial Data Schedule (FDS) line item. Only amounts estimated to be spent during the plan year should be identified here; unspent funds that the MTW PHA is not planning on expending during the plan year **should not be** included in this section.

Note: the information collected in this section is to fulfill MTW programmatic reporting requirements and does not replace the MTW PHA's obligation to annually complete its audited financial statements through HUD's Financial Data Schedule.

FDS LINE-ITEM NUMBER	FDS LINE-ITEM NAME	DOLLAR AMOUNT
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	\$ 13,032,900
91300+91310+92000	Management Fee Expense	\$ 8,698,000
91810	Allocated Overhead	
92500 (92100+92200+92300+92400)	Total Tenant Services	\$ 993,600
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$ 7,023,367
93500+93700	Labor	\$ 558,033
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$ 13,099,500
95000 (95100+95200+95300+95500)	Total Protective Services	\$ 3,597,700
96100 (96110+96120+96130+96140)	Total Insurance Premiums	\$ 1,918,400
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	\$ 2,400,100
96700 (96710+96720+96730)	Total Interest Expense & Amortization Cost	\$ 414,532
97100+97200	Total Extraordinary Maintenance	\$ 150,000
97300+97350	HAP + HAP Portability-In	\$ 63,484,500
97400	Depreciation Expense	\$ 12,900,000
97500+97600+97700+97800	All Other Expense	\$
90000	Total Expenses	\$ 128,270,632

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

As presented in the MTW Budget section, MTW Sources are \$14.2 million 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 2023, MPHA is estimating spending \$26 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 \$12.9 million on previous years' capitalized expenditures are shown. The difference is actually \$13.1 million more in Net MTW Sources. Additionally, revenue of \$1.4 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 \$1.4 million more in Net MTW Uses. When both presentation adjustments are factored in, the Net MTW Uses over Sources is \$0.3 million.

Description of Planned Application of MTW Funding Flexibility

MTW agencies have the flexibility to apply fungibility across three core funding programs' funding streams – public housing Operating Funds, public housing Capital Funds, and HCV assistance (to include both HAP and Administrative Fees) – hereinafter referred to as “MTW Funding.” The MTW PHA shall provide a thorough narrative of planned activities it plans to undertake using its unspent MTW Funding. 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 funding flexibility to direct funding towards specific housing and/or service programs and/or other MTW activity, as included in an approved MTW Plan.

PLANNED APPLICATION OF MTW FUNDING FLEXIBILITY

MPHA plans to use approximately \$8 million from its HCV HAP Subsidy to augment other programs in accordance with the needs of our local community. Of this amount: \$1.5 million is planned for public housing building improvements; \$700,000 to HCV Administration; \$300,000 to MTW Local Initiatives (primarily research, reporting, administration related to MPHA's MTW status), and \$5.6 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 otherwise would have been possible under deeply prorated HCV administrative funding. In addition, these funds provide resources used to maintain a safe environment for residents and staff in our public housing properties.

Although not presented in the current budget, MPHA has requested that local governments contribute funds to MPHA's non-profit instrumentality (CHR) for significant property rehabilitation. It is anticipated that should such local resources be provided, CHR would need to match half of the local contribution. Should CHR's resources be insufficient in meeting the match requirement, MPHA would provide MTW funds to satisfy the match, subject to MPHA Board approval and consistency with MPHA's new Board approved Strategic Plan. MPHA serves as a Guarantor on the financing for 84-unit new construction, townhomes serving residents at 80% AMI and on the Elliotts LP RAD project. MTW Funds may be used to satisfy the guarantee on these projects.

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

PLANNED APPLICATION OF PHA UNSPENT OPERATING FUND AND HCV FUNDING

Original Funding Source	Beginning of FY – Unspent Balances	Planned Application of PHA Unspent Funds during FY
HCV HAP*	\$0	\$0
HCV Admin Fee	\$981,000	\$0
PH Operating Subsidy	\$11,859,127	\$0
TOTAL	\$12,840,127	\$0

Description of Planned Expenditures of Unspent Operating Fund and HCV Funding

The MTW PHA shall provide a description of planned activities and/or use(s) for unexpended Operating Fund and HCV Funding. The original funding source is defined as the legacy MTW PHA's appropriated Section 8 and Section 9 funding source(s) (HCV HAP, HCV Admin Fee, and PH Operating Subsidy). The MTW agency receives this information in their Annual Renewal Allocation, which provides a breakdown of the annual obligations for HCV HAP. For HCV Admin Fee, the biannual cash management reconciliation includes the HCV Admin Fee that has been earned at two points during the year; midyear at June 30th and end-of-year at December 31st. For the public housing operating fund unspent balance, the MTW PHA may derive their unspent funds by subtracting current assets from current liabilities in the most recent FDS submission. Current assets are the sums of FDS lines 111, 114, 115, 120, 131, 135, 142, 144, and 145. Current liabilities are the sums of FDS line 310 and 343. Table XX below represents the applicable FDS lines with definitions that MTW PHA(s) should utilize to calculate public housing operating fund unspent funds. More information on FDS line items can be found at: https://www.hud.gov/sites/dfiles/PIH/documents/FDSLLineDefinitionGuide_vJuly2020.pdf.

Table XX: FDS Line Items Used to Calculate Public Housing Operating Fund Unspent Funds

FDS Line Number	FDS Line Item	Definition
Current Assets		
111	Cash-Unrestricted	This FDS line represents cash and cash equivalents in any form available for use to support any activity of the program or project.

114	Cash-Tenant Security Deposits	This FDS line represents cash in the Security Deposit Fund.
115	Cash-Restricted for Payment of Current Liabilities	This line represents restricted cash and cash equivalents that are only to be expended for specified purposes.
120	Total Receivables	This line represents the total of all receivables less the amounts established as allowances for estimated uncollectible amounts.
131	Investments - Unrestricted	This line represents the fair market value of all investments which can be used to support any activity of a program, project, activity, COCC, or entities.
135	Investments Restricted for Payment of Current Liability	This line represents the fair market value of all investments designated for specific purposes that will be used to liquidate a current liability in the next fiscal year or offset unearned revenue
142	Prepaid Expenses and Other Assets	This line represents all prepaid expenses. These are not expected to be converted.
144	Inter-Program-Due From	This line represents amounts due from other PHA projects, programs, and activities of a temporary nature.
145	Assets Held for Sale	This line item represents assets that the entity expects to sell to qualified applicants. This line item is typically

		used as part of the homeownership program.
Current Liabilities		
310	Total Current Liabilities	This FDS line is the sum of lines 311 through 348 and represents the total of all current liabilities.
343	Current Portion of Long-Term Debt (Capital Projects/Bonds)	This line includes the current portion of debts acquired and debts issued for capital purposes of the PHA/entity.

For HCV funding, the biannual cash management reconciliation for HUD-held reserves includes both HCV and SPV reserves. MTW PHA(s)' accounting records should include sufficient detail to report on the amount that are HCV versus SPV reserves. Where possible, please identify the planned use, the estimated amount, to which funding source the planned use(s) is attributable, as well as the projected timeline or timeline update.

Note: the information collected in this section is to fulfill MTW programmatic reporting requirements and does not replace the MTW PHA's obligation to annually complete its audited financial statements through HUD's Financial Data Schedule.

MPHA does not intend to utilize any MTW Reserves in 2023 and currently anticipates spending all HCV HAP Subsidy available. MPHA believes the reserve amounts available are reasonable and needed as a contingency for unplanned, urgent expenditures and unanticipated shortfalls in federal subsidies. Additionally, the reserves are necessary to meet current and future loan liquidity requirements as a Guarantor on financing used for new low-income housing development and major preservation projects.

* Unspent HAP funding should not include amounts recognized as Special Purpose Vouchers reserves.

** HUD's approval of the MTW Plan does not extend to a PHA's planned usage of unspent funds amount entered as an agency's operating reserve. Such recording is to ensure agencies are actively monitoring unspent funding levels and usage(s) to ensure successful outcomes as per the short- and long-term goals detailed in the Plan.

C. LOCAL ASSET MANAGEMENT PLAN

Is the MTW PHA allocating costs within statute?

No

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

Yes

Has the MTW PHA provide a LAMP in the appendix?

Yes

RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION

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 completed work in 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 April 22, 2020. MPHA has no other pending RAD applications. MPHA is considering one or more RAD Component 1 applications in 2023, noted 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.

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

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

SECTION VI - Administrative

Resident advisory Board 2023 MTW Annual Plan Priorities

1. Define and maintain high standards of accountability for MPHA staff. Create a protocol for residents to comment and address their concerns. Ensure quality standards are implemented for maintenance and property management to have consistency across MPHA properties.
2. Create and define a comprehensive security program, to include:
 - Cameras and security measures where it makes the most difference
 - Assess the security guard contract(s) to ensure MPHA safety and security needs are met
 - Maintain MPHA's guest/visitor policy to ensure unauthorized people are not entering the buildings
 - Enforcement of prohibitions on firearms and illegal drugs
 - Confidentiality for residents and Project Lookout volunteers who report other residents.
3. Use MTW budget flexibility to provide adequate funding for maintenance of properties and speedy attention to all work orders.
4. Advocate for additional dollars from federal, state, and city sources, including the restoration of the full tax levy to address deferred capital needs, while also reinstating \$1.2 million of the levy for resident security.
5. Continue to collaborate with MPHA and community residents on development plans to preserve or add public housing units. Uphold protections to keep every resident housed and well informed at each stage of the process.
6. Maintain a policy of one-for-one hard unit replacement of public housing.
7. Do not increase rent over 30% of income for residents in Public Housing and Project Based Vouchers.
8. Explore minimum rent policy and align with HCV and Project Based vouchers.
9. Do not implement housing time limits.
10. Focus on the most needy: homeless, children, elderly, disabled, the mentally ill, veterans and ex- offenders

11. Create supportive housing opportunities for people exiting homelessness, corrections, rehab, etc.
12. . Continue the use of Volunteers of America and continue support for resident programs with future redevelopment structures.
13. Create collaborations that increase affordable housing and/or services for residents.
14. Focus new efforts toward victims of domestic violence, intimate partner or dating violence, sexual assault, and stalking in MPHA buildings, including training for staff and residents.
15. Focus on resident employment opportunities, including Section 3, as part of all MPHA activities, including
 - Create a Section 3 'job bank' that's easily accessible in all buildings
 - Post MPHA job openings and give to resident applications
16. Explore the implementation of homeownership programs that will contribute to closing the racial gaps in homeownership in the city and help residents of Minneapolis build wealth.
17. Come together to build trust and safety in our communities. Do this by increasing communication that promotes dialogue and respect of all opinions to advocate toward safer more inclusive environments.



APPROVED

November 16, 2022

Agenda Item 2

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, Executive Director / CEO

SUBJECT: Approval of 2023 Moving to Work (MTW) Annual Plan

Previous Directives: On January 6, 2008, MPHA signed a Moving to Work (MTW) Agreement with the US Department of Housing and Urban Development (HUD) making Minneapolis Public Housing Authority (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.

Resident Notification: The Resident Advisory Board (RAB) will review and act on its recommendations to the board regarding the 2023 MTW Annual Plan prior to the November 16, 2022 board meeting.

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

Recommendation: It is recommended that the Board of Commissioners adopt a resolution approving the MPHA FY 2023 MTW Annual Plan and submit to HUD pursuant to the requirements of the MTW Agreement.

The Moving to Work (MTW) was enacted by Congress in 1996, this status allows MPHA to try things that regular HUD regulations do not allow. This flexibility allows housing authorities to serve residents better within three statutory objectives: (1) Achieve greater cost effectiveness in Federal expenditures; (2) Give incentives for households to become economically self-sufficient; and (3) Increase housing choices for low-income families.

As required by HUD, MPHA updates its Moving to Work Plan on an annual basis, posts a draft of the Annual Plan for 30-day comment period, holds a public hearing, and allows at least 15 days between the public hearing and board approval. MPHA strives to exceed these requirements for public process by hosting three information sessions. This year, MPHA published the draft MTW Annual Plan on September 7, 2022. The draft plan was available on MPHA's website and

upon request at the central office. The comment period was open until midnight of October 7, 2022.

Proposed New Activities of the MPHA 2023 MTW Plan:

The agency did not propose any new initiatives for this year.

Other Notable MTW-specific Updates:

Prior to the draft plan's release, MPHA placed advance notice of the draft plan and public hearing, in English and Somali, to all high-rise and Glendale residents in mid-August. In addition, the notice ran in the *Star Tribune* and *Finance & Commerce*. In September, all public housing residents received an insert in their rent statement reminding them of the event. Also, MPHA mailed this notice to a random selection of 500 households with House Choice Vouchers. The notices included information on how and where to obtain the draft; dates and times of the upcoming public meetings and public hearing; options to provide comments by mail or email, along with the deadline for comments; and a method for requesting language or other accommodations for these touchpoints. MPHA also created a 10 minute online narrated video posted to YouTube, summarizing the plan. This informational video could be viewed by any resident or member of the public at their convenience.

MPHA's Board of Commissioners received a staff presentation at its August, September, and October meetings. At these meetings staff provided a review of what MTW status means for the agency, a timeline for resident engagement, the plans components, and the feedback received from residents through the public comment process.

The MPHA Resident Advisory Board (RAB) convened a meeting to review and update their priorities in August. At their September meeting RAB approved the language for the updates. The 2023 priorities are included in the plan as Appendix B.

The MPHA had robust engagements with MPHA residents, the public and other interested parties. The MPHA hosted three information meetings; two in person events and one event held online via Zoom. Each information meeting was an opportunity to share information about MPHA, including the mission, vision, and strategies, MTW budget, information about major repairs in 2023, and development activities. The MPHA provided more than an hour at each meeting for residents to ask questions, get answers, and provide comments. At all meetings, the MPHA offered simultaneous interpretation in accordance with MPHA's Limited English Proficiency Plan. For the virtual meeting, participants could listen and/or comment via computer, smartphone, or by calling in on a telephone line. The MPHA provided interpreters through a set of special conference call lines. The MPHA received no formal advance request for interpretation but provided these languages in anticipation of possible need.

The MPHA held information meetings on:

- September 7, 2022 3:00-5:00 p.m., Cora McCorvey Center (1015 4th Avenue North)
- September 8, 2022 9:00-11:00 p.m., Horn Towers (3121 Pillsbury Avenue South)
- September 8, 2022 5:30-7:30 p.m., Zoom (<https://us06web.zoom.us/j/83553222911>)

With the public hearing taking place on September 28, 2022 at 1pm the Cora McCorvey Center. Board Resolution No. 22-226 and the final 2023 MTW Annual Plan are attached to this report.

This Report was prepared by Rachel Almburg, Assistant Director of Housing Policy & Strategic Initiatives. All questions can be directed to MTW@MPLSpha.org.

Resolution No. 22-226

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 September 7 and October 7, MPHA held a public hearing, and not less than 15 days elapsed between the public hearing and board approval; and

WHEREAS, the MPHA is required to submit the MTW Annual Plan in its required form at lease by October 15, 2022 unless an extension is granted. This year MPHA was allowed to extend this deadline to November 18, 2022.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the MPHA that the 2023 MTW Annual Plan is approved and that the Executive Director/CEO is authorized to make any necessary or recommended changes and submit it to HUD for approval as required.

CERTIFICATE

I, **Paula Sotelo**, Executive Assistant to the Executive Director 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 Regular Meeting of the Board of Commissioners of said Authority, held on November 16, 2022, and is a true and correct copy of the **RESOLUTION** adopted at said meeting and on file and on record in the official Minutes of said Authority.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Authority this 16th day of November 2022.

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



Paula A. Sotelo

(SEAL)

CERTIFICATIONS OF COMPLIANCE**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF PUBLIC 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 Chair 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 (DD/MM/YYYY), 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.
- (7) The MTW PHA will affirmatively further fair housing by fulfilling the requirements set out in HUD regulations found at Title 24 of the Code of Federal Regulations, including regulations in place at the time of this certification, and any subsequently promulgated regulations governing the obligation to affirmatively further fair housing. The MTW PHA is always responsible for understanding and implementing the requirements of HUD regulations and policies, and has a continuing obligation to affirmatively further fair housing in compliance with the 1968 Fair Housing Act, the Housing and Community Development Act of 1974, The Cranston-Gonzalez National Affordable Housing Act, and the Quality Housing and Work Responsibility Act of 1998. (42 U.S.C. 3608, 5304(b)(2), 5306(d)(7)(B), 12705(b)(15), and 1437C-1(d)(16)). The MTW PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o) and 24 CFR 903.15, which means that it will take meaningful actions to further the goals identified in its Analysis of Impediments to Fair Housing Choice(AI), Assessment of Fair Housing (AFH), and/or other fair housing planning documents conducted in accordance with the requirements of 24 CFR Part 5, 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), and will address impediments to fair housing choice identified in its AI, AFH, and/or other fair housing planning documents 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 and HUD's implementing regulations at 24 C.F.R. Part 146.
- (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 identity, or marital status.
- (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 75.

form **HUD 50900: Certifications of Compliance (3/2021)**

- (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 2 CFR Part 225 (Cost Principles for State, Local and Indian Tribal Governments) and 2 CFR Part 200.
- (21) The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of Housing Quality Standards, as defined in 24 CFR Part 982 or as approved by HUD, for any Housing Choice Voucher units under administration.
- (22) 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.
- (23) 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

MN002

MTW PHA NAME**MTW PHA NUMBER/HA CODE**

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Tom Hoch

Chairman of the Board of Commissioners

NAME OF AUTHORIZED OFFICIAL**TITLE**

November 16, 2022

SIGNATURE**DATE**

MPHA's Public Process and a Summary of Public Comments

As required by HUD, MPHA updates its Moving to Work Plan on an annual basis, posts a draft of the Annual Plan for 30-day comment period, holds a public hearing, and allows at least 15 days between the public hearing and board approval. MPHA strives to exceed these requirements for public process by hosting three information sessions. This year, MPHA published the draft MTW Annual Plan on September 7, 2022. The draft plan was available on MPHA's website and upon request at the central office. The comment period was open until October 7th.

Prior to the draft plan's release, MPHA placed advance notice of the draft plan and public hearing, in English and Somali, to all high-rise resident's and Glendale in mid-August. In addition, the notice ran in the Star Tribune and Finance & Commerce. In September, all public housing residents received an insert in their rent statement reminding them of the event. Also, MPHA mailed this notice to a random selection of 500 households with Housing Choice Vouchers. The notices included information on how and where to obtain the draft; dates and times of the upcoming public meetings and public hearing; options to provide comments by mail or email, along with the deadline for comments; and a method for requesting language or other accommodation for these touchpoints. MPHA also created a 10 minute online narrated video posted to YouTube, summarizing the plan. This informational video could be viewed by any resident or member of the public at their convenience.

MPHA's Board of Commissioners received a staff presentation at its August, September, and October meetings. At these meetings staff provided reviewed what MTW status allows the timeline for resident engagement, overview of the plan components, and feedback received from residents through the public process.

The MPHA Resident Advisory Board (RAB) convened a meeting to review and update their priorities in August. At their September meeting RAB approved the language for the updates. The 2023 priorities are included in the plan as Appendix B.

MPHA had robust engagements with MPHA residents, the public and other interested parties. MPHA hosted three information meetings; two in person events and one event held online via Zoom. Each information meeting was an opportunity to share information about MPHA, including the mission, vision and strategies, MTW budget, information about major repairs in 2023, and development activities. MPHA provided more than an hour at each meeting for residents to ask questions, get answers and provide comments. At all meetings, MPHA offered simultaneous interpretation in accordance with MPHA's Limited English Proficiency Plan. For the virtual meeting, participants could listen and/or comment via computer, smartphone, or by calling in on a telephone line. MPHA provided interpreters through a set of special conference call lines. MPHA received no formal advance requests for interpretation but provided these languages in anticipation of possible need.

MPHA Information Meetings Dates, Time, and Location:

Session #1 Wednesday, September 7th from 3 – 5 PM, Cora McCorvery (1015 4th Ave N)

Session #2 Thursday, September 8th from 9 – 11 AM, Horn Towers (3121 Pillsbury Ave S)

Session #3 Thursday, September 8th from 5:30 – 7:30 PM, Zoom
(<https://us06web.zoom.us/j/83553222911>)

Attendance Summary:

Session #1 20 Residents signed in, 11 verbal comments, 3 written

Session #2 13 residents signed in, 11 verbal comments, 2 written

Session #3 2 residents logged in, 1 provided verbal comment

MPHA logged all comments received during the 30-day public comment period in full and provided a response to each of them in a report provided to the Board of Commissioners at their October 26, 2022 meeting. This board packet that includes the full correspondence can be found on MPHA's website. Below are the comments that were received that related to the 2023 MTW Plan, followed by MPHA's reply.



FINAL RESIDENT COMMENTS ON MPHA'S FY2023

DRAFT MOVING TO WORK PLAN

The MHRC collected resident comments on MPHA's FY2023 Draft MTW Plan through a resident review process that included discussions at our board, executive committee and resident council president meetings. Thank you to MPHA staff who attended these meetings to present information and respond to resident comments and concerns. The MHRC Executive Committee concluded its review of the plan on October 6.

Our priorities for MPHA primarily pertain to MPHA having a strong focus on resident safety and livability.

Security continues to be the number one priority for highrise residents. MPHA should better reflect this in the MTW plan, both programmatically and in terms of MPHA's budget. Residents understand that security guards are expensive, but our safety is worth it. Terrible things are happening to residents in and close to the highrises. Yes, there are problems with the current guard service, which we work to address with MPHA, but having a physical guard presence to deter and respond to criminal activity is essential to our peace of mind. Many buildings do not have guard service. Residents in other buildings say that additional coverage is needed. Project Lookout volunteers play an important role in resident security, as does security hardware, but more funding for guards is urgently needed.

The MHRC recently sent a letter to the mayor and city council asking for the reinstatement of the mill levy for public housing. This funding source provided millions of dollars for MPHA guard services up until 2010, when the city ceased to include the mill levy for public housing. It seems there has not been the political will to include it since. If the mill levy were funded at the full amount allowable by state law, MPHA estimates it could generate around \$11,000,000 annually for MPHA.

The MHRC's Security Advisory Committee is working with MPHA on a security audit included in this year's budget and will soon be working with MPHA to review proposals that have been submitted. Some residents are concerned that this audit might be used to justify cuts to guard services. We hope this will not be the case.

Regarding resident health, we are very concerned about the lack of air conditioning and adequate ventilation in many of the highrises. The health-related problems related to excessive heat and poor ventilation are serious and often result in residents being hospitalized. According to a 2020 data analysis by the Minneapolis Department of Health, Asthma and Chronic Obstructive Pulmonary Disease (COPD) are among the top five diagnoses that highrise

residents live with. Even more concerning is that asthma and COPD are the number two reason for resident emergency department visits, second only to acute injury. These problems will continue to increase as our climate warms. All apartments should have air conditioning and MPHA should not charge residents for this service because it is so important to our health and wellbeing. Many residents complain that the problem of residents overheating has been made

worse by the installation of new windows that can only be opened a few inches. Some exceptions should be made to this rule, especially in senior buildings.

We understand that some health plans provide portable air-purifying systems. We encourage MPHA and VOAMN to learn more about this and assist residents in accessing the service.

We applaud and have supported MPHA efforts asking Congress to earmark federal funds to improve ventilation systems in the highrises. We also ask that MPHA regularly check the roof fans to make sure they are working properly. Regarding ventilation, many residents still complain about residents smoking in their apartments, causing harm to other residents with second-hand smoke. We urge MPHA management staff to continue to be vigilant in enforcing the no-smoking policy.

Regarding proposed changes to MPHA Statement of Policies

“ MHRC does not support the proposal to change the HUD suggested definition of “Over Income” from 80% to 120% of Area Median Income. This would mean that a person could make \$85,000 annually and still be eligible for public housing. Public housing is a very limited resource and should be preserved for those most in need. Currently, the average income of highrise residents is \$13,374 a year.

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 reaffirm 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 FY2023 Budget

“ It is clear that MPHA faces continued major funding challenges in FY2023 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. As mentioned before, the City, alone, could authorize over \$11 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. 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 do so. We know there is room for more collaboration and new ideas on how to move this important agenda forward.

Thank you.

MPHA Response: MPHA, thanks MHRC for continually organizing the voices of residents to help us improve our day-to-day operations and collaborate effectively. We concur, that it is important for quality of life that safety and livability remain a focus of our partnership to ensure the residents are happy & healthy in their homes.

Programmatically and budget wise MPHA has dedicated funding to maintain or improve the amount of services given in buildings. However, we continue to also struggle to find an audience to ensure that the city maintains public safety and assures that all Minneapolis residents feel safe in their communities.

We are grateful to MHRC for their advocacy in sending a letter to the mayor’s office. It is important to stay consistent and regularly share your voice on the issues that affect your community most. Please continue to note the importance for the Mill Levy to be fully reinstated to ensure that residents have the resources they need to maintain a thriving community.

This security advisory committee is a valuable part of MHRC and MPHA looks forward to working with them to review RFPs for the Security Study. The aim of this initiative is to identify effective measures that will meet the needs of residents, and reduce the trauma experienced at our buildings.

Thank you to MHRC, as well as the residents who took the time to attend and speak at the public hearing for sharing their lived experience. We understand that the lack of airflow is

having a daily effect on the lives of residents. Increasing the air quality through better ventilation to reduce health hazards. MPHA will keep exploring areas on how to mitigate this issue where feasible to ensure resident health does not suffer. We appreciate the recommendation on tapping into health plan resources to help provide more filtering systems to those who qualify. Further, MPHA, in the last 2 years, has cleaned the air ducts in the majority of highrise buildings, this work will continue and be completed in 2023. The housing authority values the reminder that the work of engineers & technicians to uphold functionality has a human impact and should be prioritized.

As for the statement of policies comment, we understand the resident perspective that \$85,000 annually is a livable wage in the city of Minneapolis and that due to our limited resources the desire to not increase the definition of over income. According to HousingLink's August 2022 report 88% of the rental units listed in the city are affordable to those making 80% AMI. Due to our mission to service those most in need MPHA will uphold the current standard and not increase the definition of over income to 120% AMI. Once resident's meet this threshold, they will have two years before they need to move on to either home ownership opportunities and/or a market rate rental unit within their area of choice. We thank you for continuingly advocating for those most vulnerable and needing a place to live.

As for budgeting for physical improvements, MPHA considers preservation a key priority to ensure this housing stock is maintained across the city. At the same time, we also know that more than just a physical structure is needed to maintain a quality of life and that reserving space for exercise equipment and community is also important to day-to-day livability. We will, as budgets allow, continue to have guards present on site for your day-to-day safety, and collaborate with MHRC on maintaining the Project Lookout program. MPHA understands that programs and services directly impact residents' positive perception of their homes and will be mindful of this when budgeting.

We look forward to our continued relationship with MHRC to increase additional support for the agency. In our new strategic plan draft, it is a goal of the agency to gain resources from state, city, and county stakeholders.

Thank you for taking the time to write to us on these matters.

Form Letter Received

(21 in total received, none linked to a current MPHA resident)

Dear Senator Tina Smith,
Congresswoman Ilhan Omar,
Christopher Golden, Regional MTW Coordinator, HUD
MPHA Board of Commissioners
Minnesota State Reps
Minneapolis City Council;

My name is _____ and I care about the public housing in Minneapolis. I'm writing because public housing residents are demanding and deserve transparency about the 2023 Moving to Work Plan (MTW) Draft Plan.

MPHA's Board of Commissioners, Executive Director Abdi Warsame and Deputy Director Jennifer Keogh, supported by Mayor Jacob Frey, City Councilor Lisa Goodman, and their allies, are ending public housing as it exists in Minneapolis. The 2023 MTW Draft Plan has critical missteps that continue to undermine and harm the vulnerable communities served by MPHA. Additionally, MPHA uses the Minneapolis High-Rise Council, a non profit that lacks transparency around their membership and is fully controlled by MPHA, as a measure of resident approval for their plans. MPHA has not made their 2023 Draft Plan accessible, with no completed translations in any languages spoken in the communities MPHA serves. Despite this, they tout city wide resident approval. The manner with which they continue to deny residents accessible materials regarding their policies are blatant violations of the 1964 Civil Rights Act and City Engagement Policies.

Therefore, HUD's MTW Coordinator Christopher Golden, Senator Tina Smith and Congress person Ilhan Omar, along with Minneapolis City Council and Minnesota State Reps must hold MPHA accountable. Do not allow the 2023 MTW Draft Plan to be approved by MPHA due to the following:

Tell MPHA that the "Family Housing Expansion" Project will NOT Work for Families. The new annual plan describes MPHA's plan to convert 21 scattered site public housing homes to denser buildings subsidized through Section 8 vouchers. While MPHA claims that families will be relocated and will be able to return home to their new apartments, field research from this past summer suggested that families had left the scattered sites undergoing conversion in a rough, leaving behind belongings and furniture. This means residents were displaced and there is no record of what happened to these families. MPHA has also outlined strict maximum family sizes, which exclude large families, such as many Black and refugee/immigrant residents. Tell MPHA these policies do not serve vulnerable families, but displace them, and it must stop.

Tell MPHA to Retract RAD Highrise and Heritage Park Applications. On page 10 of the plan, MPHA lists five public housing properties that it may convert using the HUD Rental Assistance Demonstration (RAD) program. MPHA has not made it clear why these properties should be privatized via RAD, and MPHA claims that as per HUD regulations, all residents will retain the

right to stay in their homes and will pay the same rent - 30% of adjusted income - after the conversion process is complete. This has not always been the case. We also know due to resident experiences that Section 8 vouchers often exceed 30% income guidelines due to fees and fixed subsidies. MPHA needs transparency and truthfulness about current conversions underway. More of Minneapolis Public Housing should not be privatized until we understand why.

Ask why MPHA is Holding Units Vacant. According to Page 23 of the MTW plan, there are currently 10,475 people on the public housing waiting list in Minneapolis, about 70% of whom are elderly or disabled. Despite this, on page 19, MPHA intends to hold an unspecified number of units vacant during equally vague “modernization” projects at highrises across the city. With so many people on the waiting list, MPHA needs to stop holding livable units vacant.

Ensure MPHA is Accountable to Federal Rent Reasonableness Regulations. The MTW program allows MPHA to bypass federal “rent reasonableness” regulations. Typically, under HUD regulations, public housing agencies must work with an independent agency to inspect units and determine “reasonable” rent prices. Reasonable rent is often more than 30% income and is based off of market rates and Area Median Income. However, under MTW, MPHA has eliminated this process, determining “rent reasonableness” in-house. MPHA’s use of rent reasonableness is a violent attack on residents and the promise of public housing. This means that MPHA is effectively setting its own rents independently. This is untenable and should not be allowed.

Tell MPHA to Stop Lying to the Public. MPHA, Minneapolis politicians, city bureaucrats, and the network of YIMBY activists that is a front for private developers have all repeated the claim that “more public housing is coming to Minneapolis”. The MTW plan released this month disproves that. Pages 10 and 14 show that when MPHA converts public housing using Section 18 and RAD, it literally means that public housing is no longer public. Instead, developers are profiting from the lease and sale of the housing. This is not public housing, and MPHA shouldn’t mislead residents and community members by saying so.

Demand an Independent Audit for MPHA. On page 87 of the plan, MPHA proposes 210 million dollars of assessed physical infrastructure needs, even while they shrink their stock. Their proposed plans are vague. MPHA’s annual operating budget is 125 million. Several years ago, MPHA reported a need for 500 million dollars for infrastructure over 20 years, which is 25 million a year. With new leadership, MPHA shifts their goalpost. They have not had an independent audit to assess their needs for decades, and the City of Minneapolis has relinquished all oversight. An independent audit is needed today.

As stated above, MPHA’s 2023 MTW Plan seeks to end public housing as we know it, while economically disenfranchising residents who cannot afford raised rents and increased fees. Public housing residents demand respect, transparency and the right to access plans that impact their lives. Public housing residents deserve honest, empathetic leadership that champions more public housing, not privatization. Instead MPHA has continued to privatize their

public housing stock, while lying to the public about doing so. MPHA's lack of oversight must end. Hold them accountable today.

Sincerely,

Concerned Community Member

MPHA Response: For this form letter, MPHA has prepared a written response to be shared externally with elected leaders from Executive Director/CEO Warsame. Below is that letter.

Good afternoon,

In the coming month, the Minneapolis Public Housing Authority (MPHA) will present a draft 2023 Moving-to-Work (MTW) plan to its Board of Commissioners for approval. This plan, which MPHA must submit to the U.S. Department of Housing and Urban Development (HUD) annually, provides details on the agency's proposed work and activities in the year ahead. As a part of the annual process, the agency hosts a variety of virtual and in-person meetings for MPHA residents, voucher-holders, and the general public to provide feedback on the agency's proposed work.

Each year, the agency receives comments both online and during in-person feedback sessions for agency staff and board members to consider. Over the years, there have been various efforts to sow confusion, fear, and distrust in what is a routine, publicly accessible process. This year is no different, with a form letter circulated by a known organization that positions itself as a public housing resident group, despite not having a single MPHA resident send one. While the content varies slightly from prior years, the general tone of contempt in disparaging the agency's annual MTW Plan remains the same.

Knowing that many of the recipients of this form letter are elected leaders for whom might not be familiar with MPHA's annual MTW Plan, I wanted to provide some facts to assuage any concerns derived from the letter.

First, the annual MTW Plan process is a fully transparent, open process that is available in a variety of languages—on-site interpreters for in-person feedback events, interpreter bridge operators available for virtual feedback events, and draft plans that are interpreted in Somali. Information about these meetings, a link to the 2023 MTW Annual Plan Draft, a detailed timeline outlining key drafting, feedback and approval dates, along with a variety of language accessibility resources and accommodations are readily available on MPHA's website under the "Moving-to-Work" tab.

In the same effort of transparency, the agency and its staff take great care to accurately describe the housing across its housing portfolio. It is an important point made in the letter distinguishing public from non-public deeply affordable housing. For programs like the Elliot

Twins Rental Assistance Demonstration (RAD) conversion completed earlier this summer or the Section 18 disposition of the scattered site homes in 2020 (and subsequent creation of the agency's wholly controlled nonprofit, Community Housing Resources CHR)), it is accurate to say these programs remove these units from public housing.

While that may be technically true, what these programs actually do is shift units from HUD's Section 9 (public) housing to its Section 8 (voucher) platform. In the instance of the Elliot Twins redevelopment, the historic \$27 million renovation was through HUD's RAD program, a financial tool allowing MPHA to convert public housing to a program that provides the agency a larger and more predictable federal subsidy through project-based vouchers (PBVs). The vouchers follow federal rules that include rent set at 30 percent of adjusted income (the same as traditional public housing) and deep affordability requirements. The agency continues to manage the property, serves as the controlling general partner in the co-owned subsidiary Elliots LP, and continues full ownership of the land the buildings sit on, with a 99-year ground lease requiring affordability. So, yes, units are removed from the Section 9 public housing program, but they remain wholly in MPHA's control through its subsidiaries and maintain the same deeply affordable status through Section 8 vouchers.

As it relates to the agency's family housing expansion project, the agency is excited to break ground later this year on a first-of-its-kind project using modular construction to build 84 new units of deeply affordable family housing within its scattered site portfolio. This portfolio is owned and managed by the agency's wholly controlled nonprofit, CHR. These 84 new units built across 16 sites across the city will replace existing single-family and duplex homes with fourplexes and sixplexes, as allowed by the city's 2040 Plan. Seventeen of the units will be high priority homelessness units with services funded by Hennepin County through its coordinated entry program. By adding these new units of deeply affordable housing, MPHA will be able to move people from its family housing waiting list of nearly 7,500 and place them in brand new two- and three-bedroom homes. While this might only sound like a drop in the bucket, for the families entering these new homes from the agency's waitlist, simply put, this will be lifechanging.

Just like the Elliot Twins RAD conversion, the agency dedicated a full-time staff member to help impacted families navigate the relocation process during the family housing expansion construction. And just like the Elliot Twins RAD conversion, MPHA will comply with both a Memorandum of Understanding (MOU) with the City of Minneapolis as well as U.S. Department of Housing and Urban Development (HUD) regulations requiring any residents temporarily relocated off-site the right to return to the property.

There is a single exception for the family housing expansion project, where a family who lived in a home slated for redevelopment would be unable to return because the agency was not building a unit large enough to accommodate their family size and accessibility needs. Agency staff spent additional time working with this family early in the process to identify a different single-family home in its scattered site (CHR) portfolio to accommodate their needs.

The family has since relocated to another neighborhood of their choice in Minneapolis. As with every resident relocation associated with redevelopment, the agency covered all moving-related expenses and helped residents establish themselves in their new home.

For both the family housing expansion project and the Elliot Twins RAD redevelopment, Minneapolis Highrise Resident Council (MHRC) leaders have lauded the hands-on, all-inclusive service MPHA staff have delivered with relocations. The agency is proud of its resident-first approach to mitigate any disruptions or discomforts related to agency redevelopment work. The agency hopes to continue this resident-first approach in any and all future redevelopment work.

Once families have been moved out of the units slated for redevelopment, the agency places a “hold” on the unit until construction is complete. When the new construction is complete, the unit holds will be removed and families will begin moving into the new homes. Rather than have families living in units up until the day construction begins, agency staff begin working months in advance to identify temporary relocation options for families within the agency’s portfolio and help families move on a timeline that best accommodates their needs—often times that occurs months before construction is scheduled to begin.

Another instance when short-term holds can be placed on vacant units is when the agency is planning interior renovations like bathrooms or kitchens that are more easily completed when the unit is vacant. Once the renovation work is done, the holds are removed and a new resident or family moves into the newly renovated home. Therefore, it is accurate to say the agency is currently holding units vacant, as it does in the instances outlined above.

Finally, on the topic of the agency’s rent-reasonableness MTW initiative, this is a program that enables greater administrative and cost efficiencies for residents and staff, and specifically allows for quicker response times to performing inspections in units. This activity does not increase resident rental portions.

If there are any questions left unanswered from the form letter elected leaders or their staff received, please do not hesitate to reach out to my office. The agency faces unique challenges, including a \$210 million capital backlog that continues to grow, but I am excited about the direction of MPHA. The agency and its staff have done great work this year on behalf of the residents and voucher-holders we serve, and I look forward to everything we can accomplish in 2023

All my best,

Abdi Warsame

Executive Director/CEO, Minneapolis Public Housing Authority (MPHA)

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.

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. 11/30/2023)

Public reporting burden for this information collection is estimated to average 30 minutes. This includes the time for collecting, reviewing, and reporting data. The information requested is required to obtain a benefit. This form is used to ensure federal funds are not used to influence members of Congress. There are no assurances of confidentiality. HUD may not conduct or sponsor, and an applicant is not required to respond to a collection of information unless it displays a currently valid OMB control number.

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)

11/16/2022

APPENDIX E:

Local Asset Management Plan (LAMP)

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

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 (2023)

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 – which includes PBV-assisted Elliotts LP and CHR properties – 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 high-rise 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 2019/2020, which was conducted by a third party vendor. Utilizing field data collection tools, inspectors 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. Additionally, each year an inflation factor is applied to repair/replacement costs, to reflect current market conditions. Due to historic inflation rates and high construction costs, the Consumer Price Index (CPI) applied in 2022 was 7%, 4-5% higher than historically applied. Further, the national average of the construction industry specifically saw a 13.2% increase in material and installation costs, which has made addressing our capital needs increasingly difficult.

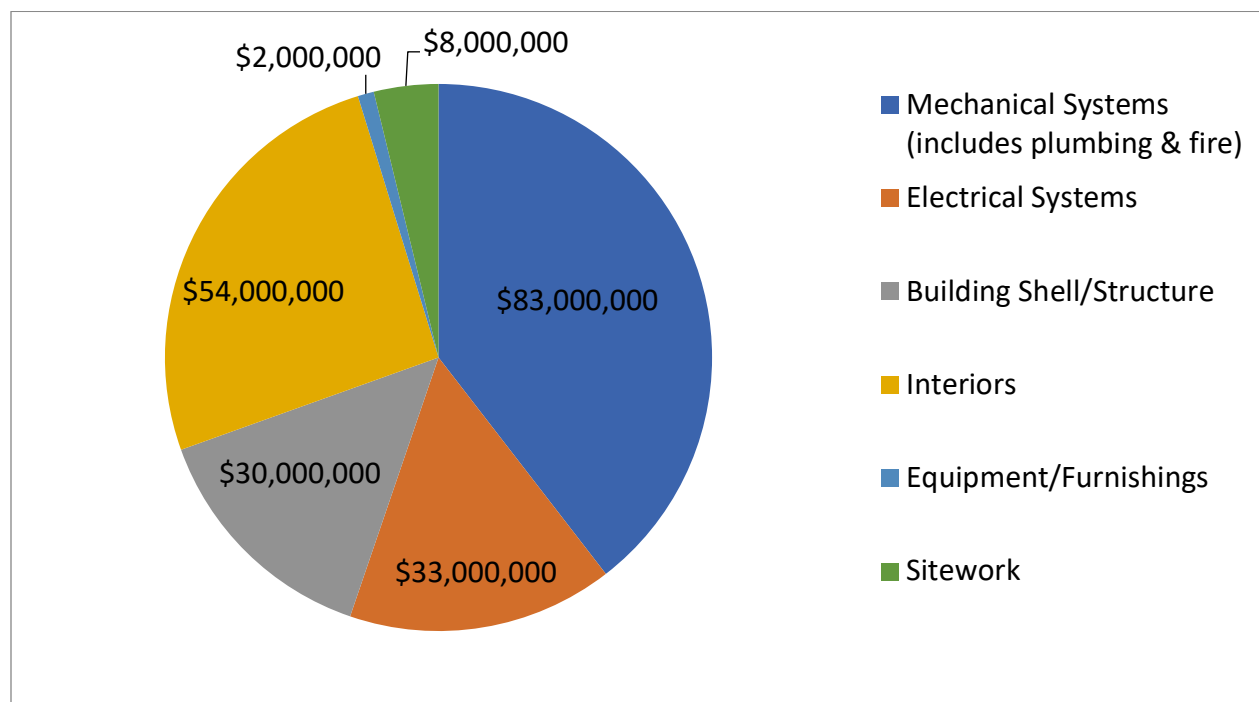
At the time of this publication, MPHA's physical-needs data indicates it has a current unmet need of approximately \$210 million that will grow to over \$600 million over the next 20 years. These figures do not take into account applied capital funding, as it is difficult to predict future funding levels 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:

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.
- The remaining useful life of the building component (generally ranges from 0 – 20 years).
- 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 high-rise buildings with sprinkler systems; it is the agency's goal to retrofit all high-rise properties with this critical life-safety system by 2025. 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. Details on MPHA's portfolio strategy are covered in Section I of this plan.

FY2023 SIGNIFICANT CAPITAL EXPENDITURES BY DEVELOPMENT

MPHA bases its capital activities on an expected Capital Fund Program (CFP) allocation of \$20 million for 2023. CFP funded activities that were initiated under previous funding cycles, but not fully completed in prior years, will carry over and experience expenditures in 2023. Additionally, a portion of the activities slated for 2023's \$20 million budget will not be fully expended in 2023 and will carry into 2024. MPHA has estimated approximately \$27.7 million in Capital Fund expenditures for FY2023 targeting specific projects in six of its seven Asset Management Projects (AMPs).

AMP	PROJ	ADDRESS	WORK ITEMS	BUDGET	2023 EXPENDITURES
ONGOING 2022 ACTIVITIES					
N/A	N/A	N/A	Administration	\$2,005,000	\$2,005,000
N/A	N/A	N/A	Pre-development	\$5,400,000	\$1,500,000
3	20.4	2415 North 3rd Street	Entry guard system replacement	\$340,000	\$300,000
3	25	600 18th Avenue North	Fire suppression system installation	\$950,000	\$850,000
3	26	1710 Plymouth Avenue	Main electrical switch gear replacement	\$400,000	\$375,000
3	37	1314 44th Avenue North	Plumbing replacement, bath/kitchen upgrades, fire suppression	\$10,000,000	\$3,500,000
3	42	314 Hennepin Avenue	Fire suppression system installation	\$1,000,000	\$975,000
4	15.4	710 2nd Street NE	Main electrical switch gear replacement	\$400,000	\$375,000
5	9	Hiawatha Towers	Fire suppression system installation	\$2,100,000	\$2,000,000
5	19	1920 4th Avenue South	Main electrical switch gear & generator replacement	\$750,000	\$725,000
5	24	1707 3rd Avenue South	Facade repairs & window replacement	\$2,900,000	\$2,800,000
6	6	1627 South 6th Street	Fire suppression system installation	\$335,000	\$290,000
6	6	Cedars Lowrises (1627 S 6th)	Facade restoration & window replacement (phase II of III)	\$2,900,000	\$850,000
6	16	1515 Park Avenue South	Main electrical switch gear & generator replacement	\$750,000	\$725,000
7	17	2728 East Franklin Avenue	Fire suppression system installation	\$1,200,000	\$100,000
AW	AW	Multiple highrises	Priority camera installations	\$265,000	\$100,000
PLANNED 2023 ACTIVITIES					
N/A	N/A	N/A	Administration	\$2,005,000	\$0
N/A	N/A	N/A	Audit fee	\$10,000	\$10,000
N/A	29	1015 North 4th Street	Generator upgrades	\$125,000	\$125,000
1	1	Glendale Townhomes	Select roofing, siding and plumbing replacement	\$1,000,000	\$500,000
3	3	800 5th Avenue North	Facade repairs & window replacement	\$1,650,000	\$650,000
3	20.5	3116 Oliver Avenue North	Elevator modernization	\$225,000	\$100,000
3	25	600 18th Avenue North	Elevator modernization	\$750,000	\$100,000
3	26	1710 Plymouth Avenue	Shower replacement	\$100,000	\$100,000
3	37	1314 44th Avenue North	Elevator modernization	\$575,000	\$100,000
3	42	314 Hennepin Avenue	Main electrical switch gear & generator replacement, facade repairs	\$2,750,000	\$750,000
4	15.5	616 Washington Avenue NE	Elevator modernization	\$225,000	\$100,000
4	21.5	1900 3rd Street NE	Fire suppression system installation	\$260,000	\$200,000
4	21.6	809 Spring Street NE	Fire suppression system installation	\$260,000	\$200,000
4	33	828 Spring Street NE	Facade and window repairs	\$300,000	\$300,000
5	19	1920 4th Avenue South	Site security enhancements	\$200,000	\$200,000
5	34	Fifth Avenue Towers	Apartment entry door replacement	\$400,000	\$400,000
6	6	1611 South 6th Street	Facade restoration & window replacement (phase III of III)	\$2,900,000	\$2,800,000
6	6	1627 South 6th Street	Apartment flooring replacement	\$150,000	\$150,000
6	16	1515 Park Avenue South	Fire alarm panel replacement	\$560,000	\$560,000
7	14	1415 East 22nd Street	Roof replacement and facade repairs	\$650,000	\$600,000
7	18.4	3755 Snelling Avenue	Fire suppression system installation, facade repairs	\$300,000	\$250,000
7	22	3205 East 37th Street	Fire suppression system installation, facade repairs	\$300,000	\$250,000
7	31	Horn Towers	Facade repairs	\$200,000	\$200,000
7	36	2121 Minnehaha Avenue	Facade repairs & window replacement, apartment entry door replacement	\$2,500,000	\$500,000
AW	AW	Multiple highrises	HVAC and other systems replacements	\$355,000	\$355,000
AW	AW	Multiple highrises	Priority camera installations	\$300,000	\$250,000
AW	AW	Contingency	Contingency	\$1,000,000	\$500,000
TOTAL 2023 EXPENDITURES					\$27,720,000

This plan and projected spending are subject to change as the agency goes through its annual budgeting process for 2023 including budget approval by the MPHA Board of Commissioners. Additionally, capital activities and expenditures are also based on these assumptions:

Final formula amounts at the 2022 levels and receipt of grant by the end of March 2023;
MPHA's ability to complete identified improvements at its properties within noted budgets despite challenges associated with construction and commodity markets in historic fluctuation.

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 2023-2027.

Minneapolis Public Housing Authority
2023 Five-Year Schedule of Capital Nee

FY23	FY24	FY25	FY26	FY27
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AMP 5 - Hiawatha

AMP 5	Project	Address	Bldgs	Units					
5	9	Hiawatha Towers	3	281	11,130,613	1,829,071	2,494,887	1,393,160	1,892,719
5	18.5	2533 South First Ave	1	42	1,610,177	107,226	41,442	447,125	76,490
5	19	1920 South Fourth Ave	1	110	3,216,375	108,146	75,260	531,499	62,717
5	24	1707 South Third Street	1	199	3,199,114	2,477,304	533,880	249,399	620,735
5	34	2419/33 South Fifth Ave	2	254	6,922,325	1,270,951	1,185,300	1,967,749	190,716
Total AMP 5			8	886	26,078,604	5,792,698	4,330,769	4,588,932	2,843,377

AMP 6 - Cedars

AMP 6	Project	Address	Bldgs	Units					
6	6 & 30	Cedars Community	4	539	17,548,860	1,454,024	240,491	2,122,292	933,122
6	16	1515 South Park Ave	1	182	4,934,182	2,057,732	404,172	0	265,105
Total AMP 6			5	721	22,483,042	3,511,756	644,663	2,122,292	1,198,227

AMP 7 - Horn

AMP 7	Project	Address	Bldgs	Units					
7	14	1415 East 22nd Street	1	129	3,563,554	770,130	881,118	74,657	586,611
7	17	2728 East Franklin Ave	1	151	3,216,375	108,146	75,260	531,499	62,717
7	18.4	3755 South Snelling Ave	1	28	1,719,100	422,848	10,326	32,605	0
7	22	3205 East 37th Street	1	28	1,420,176	153,333	3,442	0	126,832
7	31	Horn Towers	3	491	24,070,004	4,604,131	166,364	574,813	271,041
7	36	2121 South Minnehaha Ave	1	110	4,019,583	368,155	389,870	342,947	17,745
Total AMP 7			8	937	38,008,792	6,426,743	1,526,380	1,556,521	1,064,946

Management, Maintenance, and Other Facilities

	Project	Location	Bldgs	Units					
	N/A	Elliot Twins	2	174	0	0	0	0	0
	N/A	Scattered Sites	717	717	32,490,485	3,849,185	19,789,498	3,411,876	3,037,814
	29	1015 North Fourth Ave	1		797,378	0	300,294	183,679	0
	93	1301 Bryant Maintenance Off.	1		1,008,132	435,065	66,693	233,084	156,351
	96	1001 Washington Main Office	1		4,110,403	302,791	0	0	0
Total MM&O			722	891	38,406,398	4,587,041	20,156,485	3,828,639	3,194,165
GRAND TOTAL			825	5,942	225,702,950	47,695,598	38,705,773	27,706,416	11,089,929

Minneapolis Public Housing Authority
2023 Five-Year Schedule of Capital Needs

FY23	FY24	FY25	FY26	FY27
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AMP 1 - Rowhouses

AMP	Project	Address	Bldgs	Units					
1	1	Glendale	28	184	19,975,803	604,318	109,050	56,490	463,915
Total AMP 1			28	184	19,975,803	604,318	109,050	56,490	463,915

AMP 2 - Scattered Site/Single Family

AMP	Project	Address	Bldgs	Units					
2	Various	Various	35	35	1,263,219	263,913	762,592	53,823	30,166
Total AMP 2			35	35	1,263,219	263,913	762,592	53,823	30,166

AMP 3 - North

AMP	Project	Address	Bldgs	Units					
3	3	800 North Fifth Ave	1	66	1,857,866	206,966	127,807	373,866	0
3	20.4	2415 North Third Street	1	62	2,239,777	2,389,615	53,255	85,133	329,129
3	20.5	3116 North Oliver Ave	1	31	1,224,614	277,178	219,510	42,481	329,094
3	23	315 North Lowry Ave	1	193	5,079,060	2,421,239	2,704,187	0	75,354
3	25	600 North 18th Ave	1	239	6,466,212	6,642,663	282,233	1,198,085	0
3	26	1710 North Plymouth Ave	1	84	6,646,906	1,928,959	90,514	589,811	105,365
3	28	901 North 4th Ave	1	48	324,472	0	0	219,469	0
3	37	1314 North 44th Ave	1	220	8,484,913	3,494,247	2,417,361	79,769	166,907
3	42	314 Hennepin Ave	1	299	11,320,326	4,037,120	575,040	739,587	0
3	50	350 Van White Memorial Blvd	1	102	2,206,081	50,174	1,870,822	508,339	835,685
Total AMP 3			10	1,344	45,850,227	21,448,161	8,340,729	3,836,540	1,841,534

AMP 4 - Northeast

AMP	Project	Address	Bldgs	Units					
4	10	311 NE University Ave	1	49	1,206,336	194,126	83,118	680,784	18,815
4	15.4	710 NE Second Street	1	35	2,152,439	365,436	11,473	82,177	0
4	15.5	616 NE Washington Ave	1	35	2,209,095	87,804	121,905	160,695	0
4	21.4	1206 NE Second Street	1	57	1,827,096	273,680	273,440	403,449	82,068
4	21.5	1900 NE Third Street	1	32	1,989,582	289,470	388,573	533,271	0
4	21.6	809 NE Spring Street	1	32	2,191,053	178,062	109,775	1,005,052	321,357
4	32	1717 NE Washington Street	1	182	8,248,519	386,521	1,191,664	2,656,052	31,359
4	33	828 NE Spring Street	1	189	3,997,289	1,177,744	617,527	3,463,454	0
4	35	1815 NE Central Ave	1	333	9,815,456	2,108,125	37,630	2,678,245	0
Total AMP 4			9	944	33,636,865	5,060,968	2,835,105	11,663,179	453,599

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 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 served as the framework to guide our path into the future but, as things such as property needs, funding opportunities, and the priorities of MPHA and its stakeholders have evolved since that time, the agency has decided to re-visit its strategic vision and portfolio plan. At the time of this publication, MPHA has engaged a consultant to lead this robust process and an updated vision will be more fully outlined in the agency's 2024 MTW plan.

As we've completed construction at the Elliot Twins and will soon be closing on financing to begin construction of additional scattered site housing, MPHA has carefully analyzed which property we will next apply these or other tools to ensure our housing assets remain viable for the future. As noted in Section I of this plan, MPHA is considering conversions at 315 Lowry Avenue North and the properties that comprise the Heritage Park AMP, a mixed income development. These will be further explored through the remainder of 2022 and contemplated as we work to revise our strategic vision and portfolio plan.

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.

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. HUD's PIH Notice 2021-07 issued in 2021 provides expanded opportunities for RAD "Blend" conversions which MPHA is considering as we look to future preservation projects.

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.

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 complete at the Elliot Twins. MPHA has also received multiple rounds of state bond financing from the state for affordable housing preservation, most recently \$2.4 million for fire suppression system installations at four high-rises. In 2022, MPHA also applied for federal funds for fire suppression installations at multiple high-rise properties, which resulted in a \$2 million direct federal appropriation. In 2023, MPHA will continue pursuing local and other resources – such as a city tax levy– for its redevelopment and preservation 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 \$27 million in improvements were recently completed. This significant investment allowed 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 construct a single- story community building that houses increased resident amenities. A modernization of this magnitude had 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. MPHA is also pursuing LIHTC financing for construction of 84 new units of family housing which is scheduled to close in fall-2022.

APPENDIX G:

Glossary of Acronyms and Housing Terms

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

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

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

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

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

CFR – Code of Federal Regulations are published federal rules that define and implement laws; commonly referred to as “the regulations.” Regulations related to HUD programs are primarily in the 24th section of the code, denoted 24 CFR.

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

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

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

DOT - Declaration of Trust is a legal instrument which grants HUD an interest in a public housing property. It also provides public notice that the property was developed, maintained, or

operated with Federal assistance and is, therefore, held in trust by the public housing agency for the benefit of HUD.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PBRA – Project-Based Rental Assistance was authorized by Congress in 1974 to provide rental subsidies for eligible tenant families residing in newly constructed, substantially rehabilitated, and existing rental and cooperative apartment projects. Under it, developers (for-profit or non-profit) would build low-income housing and HUD would make up the difference between the HUD-approved rent (Contract Rent) for the assisted unit and the HUD-required rental contribution from eligible tenant families. *MPHA does not participate in the PBRA program.*

PBVs – Project-Based Vouchers provide rental assistance to families living in privately owned apartments, or in buildings publicly controlled by the housing authority. Unlike “tenant-based” vouchers, PBVs are attached to the housing unit. (Both types of vouchers are considered different types of “Section 8” vouchers and funded by Congress under the Section 8 program.) Using the voucher funding, MPHA enters into a contract to ensure that these units are preserved as affordable housing for up to 20 years (or beyond, in the case of RAD).

PHA – Public Housing Authority.

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

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

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

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

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

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

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

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

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

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

Part I: Summary					
PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: Estimated MN46P00250120 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: Est. 2020 FFY of Grant Approval:
Type of Grant Original Annual Statement Reserve for Disasters/Emergencies Performance and Evaluation Report for Period Ending: 12/31/2021 Revised Annual Statement (revision no:) Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
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	15,935,790	10,686,554
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

¹ To be completed for the Performance and Evaluation Report.

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

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

⁴ RHF funds shall be included here.

Part I: Summary					
PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: Estimated MN46P00250120 Replacement Housing Factor Grant No: Date Of CFFP:			FFY of Grant: Est. 2020 FFY of Grant Approval:
Type of Grant ☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no: Final) ☒ Performance and Evaluation Report for Period Ending: 12/31/2021 ☐ Performance and Evaluation Report 					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	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)	15,935,790	15,935,790	15,935,790	10,686,554
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 <i>Abdi Warsame</i>		Date 08-08-2022		Signature of Public Housing Director 	
				Date 	

¹ To be completed for the Performance and Evaluation Report.

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

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

⁴ RHF funds shall be included here.

[illegible]

² To be completed for the Performance and Evaluation Report

Part III: Implementation Schedule for Capital Fund Financing Program									
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PHA Name: **Minneapolis Public Housing Authority**

Federal FFY of Grant: Est. 2020

[illegible]

¹ 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.

Part I: Summary					
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 Original Annual Statement Reserve for Disasters/Emergencies Revised Annual Statement (revision no:) Performance and Evaluation Report for Period Ending: 12/31/2021 Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
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	16,363,821	16,363,821	7,366,473	0
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

¹ To be completed for the Performance and Evaluation Report.

Part I: Summary					
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					
Original Annual Statement		Reserve for Disasters/Emergencies		Revised Annual Statement (revision no: Final)	
☒ Performance and Evaluation Report for Period Ending: 12/31/2021		Performance and Evaluation Report			
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	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)	16,363,821	16,363,821	7,366,473	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 <i>Abdi Warsame</i>		Date 08-08-2022		Signature of Public Housing Director Date	

¹ To be completed for the Performance and Evaluation Report.

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

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

⁴ RHF funds shall be included here.

Part II: Supporting Pages		
PHA Name: Minneapolis Public Housing Authority	Grant Type and Number Capital Fund Program Grant No: Estimated MN46P00250121 CFFP (Yes/ No): No Replacement Housing Factor Grant No:	Federal FFY of Grant: Est. 2021

Grant Type and Number

CFFP (Yes/ No): No

Federal FFY of Grant: Est. 2021

[illegible]

² To be completed for the Performance and Evaluation Report.

Part III: Implementation Schedule for Capital Fund Financing Program									
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PHA Name: **Minneapolis Public Housing Authority**

Federal FFY of Grant: Est. 2021

[illegible]

¹ 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.

Part I: Summary					
PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: Estimated MN46P00250122 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: Est. 2022 FFY of Grant Approval:
Type of Grant Original Annual Statement Reserve for Disasters/Emergencies Revised Annual Statement (revision no:) Performance and Evaluation Report for Period Ending: 12/31/2021 Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
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	20,050,584	20,050,584	0	0
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

¹ To be completed for the Performance and Evaluation Report.

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

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

⁴ RHF funds shall be included here.

Part I: Summary					
PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: Estimated MN46P00250122 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: Est. 2022 FFY of Grant Approval:
Type of Grant Original Annual Statement Reserve for Disasters/Emergencies Revised Annual Statement (revision no: Final) ☒ Performance and Evaluation Report for Period Ending: 12/31/2021 Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	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)	20,050,584	20,050,584	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 <i>Abdi Warsame</i>		Date 08-08-2022		Signature of Public Housing Director Date	

¹ To be completed for the Performance and Evaluation Report.

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

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

⁴ RHF funds shall be included here.

Part II: Supporting Pages

PHA Name:

[illegible]

Capital Fund Program Grant No: Estimated MN46P00250122

CFFP (Yes/ No): No

Replacement Housing Factor Grant No:

Federal FFY of Grant: Est. 2022

[illegible]

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

² To be completed for the Performance and Evaluation Report.

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

U.S Department of Housing

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: Minneapolis Public Housing Authority					Federal FFY of Grant: Est. 2022
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates ¹
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
	05/11/2024		05/11/2026		

¹ 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.

Part I: Summary					
PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: Estimated MN46P00250123 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: Est. 2023 FFY of Grant Approval:
Type of Grant Original Annual Statement Reserve for Disasters/Emergencies Revised Annual Statement (revision no:) Performance and Evaluation Report for Period Ending: 12/31/2021 Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
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	20,050,584	20,050,584	0	0
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

¹ To be completed for the Performance and Evaluation Report.

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

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

⁴ RHF funds shall be included here.

Part I: Summary					
PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: Estimated MN46P00250123 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: Est. 2023 FFY of Grant Approval:
Type of Grant Original Annual Statement Reserve for Disasters/Emergencies Revised Annual Statement (revision no: Final) ☒ Performance and Evaluation Report for Period Ending: 12/31/2021 Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	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)	20,050,584	20,050,584	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 <i>Abdi Warsame</i>		Date 08-08-2022		Signature of Public Housing Director 	
				Date 	

¹ To be completed for the Performance and Evaluation Report.

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

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

⁴ RHF funds shall be included here.

[illegible]

² To be completed for the Performance and Evaluation Report.

Part III: Implementation Schedule for Capital Fund Financing Program									
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PHA Name: **Minneapolis Public Housing Authority**

Federal FFY of Grant: Est. 2023

[illegible]

¹ 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.

Part I: Summary					
PHA Name: Minneapolis PHA in and for the City of Minneapolis 1001 Washington Ave N MPLS, MN 55401		Grant Type and Number Capital Fund Program Grant No: MN46L002501-17 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant: 2017 FFY of Grant Approval:	
Type of Grant Original Annual Statement Reserve for Disasters/Emergencies Revised Annual Statement (revision no:) Performance and Evaluation Report for Period Ending: 12/31/21 Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1480 General capital Activity	\$ 1,000,000	\$ 1,000,000	\$ 308,697.03	\$ 308,697.03
6	1492 Moving to Work Demonstration				
7	1501 Collateralization Expense / Debt Service Paid by PHA				
8	1503 RAD-CFP				
9	1504 RAD Investment Activity				
10	1505 RAD-CPT				
11	9000 Debt Reserves				
12	9001 Bond Debt Obligation paid Via System of Direct Payment				
13	9002 Loan Debt Obligation paid Via System of Direct Payment				
14	9900 Post Audit Adjustment				

¹ To be completed for the Performance and Evaluation Report.

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

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

Part I: Summary					
PHA Name: Minneapolis PHA in and for the City of Minneapolis 1001 Washington Ave N MPLS, MN 55401		Grant Type and Number Capital Fund Program Grant No: MN46L002501-17 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant: 2017 FFY of Grant Approval:	
Type of Grant ☐ Original Annual Statement ☒ Performance and Evaluation Report for Period Ending: 12/31/21 Reserve for Disasters/Emergencies Final Performance and Evaluation Report Revised Annual Statement (revision no:) Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
15	Amount of Annual Grant:: (sum of lines 2 - 14)	\$ 1,000,000	\$ 1,000,000	\$ 308,697.03	\$ 308,697.03
16	Amount of line 20 Related to LBP Activities	\$ 1,000,000	\$ 1,000,000	\$ 308,697.03	\$ 308,697.03
17	Amount of line 20 Related to Section 504 Activities				
18	Amount of line 20 Related to Security - Soft Costs				
19	Amount of line 20 Related to Security - Hard Costs				
20	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director <i>Abdi Warsame</i>		Date 08-08-2022		Signature of Public Housing Director 	
		Date			

¹ To be completed for the Performance and Evaluation Report.

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

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

Part II: Supporting Pages								
PHA Name: Minneapolis PHA in and for the City of Minneapolis 1001 Washington Ave N MPLS, MN 55401		Grant Type and Number Capital Fund Program Grant No: MN46L002501-17 CFFP (Yes/ No): Replacement Housing Factor Grant No:			Federal FFY of Grant: 2017			
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
MN002000002	Lead based paint inspections, abatement, and clearance testing in single family scattered site homes.	1480	423 units	\$1,000,000	\$1,000,000	\$ 308,697.03	\$ 308,697.03	100%

**Annual Statement/Performance and Evaluation Report
of Housing and Urban Development**

U.S. Department

Part III: Implementation Schedule for Capital Fund Financing Program

[illegible]

¹ 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.

Part I: Summary

PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: MN46E00250120 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant: 2020 FFY of Grant Approval:	
Type of Grant Original Annual Statement Reserve for Disasters/Emergencies Revised Annual Statement (revision no:) Performance and Evaluation Report for Period Ending: 12/31/2021 Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
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	235,000	235,000	235,000	33,792
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

¹ To be completed for the Performance and Evaluation Report.

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

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

⁴ RHF funds shall be included here.

Part I: Summary

PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: MN46E00250120 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant: 2020 FFY of Grant Approval:	
Type of Grant Original Annual Statement Performance and Evaluation Report for Period Ending: 12/31/2021 Reserve for Disasters/Emergencies Revised Annual Statement (revision no:) Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	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)	235,000	235,000	235,000	33,792
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 <i>Abdi Warsame</i>		Date 08-08-2022		Signature of Public Housing Director 	
				Date 	

¹ To be completed for the Performance and Evaluation Report.

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

³ PHAs with under 250 units in management may use 100% of CFP grants for operations

⁴ RHF funds shall be included here.

Part II: Supporting Pages

PHA Name: _____

Grant Type and Number	Project Title	Start Date	End Date	Amount	Source	Notes
1	...	...	...	...	...	...
2	...	...	...	...	...	...
3	...	...	...	...	...	...
4	...	...	...	...	...	...
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17	...	...	...	...	...	...
18	...	...	...	...	...	...
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27	...	...	...	...	...	...
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76	...	...	...	...	...	...
77	...	...	...	...	...	...
78	...	...	...	...	...	...
79	...	...	...	...	...	...

Capital Fund Program Grant No: MN46E00250120

CFFP (Yes/ No): No

Replacement Housing Factor Grant No:

Federal FFY of Grant: 2020

Development
Number Name/PHA-
Wide Activities

General Description of Major Work Categories

Development
Account No.

Quantity

Total Estimated Cost	
----------------------	--

Original

Revised ¹

Total Actual Cost	
-------------------	--

Funds Obligated ²

Funds Expended ²

Status of Work

MN002

Safety and Security improvements

1480

235,000

235,000

235,000

33,792

14%

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

² To be completed for the Performance and Evaluation Report.

2Part III: Implementation Schedule for Capital Fund Financing Program

[illegible]

¹ 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.